HOUSE OF COMMONS BOUND VOLUME OF DEBATES 6th SERIES VOL. 129

ISBN 0 10 681129 0

ADDENDUM

At column 319, line 21, insert the following:

VAT (Spectacles and Contact Lenses)

Dame Jill Knight: To ask the Chancellor of the Exchequer how much money he estimates will be raised by imposing value added tax on spectacles and contact lenses.

Mr. Lilley *[holding answer 7 March 1988]:* It is estimated that the additional revenue yield from ending the exemption from value added tax on final sales of spectacles and contact lenses would be about £25 million in a full year in 1988-89 terms.

VAT (Rates)

Mr. Warren: To ask the Chancellor of the Exchequer how many submissions he has received in the past six months, and from whom, objecting to the European Economic Community's proposals to approximate member states' value added tax rates.

Mr. Lilley *[holding answer 8 March 1988]:* My right hon. Friend the Chancellor of the Exchequer has received a large number of representations from a wide variety of sources.

December 1988

PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 129

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTIETH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
THIRTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 1987-88

COMPRISING PERIOD
7 MARCH—18 MARCH 1988

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THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTIETH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 25 JUNE 1987]

THIRTY-SEVENTH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 129**

TWELFTH VOLUME OF SESSION 1987-88

House of Commons

Monday 7 March 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

ENERGY

Mr. Speaker: Before we start on questions to the Secretary of State for Energy, may I say to the House that further court proceedings are still pending in Scotland on the issue of whether the South of Scotland Electricity Board is bound by contracts to purchase coal exclusively from British Coal for certain power stations. This means that that issue cannot be raised in supplementary questions or, indeed, in the debate later today.

I am, however, prepared to allow questions and speeches to cover the future policy of the electricity boards in Scotland on the use of domestic and imported coal.

Mr. Douglas: On that point, Mr. Speaker, would you be gracious enough to reflect a little further on how that statement constrains hon. Members with very important constituency interests, and on the debate last week in which this very matter was raised specifically by my hon. Friend the Member for Midlothian (Mr. Eadie) and by me? Will you reflect on how we might be constrained in advocating a position in defence of our constituents' interests, particularly in view of the threat that hangs over 3,000 to 4,000 miners in Scotland?

Mr. Speaker: When I gave my original ruling, the issue was not sub judice. This week it is. As I have already explained to the hon. Gentleman, discussion of the general proposition on whether domestic or imported coal should be used is perfectly permissible.

Mr. Salmond: On a point of order, Mr. Speaker. Can you give us further clarification on whether what is sub judice pertains to the point at issue in the court case, namely, whether contracts have been established? Or are you saying that we cannot discuss the entire issue of the buying in of coal by the privatisation?

Mr. Speaker: That is exactly what my statement said. What is sub-judice is the issue immediately before the court. I am prepared to allow questions and speeches to cover the future policy of the boards.

Mr. Dalyell: Further to that point of order, Mr. Speaker. Question 6, which refers to this issue, stands in my name. The difference between policy and what is actually about to happen to jobs throughout Scotland is a very grey area indeed. Does this not raise the whole question of the relationship between what Parliament has already accepted on the Order Paper and the courts? On what basis are matters that appear in the courts subsequently allowed to preclude legitimate parliamentary questions?

Mr. Speaker: Order. The questions were put down before the matter was sub judice. I have nothing to add to the statement that I have already made.

Electricity Industry

1. **Mr. Rost:** To ask the Secretary of State for Energy when he proposes to announce his detailed plans for the privatisation of the electricity industry.

13. **Mr. Favell:** To ask the Secretary of State for Energy when he expects to publish his proposals for the privatisation of the electricity supply industry.

The Secretary of State for Energy (Mr. Cecil Parkinson): I refer my hon. Friends to my statement to the House of 25 February 1988.

Mr. Rost: Is my right hon. Friend aware that his proposals have been widely welcomed by those who wish

to get into the business of electricity production, and that provisional contracts are already being negotiated between private generators and area boards at about 3p per unit of electricity? Is that not evidence that the competitive surge is already beginning and that this will lead to electricity price reductions and a better deal for the consumer and for industry?

Mr. Parkinson: My hon. Friend is right. There is scope for competition in generation. I believe that that competition will put a downward pressure on costs, and we shall ensure through regulation that the benefit is passed to the customer.

Mr. Favell: As my right hon. Friend is aware, a large number of CEGB employees live in Stockport. This privatisation differs from others because the employer after privatisation will not necessarily be the same one as before. Can my right hon. Friend say how the change over for employees is to be effected? In particular, will he say something about pension rights and the right to subscribe for shares?

Mr. Parkinson: This will be a matter for detailed negotiation with the industry, now that we have declared the structure. We made it clear in the White Paper that the negotiating rights would not be interfered with and the machinery would not be disturbed. We also made it clear that one of the scares that are normally run on these occasions — that pensions would be threatened — was without foundation, and that we would ensure for everyone in the industry the right to buy shares on preferential terms.

Mr. Matthew Taylor: The Secretary of State referred to the detailed plans in the White Paper, but there is nothing in the White Paper about the sort of price protection that there will be for consumers. There are worries in my part of the country that account may be taken in future of reactive losses, the costs of which are currently distributed around the country, and that therefore high price rises may occur in the further-flung regions of the country, to which there are high transmission costs. Can the Secretary of State give any reassurance to my constituents?

Mr. Parkinson: Yes. If the hon. Gentleman looks again at the White Paper he will find that the regulator will be charged with the duty of making sure that the distribution companies do not abuse their monopolies, that the savings they make in costs of generation should be passed on and that their own prices will be put under pressure.

Mr. Nicholas Brown: What will the Secretary of State's privatisation proposals mean for the four outstanding orders for coal-fired power stations?

Mr. Parkinson: We expect those orders to be pursued. We believe that there is an important future for coal and that well into the foreseeable future coal will continue to be the major source of our electricity.

Sir Anthony Meyer: What can my right hon. Friend say to allay the fears that the form of privatisation that he has chosen will not merely exert pressure on the Coal Board to be efficient, which is acceptable, but will unleash competitive forces which will lead finally to the virtual closure of the British deep mine coal industry?

Mr. Parkinson: That is pessimistic nonsense. There will be a need for 75 million tonnes of coal a year, and I refuse to believe that the British coal industry, backed by substantial investment and the most modern equipment, cannot meet the challenge of supplying most of that need.

Mr. Wm. Griffiths: Can the Minister tell us whether, in his detailed plans, he is prepared to give the regulatory body the power to investigate the comparative value of investment in energy conservation, as opposed to the expansion of energy supply? According to the Prime Minister, £7 billion worth of savings could be made in energy conservation.

Mr. Parkinson: I do not think that that will be a matter for the regulator. However, the hon. Gentleman has made an important point. Nearly £7 billion a year is wasted in paying for energy, which is subsequently not used properly. We believe that there is tremendous scope for savings for the domestic consumer and for industry. I hope that industry will focus on the scope for reducing its costs by the better use of what it is at present buying.

British Coal

2. **Mr. Roger King:** To ask the Secretary of State for Energy how much public funding is being provided for British Coal in the current year.

The Parliamentary Under-Secretary of State for Energy (Mr. Michael Spicer): The Government expect to provide £916 million in grants to British Coal in 1987-88.

Mr. King: I thank my hon. Friend for that reply. Is he aware of the great and widespread concern among manufacturers at the high cost of investment within the coal industry, which they are having to pay through their taxes? Is he further aware that some companies, such as the Rover Group, have learnt to live within their means and have not borrowed from the public purse, nor will they in future, and that they look upon the cost of providing the coal industry with the resources it wants as a direct burden upon their profitability? When is the coal industry going to pull itself up by its own boot straps?

Mr. Spicer: My hon. Friend is right to say that we have been backing the coal industry with taxpayers' money as no other Government have done before. It has been provided with £9 billion in the past nine years — an average of £1 billion per year. My hon. Friend is absolutely right to say that the taxpayer naturally expects a return on his money. That is why we deplore any continued disruptive action in the pits, which has so far this year cost British Coal £100 million of operating profit. That happens to be the same as the estimated cost of building Margam.

Mr. Cummings: Will the Secretary of State join me and the House in congratulating the work force of Murton colliery on breaking all productivity records during the week in which we celebrated our 150th anniversary and the cutting of the first sod? Does the Secretary of State agree that, in order to facilitate an atmosphere for increased productivity greater efficiency and better industrial relations, the dismissed miners who lost their jobs during the 1984-85 dispute should now be offered their jobs back?

Mr. Spicer: Of course I join the hon. Gentleman in congratulating the workers at Murton colliery—which I know because I was a candidate there for 10 years, opposing various predecessors of the hon. Gentleman—on their productivity record. It is true that British Coal as a whole has been making great strides in productivity.

As to the second part of the hon. Gentleman's question, this matter has been gone over heavily. Of all the many miners originally considered, only about 50 of those dismissed have any kind of case. The hon. Gentleman knows that that dispute resulted in a great deal of bad behaviour by many people, which led to an enormous number of court cases. There is no question of our reconsidering the position.

Mr. Andy Stewart: My hon. Friend may care to know that the miners in Nottinghamshire appreciate the Government's total commitment to investment in the coal industry and that, given the opportunity, they will continue to increase productivity. Does my hon. Friend agree that there has been not only increased productivity but increased safety? Only last year the safety record in Nottinghamshire increased dramatically and, given the conditions there, that record will continue to improve.

Mr. Spicer: I very much agree that a thriving coal industry, with the backing of modern equipment, will be a much safer industry.

Mr. Hardy: Does the Minister accept that the Government's case for public investment in the coal industry is imperilled by the enthusiastic shortsighted pursuit of cheaper, uneconomic and often dumped coal imports? Does the hon. Gentleman also accept that not only that investment but the future of the coal industry and the mining engineering and equipment industry may be imperilled if that reckless course is pursued, at enormous cost to Britain's future balance of payments?

Mr. Spicer: I should rather put my answer the other way round: British Coal, with the backing of the taxpayer in recent years, is in a good position to compete against all comers if it will use the equipment properly. The key question is whether that equipment will be used properly.

Nuclear Safety

3. **Mr. Sackville:** To ask the Secretary of State for energy when he last met representatives of the International Atomic Energy Agency to discuss nuclear safety.

Mr. Michael Spicer: My right hon. Friend and I have met representatives of the International Atomic Energy Agency on a number of occasions. The Government are totally committed to ensuring that the British nuclear industry maintains its outstanding safety record.

Mr. Sackville: Does my hon. Friend agree that those hon. Members who are concerned about the safety of our nuclear installations should arrange to visit the Risley laboratory of the Atomic Energy Authority, where they will find evidence that the British nuclear industry presents a reservoir of expertise and skill in safety matters that is unsurpassed anywhere in the world?

Mr. Spicer: My hon. Friend is right about the excellent job done on safety matters at Risley. The British nuclear industry's record is second to none on these matters, and we mean to keep it that way.

Mr. Alan W. Williams: There have been contradictory press reports about the experiment which was supposed to be conducted at the Trawsfynydd nuclear power station. The flow of cooling fluid was to be turned off in a Chernobyl-style experiment. Has that experiment been postponed, or cancelled?

Mr. Spicer: That is a matter for the CEGB. The experiment has been postponed but, of course, any test would be done under totally different conditions from anything comparable to Chernobyl. It is wrong to raise the Chernobyl matter. As one example of what would have happened, the power station would have been shut down. There was no question of the kind of experimentation and lack of safety systems that existed at Chernobyl being seen here. There is no comparison between the two. At the moment, the CEGB has postponed the experiment.

Mr. Chapman: Does my hon. Friend agree that the highest standards of international agreements on nuclear safety are vital to this country, not because the British nuclear industry is in any way wanting — it has the highest safety standards of any country — but because there are so many foreign nuclear reactors, and if there were a serious accident the effect on the people of Britain as well as on the people of other European countries would be devastating?

Mr. Spicer: What my hon. Friend has said is absolutely true, and part of the reason — perhaps the main reason — why we co-operate so greatly on international matters is that we see it as imperative that the kinds of standards that we adopt here are as widespread as possible throughout the world.

Dr. Thomas: With regard to international co-operation in the nuclear industry, will the Minister ensure that any natural circulation tests that take place in the future at Trawsfynydd, or elsewhere, are subject to inspection by international representatives from the European Community and from the International Atomic Energy Agency?

Mr. Spicer: If I were to say yes to the hon. Gentleman, which I do not plan to do, that would suppose or presume that we have less than total confidence in our own regulators, which, of course, is not the case. We have total confidence in the Nuclear Installations Inspectorate and in the operators to ensure the continuation of safety in the British nuclear industry.

Electricity Industry

4. **Mr. Prescott:** To ask the Secretary of State for Energy if, when he last met the Confederation of British Industry, he received a copy of the report it commissioned from the Oxford Economic Research Association on "The Privatisation of the Electricity Supply Industry"; and if he will make a statement on its conclusions.

Mr. Parkinson: I have received a copy of the report and I shall be discussing it with the Confederation of British Industry shortly.

Mr. Prescott: Does the Secretary of State accept the conclusion of the reporters, who are convinced supporters of his privatisation programme, that a 15 per cent. price increase is totally unjustified on the ground of an increased rate of return on investment? Does he, therefore, accept their statement that the price increase is concerned only with increasing the value of the assets, which supports the view of the Opposition that the 15 per cent. price increase is totally unjustified and is really a privatisation tax to benefit the Treasury, paid for by the consumer, which will produce higher prices and higher unemployment?

Mr. Parkinson: No, Sir, we do not accept either the conclusions or the reasoning of the report, and if the hon.

Gentleman read it carefully, he would not either. We do not believe that short-run marginal costs are a sensible basis for pricing electricity. We do not think that the fluctuations that would follow from such a policy would be acceptable to the hon. Gentleman or to anybody else in the country.

Mr. Prescott: That is competition.

Mr. Parkinson: No, it is not.

Dr. Michael Clark: Is my right hon. Friend aware that the increase in the subscription rate of the Confederation of British Industry over recent years has been considerably higher than the increase in electricity prices? Is he also aware that during the past five-year period that subscription rate has increased by twice the rate of the increase in electricity prices to industry? Does he consider that that might be one reason why the number of manufacturing companies in the CBI has fallen, and is that not a case of people in glass office blocks?

Mr. Parkinson: My hon. Friend has put forward an interesting set of facts of which I was not aware until now. The CBI has grossly over-reacted to our proposals, and its assessment of the impact on the overwhelming majority of its members is totally wrong.

Mr. Heffer: In an interesting article in the *Sunday Express* yesterday the right hon. Gentleman made the point:

"We are ending monopoly wherever possible. This won't mean that households will be able to choose between rival electricity"——

Mr. Speaker: Order. The hon. Gentleman is an old parliamentary hand. He must paraphrase, not quote.

Mr. Heffer: I am not reading it, Mr. Speaker; I am just referring to it.

On that basis, how can the right hon. Gentleman say, "We are now introducing competition in the industry," when we already have a good industry giving good electricity prices? How can he argue about competition? We are not buying suits, clothes or shoes, and it will be the same electricity, whoever supplies it. Are not the Government involved in doctrinaire nonsense?

Mr. Parkinson: I hope that the hon. Gentleman will follow his reading of my article by reading the White Paper, in which I explain that although distribution is a natural monopoly, generation is not, and generation accounts for 80 per cent. of the costs of electricity. It is perfectly possible to introduce competition into that part which represents 80 per cent. of the customers' bills and to regulate the rest.

Mr. Thurnham: Does my right hon. Friend agree that his proposals will allow more decision-takers to be involved in the industry? The Opposition should recognise that that is healthier for both the suppliers of generation equipment and the consumers of electricity.

Mr. Parkinson: I believe that our proposals will open up good career opportunities for many people working in the industry. I do not like the present structure, whereby the average area board consists of two people — usually they have come in from outside the board — and about 12 non-executives. I believe that, in future, there will be scope for promotion within the business for people who have devoted their lives to it. I hope that the Opposition will welcome that.

British Coal—SSEB

5. **Mr. Eadie:** To ask the Secretary of State for Energy if he has had discussions with British Coal regarding its threatened court action against the South of Scotland Electricity Board, announced in the press release of British Coal of 17 February.

6. **Mr. Dalyell:** To ask the Secretary of State for Energy if he will make a statement on his discussions with British Coal and the South of Scotland Electricity Board on the future of the coal industry in Scotland.

Mr. Michael Spicer: I hope that British Coal and the South of Scotland Electricity Board will reach satisfactory arrangements. This is a commercial matter for the two industries.

Mr. Eadie: Surely the hon. Gentleman is aware that his Department sponsors the coal industry. Is he trying to tell the House that he and his right hon. Friend did not know that the Secretary of State for Scotland intended to sit on his hands and do nothing about the threat to wipe out the deep mine coal industry in Scotland? We regard the Minister and his right hon. Friend as conspirators in this betrayal of the Scottish miners.

Mr. Spicer: I thank the hon. Gentleman for reminding me that we sponsor the coal industry. The Government are totally at one on this matter and no one is conspiring against anyone else. In recent years the Government have invested £120 million of taxpayers' money in the Scottish coal industry. Therefore, there is no doubt that we would prefer British Coal and the SSEB to spend more time talking to each other in an effort to resolve this problem than fighting each other in the press and the courts.

Mr. Dalyell: Does the Minister support the SSEB's short-term marginal costings?

Mr. Spicer: There are two sides to the issue of costings — the question whether electricity consumers are benefited and employees——

Mr. Dalyell: Answer the question.

Mr. Spicer: I will answer the question in my own way. There is also the question whether the consumers or the employees of the coal industry are benefited. The two industries are fighting each other and they each have their own perspective on the issue.

Sir Ian Lloyd: Does my hon. Friend agree that, although it is invariably appropriate and occasionally necessary for parties to a dispute to settle that dispute and determine their obligations before the courts, it is at best inappropriate and at worst disastrous that energy policy is determined by the courts?

Mr. Spicer: As I have already said, the Government would infinitely prefer the matter to be settled as a result of discussion between the two industries.

Mr. McLoughlin: Does my hon. Friend agree that the Scottish coal industry has a bright future, bearing in mind the huge amount of capital invested in the industry by the Government? That future is likely to be blighted only if coal cannot be produced at an effective and efficient price. Bearing that in mind, does my hon. Friend share my surprise that, in the latest ballot held by the National Union of Mineworkers, some 51 per cent. of Scottish

miners wanted to continue with the overtime ban, which will do no good whatever for the future of British Coal, but which is no doubt supported by the Labour party?

Mr. Spicer: My hon. Friend is absolutely right. The continued disruption at the Scottish pits has done no good whatever. At the end of the day, unless the consumer of electricity in Scotland is to be disadvantaged, coal must be produced at a competitive price.

Mr. Douglas: The Minister has made reference to capital investment in Scotland. How much of that investment was made at the Longannet complex? What return can the nation expect from that investment if the product of the mines in that complex is not used by the SSEB?

Mr. Spicer: The answer to the first part of the hon. Gentleman's question is £60 million. The answer to the second part of the question is that it depends, as I have already said, on the industry making use of the capital invested. The Government have put the capital behind the industry, but it is up to the industry to make use of it by producing coal at the right price.

Mr. John Marshall: Does my hon. Friend agree that many more people are employed in energy-using industries in Scotland than are employed in the Scottish coal industry? Does he agree also that if the SSEB were to pay through the nose for electricity employment in energy-using industries would be put substantially at risk? Can he justify the calls by Labour Members that the pensioners of Scotland should be asked to pay more for their electricity in order to subsidise the lackeys of Mr. Scargill?

Mr. Spicer: My hon. Friend makes a good point. Speaking from memory, I believe that about 4,000 people are employed in the Scottish coal industry, so my hon. Friend is likely to be right about the number of people who would benefit from cheap electricity prices. The Government's position is that the industries must sort the matter out themselves.

Mr. Salmond: Does the Minister wish to maintain his position of 15 February — that the present impasse between the SSEB and British Coal has
"nothing to do with privatisation"
—or does he wish to withdraw or amend that statement?

Mr. Spicer: No, Sir.

Mr. Darling: Do the Government have a policy for the future of the Scottish coalfield, or do they intend to sit back and act like disinterested spectators?

Mr. Spicer: The Government's policy is to provide the most efficient industries for our consumers that it is possible for this country to provide. We put a great deal of money into the Scottish industry in the belief that it would make the best use of that equipment, and now we are concerned about the continued disruption that is preventing that equipment from being used properly.

Pressurised Water Reactors

8. **Mr. Hannam:** To ask the Secretary of State for Energy if he has recently met the chairman of the National Nuclear Corporation to discuss British involvement in the pressurised water reactor programme.

Mr. Parkinson: I have met the chairman of the National Nuclear Corporation on various occasions. United Kingdom industry has contributed 93 per cent. of the value of the contracts let for Sizewell B to date.

Mr. Hannam: Did my right hon. Friend approve the recent decision by the CEGB to prevent the formation of a new PWR construction company by the National Nuclear Corporation and Westinghouse? How does he see the future involvement of the NNC and British contractors in PWR construction in Britain?

Mr. Parkinson: I regard the NNC as a valuable national asset. At the moment there is a question mark over its future which I am anxious to see removed. I am discussing this with various parties, and as soon as I have more to report to the House I will do so.

Mr. Frank Cook: Did the Secretary of State discuss the level of insurance cover for liability on PWRs? I thank the Secretary of State for the letter that he kindly sent to me today. In view of the Minister's comments today on how safe and how far ahead of the rest of the world our nuclear industry is, will the Secretary of State explain why the cover that is required is only £20 million, when the cost of any accident could be infinitely greater than that? Why is it that after privatisation the public taxpayer will have to fund any compensation over and above £20 million, whether the accident is at Sizewell or at any other station?

Mr. Parkinson: The agreement that is incorporated in the Act, which sets the £20 million limit and puts the rest of the cost on to the general body of taxpayers, is an international agreement to which Britain is a signatory, and one that we intend to uphold whether the industry is in the private or the public sector. We do not accept that there will be any change in the standards of safety in the private sector. There will be no relaxation in those standards, and we shall continue to remain a signatory to the international agreement that is embodied in that Act.

Mr. Neil Hamilton: Does my right hon. Friend agree that the National Nuclear Corporation has a first-class record in the design and project management of nuclear power stations under construction, that Torness and Heysham have been built both to time and to cost, that it is vital for the future of the nuclear industry that power stations continue to be built in a cost-effective way, and that the best way of achieving that is to have an independent contractor constructing these stations after privatisation?

Mr. Parkinson: Yes. I think that the 3,000 employees of the National Nuclear Corporation have done a good job for Britain and I want those skills maintained and that expertise to remain available. That is why I am in discussion with various parties. I shall report as soon as I have more to say to the House.

Energy Efficiency

10. **Mr. John Garrett:** To ask the Secretary of State for Energy if he will make it his policy to support the European Commission's proposed directive on energy efficiency surveys of buildings for sale.

Mr. Michael Spicer: No, Sir. The United Kingdom Government share the view of most other EC member states that it is not appropriate to require the householder to spend between £100 and £200 of his own money on a mandatory home energy audit.

Mr. Garrett: Is the Minister aware that the former Secretary of State for Energy was an enthusiast for such a scheme, that experience in Denmark is that for every £1 of survey costs there are £4 in private investment, that the European Commission is promoting the scheme and that the British Government alone are resisting its introduction? Given the abysmally low level of domestic energy efficiency in Britain, which the Secretary of State has admitted, why not introduce the scheme? Why is there no reference whatsoever to energy efficiency in the White Paper on electricity privatisation?

Mr. Spicer: There are two fallacies in the hon. Gentleman's supplementary question. First, it is not true that all other Governments are backing the scheme for mandatory auditing. Nor is it true that the Danish experience has been particularly successful. The scheme is subsidised by the Danish Government and is mandatory, but the take-up rate had been only 50 per cent. We believe that it is much better to deal with the problem through direct grants to those who need the money. We have spent £20 million on household loft insulation in about 500,000 households, and 400,000 houses have been draught-proofed, at a cost of about £45 million. It is much better to do that for those on low incomes.

12. **Mr. Moss:** To ask the Secretary of State for Energy if he has any new proposals to improve national energy efficiency.

Mr. Parkinson: The Energy Efficiency Office is consulting outside bodies with the aim of developing programmes in the most economically attractive areas. We are also examining how the contribution from companies which benefit from the Department's programmes can be increased. I hope to announce the outcome of this work before the summer recess.

Mr. Moss: I am grateful to my right hon. Friend for that reply. I know that he is aware of the energy study in the north-west that was undertaken by the March Consulting Group, and I am aware also that he recognises one of the conclusions of the study, namely, that in the north-west industry and commerce could save up to 15 per cent. of energy demand by using known technology. Does he agree that the CBI would be better employed exhorting its members to seek to obtain that saving of 15 per cent. than simply whingeing about electricity prices increasing?

Mr. Parkinson: It is true, as I said earlier, that there are substantial savings to be made by using energy more efficiently. The Department has been sponsoring a number of projects — I hear Opposition Members making sneering remarks — that have resulted in more than 90 per cent. of lofts in Britain being insulated. By the end of the year we shall have insulated the homes of over 700,000 pensioners. We are making real progress in helping those on low incomes to save energy. It is important that we continue to make progress.

Mr. Home Robertson: How can the Secretary of State talk about national energy efficiency when the Under-Secretary of State has been talking about the substantial investment that has been made in the Scottish coal industry and the Secretary of State for Scotland is idly standing by and allowing the coal industry and coal-burning power stations in Scotland to be scrapped?

Mr. Parkinson: I realise that the hon. Gentleman wanted to make his point about the coal industry, but I genuinely think that he has chosen the wrong question on which to do so. This question is to do with the more efficient use of energy in homes and by industry. We are talking about the end user. We believe that there is substantial scope for savings, and so did the March group, whose report I endorse.

Alternative Energy Sources

15. **Mr. Boswell:** To ask the Secretary of State for Energy how much will be spent by his Department on research into alternative methods of energy in the next five years.

Mr. Michael Spicer: The public expenditure White Paper, Cm. 288, published in January 1988, envisages that up to 1991 about £50 million will be spent on research into renewable sources of energy. Information for subsequent years is not available.

Mr. Boswell: Is my hon. Friend aware that the House will welcome the proposal in the White Paper on the privatisation of electricity to put non-renewable sources together with nuclear under a single quota? That is greatly to be welcomed. Will he consider bringing forward his surveys into and studies of renewable energy as soon as possible?

Mr. Spicer: My hon. Friend is right to say that renewables are included in the quota of non-fossils in the White Paper. That is widely welcomed. We shall produce the survey and report by mid-summer.

Electricity Exports

16. **Mr. Pike:** To ask the Secretary of State for Energy on how many occasions in the last 12 months electricity has been exported to France via the cross-Channel link.

Mr. Michael Spicer: None since January 1987. In 1986-87, 188 GW hours were exported to France via the Channel link.

Mr. Pike: Is it not a fact that for most of the time electricity has been imported from France? Is it not important that when the privatisation of the electricity industry takes place some safeguardss are put into the Bill to ensure that the industry does not continue to import at ever-increasing rates, to the detriment of our own electricity industry?

Mr. Spicer: The safeguard, if that is the right expression, is that French electricity is interruptible, and cannot therefore be guaranteed. It comes in at a lower price commensurate with that fact. It is highly unlikely that the mainstream of base-load electricity will be imported, but we shall certainly not restrict it.

THE ARTS

Musical Instruments

50. **Mr. Boswell:** To ask the Minister for the Arts if he will take steps to ensure that suitable musical instruments are available at reasonable prices to talented young musicians.

The Minister for the Arts (Mr. Richard Luce): No, Sir. It is not the Government's policy to subsidise the purchase of instruments, but there are several trusts which make loans for the purpose, at nominal rates of interest.

Mr. Boswell: Does my right hon. Friend agree that our young musicians — teenagers as well as young professionals — need instruments commensurate with their talents? While recognising, as he does, the invaluable contribution made by the loan fund for musical instruments, other trusts and private patrons, may I ask whether he will consider getting together all interested parties, preferably with a number of financial institutions, to ensure that Britain can maintain its musical pre-eminence?

Mr. Luce: I acknowledge the fact that musical instruments do, or can, cost a great deal today, and that that can pose a problem for certain people, but, as my hon. Friend said, the loan fund for musical instruments has been set up especially to help professional musicians or potential professional musicians. There are also other grant-making trusts that make loans for this purpose and help other people who are not necessarily professionals. That is the right way to go. I do not think it is right to give taxpayers' money direct to this end, but if my hon. Friend has more specific, detailed ideas, I should like to hear them.

Mr. Tony Banks: Is the right hon. Gentleman aware of the excellence of the musical education provided by the Inner London education authority, particularly by its special music school? What provisions will be made for safeguarding ILEA's musical education, and particularly its school? What discussions is the Minister having with his colleagues at the Department of Education and Science?

Mr. Luce: There is no doubt about the importance of the support given by ILEA to the musical side of things, and discussions are taking place between my Department and that of my right hon. Friend the Secretary of State for Education and Science.

British Film and Television School

51. **Mr. Greg Knight:** To ask the Minister for the Arts what central Government funding has been and will be given to the British Film and Television School in the period 1985-86 to 1990-91.

Mr. Luce: I provided £3,347,000 over the three years 1985 to 1988. I plan to allocate £4,950,000 over the three years 1988 to 1991, which I hope will be matched, or more than matched, by contributions from the industries.

Mr. Knight: Is my right hon. Friend aware that most people associated with the film industry will warmly welcome the increases that he has announced? Do the video and advertising industries, which make full use of the graduates from the school, contribute to its running costs? Many of us think that if they do not, they should.

Mr. Luce: My hon. Friend has a point. They do not contribute at present, but I hope that they will respond to the substantial increase in Government support over the next three years by starting to give their own support. My hon. Friend might like to know that I have injected £300,000 of incentive funding for the school. I hope that that can be used to encourage such industries to join in.

Mr. Fisher: Is the Minister aware that other countries treat their film schools a great deal more seriously and put in a great deal more investment? The Paris and Berlin film schools, which have costs comparable to ours, receive twice as much central Government investment per student. Is it not time that the Government started recognising the enormous cultural and economic importance of the film industry and began investing in it?

Mr. Luce: The issues on which the hon. Gentleman tends to intervene never cease to amaze me. I have increased the amount of funding for the school by 42 per cent. in the coming financial year, and by 50 per cent. over three years. That is a strong indication of the importance that I attach to the school. It already has a high international reputation, and it is right that its financing should be based on joint funding between the Government and the television and other industries.

Indemnity Scheme

52. **Mr. Yeo:** To ask the Minister for the Arts how the Government indemnity scheme assists art in the regions.

Mr. Luce: By removing the need for commercial insurance of exhibitions mounted for public benefit, the Government indemnity scheme has proved very effective in encouraging loans of works of art between London and the regions as well as between provincial museums and galleries.

Mr. Yeo: Is my right hon. Friend aware that for a small regional establishment, such as Gainsborough's House in my constituency, this scheme is of considerable importance? Will he assure the House that he will continue to develop the scheme, as it offers a means whereby people living in the regions can have access to art treasures that are all too often available only to those who live in or visit London?

Mr. Luce: I certainly acknowledge the important role played by Gainsborough's House, and I reinforce yet again the importance that I attach to encouraging more exhibitions of our treasures around the country. The public have a right to see them, and the more that the exhibitions can be encouraged, the better. It might be of interest to my hon. Friend to know that this year there has been an increase over last year of 66 per cent. in the applications for indemnity, amounting to £322 million. In addition, I have established, at the Museums and Galleries Commission, a travel and exhibition unit that is designed to encourage these exhibitions.

Mr. Boyes: While welcoming the Minister's statement on this matter, may I ask whether, when he visits the Photographers gallery, which I understand will be in Cardiff in the next week or two, and the Side gallery in Newcastle, he will ensure that as we approach the 150th anniversary of photography he will do all that he can to encourage those galleries to take advantage of the scheme so that we can have more exhibitions from London visiting the regions?

Mr. Luce: I am very happy to do just that. I must stress that these are subject to certain conditions, including security, because if such conditions are not satisfied we cannot go ahead with such schemes. However, subject to that, my answer is yes.

Redgrave Theatre, Farnham

53. **Mrs. Virginia Bottomley:** To ask the Minister for the Arts whether he plans to visit the Redgrave theatre, Farnham.

Mr. Luce: I enjoyed my visit to the Redgrave theatre on 27 February this year and I am very impressed by the way that the theatre is run.

Mrs. Bottomley: My right hon. Friend's visit to the Farnham theatre was greatly appreciated. Is he aware that it is the most active repertory theatre in the country and was open 359 days last year and gave 419 performances? Is he aware that for the second time running it has won an award for new sponsors? What steps is he taking to draw to the attention of other regional arts organisations the example set by the Farnham theatre, particularly in responding to his business incentive scheme?

Mr. Luce: My hon. Friend is right. The Redgrave theatre is a model. It raised 67 per cent. of all its resources from the private sector, largely through the box office, but also through sponsorship. There is a true partnership there between the public and the private sectors. My hon. Friend is right to say that it is the most prolific in productivity of all the repertory theatres in Britain and that it has received business sponsorship incentive scheme awards over the last two or three years. It is a very fine model for other theatres.

Business Sponsorship Scheme

54. **Mr. Butler:** To ask the Minister for the Arts if he will make a further statement on the progress of the business sponsorship incentive scheme.

Mr. Luce: The business sponsorship incentive scheme continues to be successful. It has brought in £16·4 million of new money for the arts and attracted 618 first-time sponsors, many of whom have continued to sponsor the arts. As I announced to the House on 26 January 1988, I have increased the budget for the scheme by 70 per cent., from £1·75 million to £3 million, for 1988-89 and restored the £25,000 maximum award limit.

Mr. Butler: I thank my right hon. Friend for that excellent news. Will he reassure me that the awards will continue to be given on merit rather than on skin colour?

Mr. Luce: Yes, I can assure my hon. Friend of that.

Mr. Pike: Will the Minister take steps to ensure that the regions receive their share of benefit from the scheme, which is good, but at present seems to be giving too much advantage to London and the south-east?

Mr. Luce: I am very anxious that the scheme should be spread as widely as possible. The hon. Gentleman will be interested to note that, on average, 70 per cent. of the funds over the past three years have been directed outside London. That shows how widespread is the scheme.

55. **Mr. Andrew Mitchell:** To ask the Minister for the Arts how many new corporate sponsors of the arts have been brought in during the last 12 months as a result of the business sponsorship incentive scheme.

Mr. Luce: The scheme continues to attract new sponsors to the arts. There were 216 first-time sponsors in 1987 and I expect this number to increase considerably in 1988.

Mr. Mitchell: Can my right hon. Friend say how many first-time corporate sponsors returned to repeat their generosity in subsequent years?

Mr. Luce: It is interesting to note that a survey has been undertaken by the Association for Business Sponsorship of the Arts, which supervises the scheme, which shows that no fewer than 90 per cent. of firms that joined for the first time have either decided to renew, or are in the process of renewing, their sponsorship. That is a clear sign of the value of the hard-headed bargain between the sponsor and the arts organisation.

CIVIL SERVICE

Agencies (Civil Service Functions)

73. **Mr. Allen:** To ask the Minister for the Civil Service what represetations he has received from the Civil Service trades unions regarding the proposal to establish agencies to run certain functions of the Civil Service.

The Minister of State, Privy Council Office (Mr. Richard Luce): None. The Head of the Home Civil Service met leaders of the Civil Service unions on 18 February to explain the Government's proposals, and the project manager is ready to meet them when they have considered these proposals.

Mr. Allen: Is the Minister aware that when Sir Robin Butler met representatives of the Civil Service trade unions they were not reassured that there is no hidden agenda behind the Government's proposals and feel that dis-establishing of the Civil Service may be a prelude to privatising parts of the Civil Service? Will he assure the House that members of the Civil Service will have their wages and conditions maintained under any new arrangement? Will he agree to meet leaders of the Civil Service trade unions to answer their questions direct, as he is responsible for them?

Mr. Luce: There will be plenty of scope for consultation with unions when we discuss each agency as it is put forward for the establishment of an agency arrangement. We must get it straight. The hon. Gentleman referred to "dis-establishing" the Civil Service. There is no question of that. People who will in future be part of the agency arrangements will still be members of the Civil Service. There will be no change in that policy on privatisation. If a body currently under Government control is thought to be better managed outside the Government, that is a separate matter. On the whole, what we are considering are organisations that remain under Government Departments.

74. **Mr. Neil Hamilton:** To ask the Minister for the Civil Service to what extent managers of Government agencies will be able to recruit, set pay, grade and structure staff under the proposed Civil Service reforms.

Mr. Luce: This will depend on the framework agreement for each agency. The aim is to give agencies flexibility to manage their own affairs within necessary overall controls.

Mr. Hamilton: Does my right hon. Friend agree that the public interest would be served by having the maximum flexibility in setting pay, grades and determining the number of staff to be employed in these agencies? Does he further agree that placing a straitjacket around the public services in this country has been one of the biggest curses that we have had to face, as we are now discovering with the National Health Service?

Mr. Luce: I think that my hon. Friend must be right. We are trying to improve still further the quality of

management in the Civil Service. To do that it is necessary to delegate more responsibility to managers. We have been trying to do that over the last few years under the financial management initiative, and the agency arrangement takes that process a stage further. This is a good thing, and I think that it will lead to improved performances and results in the Civil Service. After all, the Civil Service costs £13 billion in gross running costs. The taxpayer is entitled to the best value for money. I believe that flexibility is right, subject to certain conditions about levels of public expenditure and about standards of fair and open competition in the service.

Dr. Marek: The Minister cannot have it both ways. He cannot tell my hon. Friend the Member for Nottingham, North (Mr. Allen) that the staff will continue to be part of the Civil Service, and at the same time agree with his hon. Friend the Member for Tatton (Mr. Hamilton) that maximum flexibility is to be welcomed. —*[Interruption.]* If not maximum flexibility, he said that he welcomed flexibility. Can the Minister categorically assure the House that the staff of the agencies will continue to be United Kingdom civil servants and be part of the United Kingdom Civil Service? Can he further assure the House that pay and conditions for the staff of the agencies will continue to be negotiated as at present?

Mr. Luce: I see no conflict at all in this. We seek only to continue a process that has already started. First, we have already started to delegate more responsibility to managers in the Civil Service. Secondly, to come back to the point raised by my hon. Friend the Member for Tatton (Mr. Hamilton), we have started to have more flexibility of pay and conditions. London weighting is already a variation in the pay system and we are developing other forms of flexibility in pay. We are simply taking the developments a stage further. Broadly speaking, the agencies will remain in Government Departments for the foreseeable future. If we think that privatisation is the right path, that is a separate issue altogether. Those who work for the agencies will remain civil servants and under those conditions.

Mr. Rowe: Does my right hon. Friend accept that this is a very valuable initiative? Does he agree that even before the Fulton committee report there was tremendous difficulty in attracting people into the Civil Service for limited terms? Does he envisage the creation of the new agencies as one device for getting over that considerable difficulty?

Mr. Luce: There are already examples of that. A number of people are recruited from outside the Civil Service for a defined period and under contractual arrangements to undertake particular tasks. I think that from time to time we shall see this develop within the agency system where no existing civil servant is found to be the right chap, for example, to be the chief executive. By and large it is likely that civil servants will be the chief executives, but there may be cases where outsiders come in to serve in the agencies on fixed contracts for short terms.

Civil Servants (Complaints)

75. **Mr. Dalyell:** To ask the Minister for the Civil Service what proposals he has, in the light of the new proposed regime for the Civil Service, to afford protection to those civil servants who allege that they have been misused by Ministers.

Mr. Luce: Throughout the Civil Service, procedures to deal with complaints about personal matters will continue to exist.

Mr. Dalyell: In an age when many Conservatives sadly acknowledge that Mr. Bernard Ingham has become the most important man in British politics, who can tell a well-loved Leader of the House that he has become semi-detached and then that he will be sacked, is it not important that an ex-civil servant such as Miss Colette Bowe and a civil servant such as Mr. John Mogg should be able to go to an outside body to air their grievances, rather than having to place their accounts of events such as Westland in a bank vault?

Mr. Luce: The hon. Gentleman does not seem to have taken account of the guidelines issued on 2 December 1987 concerning the duties and responsibilities of civil servants in relation to Ministers. They provide for new procedures, allowing a civil servant to appeal — in cases of conscience and other matters — first to his senior, then to the permanent secretary and, if necessary, to the Head of the Civil Service. Those procedures, which are totally new, are ideal for the Civil Service and provide a perfectly reasonable outlet.

Mr. Stokes: Does my right hon. Friend agree that the real problem is not so much the misuse of civil servants by Ministers, as the misuse of procedure by the hon. Member for Linlithgow (Mr. Dalyell), with his tedious and repetitive questions, of which we are all sick and tired?

Mr. Luce: As always, I can agree with my hon. Friend. The hon. Member for Linlithgow (Mr. Dalyell) seems to have an obsession. Experience shows that there has been an extremely good relationship between this Government and the Civil Service.

Mr. Tony Banks: Has Mr. Bernard Ingham ever complained about being misused by Ministers, or is he happy doing the Prime Minister's dirty work?

Mr. Luce: I cannot think why the hon. Gentleman is so obsessed with Mr. Ingham, who does an extremely good job.

Efficiency Unit Report

76. **Mr. Chapman:** To ask the Minister for the Civil Service if he will give a timetable for implementing the four principal recommendations of the Efficiency Unit report "Improving Management in Government: The Next Steps".

Mr. Luce: One of the recommendations, the appointment of a project manager, has already been implemented. One of his first tasks will be to establish a timetable for implementing the other recommendations, and I hope to publish it at an early date.

Mr. Chapman: It is less than a month since my right hon. Friend the Prime Minister made the statement in the House in reply to the Efficiency Unit's report. Will my right hon. Friend accept that there has been widespread acclaim for many of the recommendations of that report, both from inside the Civil Service and from many outside? Does he agree that the best way to keep up this momentum

for change, which is generally accepted, is by setting a timetable for the implementation of the four principal recommendations?

Mr. Luce: I am grateful to my hon. Friend, and he is right to say that there is widespread support for the reforms and changes that are being proposed. The support comes not only from outside the Civil Service, but from managers in the Civil Service. We want to proceed as rapidly as we reasonably can, and I hope to be able to publish before too long a list of those organisations that will be the first to be formed into agencies. We will keep up a relentless drive to identify other organisations that might be suitable for the same treatment.

Shootings (Gibraltar)

3.30 pm

Mr. George Robertson (Hamilton) *(by private notice)*: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the shootings in Gibraltar.

The Secretary of State for Foreign and Commonwealth Affairs (Sir Geoffrey Howe): As the House will have heard, three identified terrorists, two men and one woman, were shot dead by security forces in Gibraltar yesterday afternoon. Two of them had a previous criminal record of terrorist activity. The IRA has since admitted that the three were members of an active service unit on active service in Gibraltar. The background and facts are as follows.

Another known IRA terrorist, who was under surveillance by the Spanish authorities, recently crossed into Gibraltar and is thought to have carried out a reconnaissance for an act of terrorism. The activity undertaken suggested that the terrorist act might be in connection with the guard mounting ceremony, carried out on Tuesdays. The Gibraltar police were accordingly placed on high alert, and the police commissioner asked for military assistance in the light of his assessment of the threat.

Shortly before 1 pm yesterday afternoon, one of those subsequently shot brought a white Renault car into Gibraltar and was seen to park it in the area where the band for the guard mounting ceremony assembles. Before leaving the car, he was seen to spend some time making adjustments in the vehicle. An hour and a half later, the two others subsequently shot were seen to enter Gibraltar on foot, and shortly before 3 pm joined the third terrorist in the town. Their presence and actions near the parked Renault car gave rise to strong suspicion that it contained a bomb, which appeared to be corroborated by a rapid technical examination of the car.

About 3.30 pm, all three left the scene and started to walk back towards the border. On their way towads the border, they were challenged by the security forces. When challenged, they made movements which led the military personnel operating in support of the Gibraltar police to conclude that their own lives and the lives of others were under threat. In the light of this response, they were shot. Those killed were subsequently found not to have been carrying arms.

The parked Renault car was subsequently dealt with by a military bomb disposal team. It has now been established that it did not contain an explosive device.

Inquiries carried out by the Spanish authorities have matched keys found on one of the bodies with a Ford Fiesta car, subsequently found on the Spanish side of the border, which contained three false passports and items of equipment including insulating tape, electrical screwdrivers, a number of pairs of gloves, wire and an alarm clock. A key was also found for a third car. The search is continuing for this car and for explosives.

An inquest will be held in Gibraltar.

The suspect white Renault car was parked in the area in which the band of soldiers would have formed for the Tuesday parade. A school and an old people's home were both close by. Had a bomb exploded in the area, not only the 50 soldiers involved in the parade, but a large number of civilians might well have been killed or injured. It is estimated that casualities could well have run into three figures.

There is no doubt whatever that, as a result of yesterday's events, a dreadful terrorist act has been prevented. The three people killed were actively involved in the planning and attempted execution of that act. I am sure that the whole House will share with me the sense of relief and satisfaction that it has been averted.

I am equally confident that the House will wish me to extend our gratitude to the Spanish authorities, without whose invaluable assistance the outcome might have been very different. This co-operation underlines once again the importance of international collaboration in the fight against terrorism.

Mr. Robertson: May I start by congratulating those responsible on what appears to have been a well-planned operation, which must have prevented what would have been a terrible loss of life, involving soldiers of the Royal Anglian Regiment and members of Gibraltar's general public and tourists. Our gratitude is also due to the Spanish authorities for their role in protecting lives in Gibraltar. It is an excellent example of the co-ordinated international action that is required against terrorism.

The very fact that this enormous potential car bomb was placed opposite both an old folks home and a school underlines the cynical hypocrisy of the IRA, that ostensibly apologised after the Enniskillen outrage in November. This House speaks with one voice in condemning unreservedly those in Ireland who seek to massacre and bomb their way to power. These people are evil. They kill and maim and give no heed to the innocents who get in their way. They must be dealt with, if any democratic answer is to be found.

May I ask the Foreign Secretary the following questions. First, is he satisfied that those who were shot represent the total number of those involved in this conspiracy? Secondly, are arrangements being made to protect other potential IRA targets in Europe, and will the cost of such protection be fully funded? Thirdly, is there any evidence available to link Libya to this incident or to gun-running to the IRA in general? Fourthly, is there any evidence linking the Basque terrorist organisation ETA to this particular incident?

Fifthly, since there is still considerable confusion in the reports of what happened yesterday, can the Foreign Secretary confirm that those who were shot were warned before fire was opened, and can he say whether there is to be any inquiry into the circumstances of the shooting? Finally, will he place on record, in order to counter the continuing speculation, whether this operation involved the Metropolitan police special branch or the SAS?

Sir Geoffrey Howe: I thank the hon. Gentleman for his robust and unqualified support. It is of the utmost importance that those who threaten, maim and kill the citizens of this country should know that the actions that we take and are obliged to take against them command the united support of this House of Commons. I thank him also for his tribute to the co-operation of the Spanish authorities and of all those concerned with this matter, and I join him in his forthright condemnation of the cynical hypocrisy of the IRA when one compares what it said after the Enniskillen tragedy with what happened yesterday.

As for the hon. Gentleman's first question, I said in my statement that at least one other known terrorist had been

[Sir Geoffrey Howe]

under surveillance ahead of yesterday's events, so it is plainly not possible to say whether all those potentially concerned have been arrested or dealt with. As to the threat to other targets throughout Europe, I can assure the hon. Gentleman that all questions of security affecting potential targets are under constant review in the light of the development of the threat and information about it. Questions of funding have never been allowed to stand in the way of security.

As for the involvement, or possible involvement, of Libya or ETA, I am not in a position to comment on either of those matters, although the hon. Gentleman will be familiar with other examples of the involvement of Libya, notably in connection with the vessel Eksund.

As I have said, the three people concerned were approached by military people operating in support of the Gibraltar police. They were challenged at that time, and the movement that they then made led the military personnel to conclude that their own lives and the lives of others were under threat. The matter, of course, will be subject to further amplification as further evidence becomes available, but I have given the House the full extent of my information at present.

Sir Bernard Braine (Castle Point): As there can be no doubt whatever of the cost in human life both to the men of my county regiment and to the citizens of Gibraltar had the dastardly and cowardly assault been successful, will my right hon. Friend and learned Friend convey on behalf of the entire House of Commons and the people of this country our profound gratitude to the security forces and, indeed, to the Spanish authorities for foiling this murderous design?

Sir Geoffrey Howe: I shall certainly convey the thanks of the entire House to all those concerned with the conclusion of the matter, along the lines expressed by my right hon. Friend.

Mr. David Alton (Liverpool, Mossley Hill): I should like to identify myself, and my right hon. and hon. Friends, with the statement that the Foreign Secretary has made, and with his forthright condemnation of terrorism and those who seek to take innocent people's lives.

May I press the Foreign Secretary further on the links between the IRA and other international terrorist groups, and ask him whether this active service group was in any way involved in the transportation of arms, including the surface-to-air missiles — the SAM 7s — which are now believed to be in the island of Ireland? Will he say what action is being taken to strengthen international co-operation throughout Europe in defeating terrorism?

Sir Geoffrey Howe: Again, I must respond that I am not able to comment on the particular point that the hon. Gentleman has put to me, although other evidence shows very clearly the existence of links between the Libyan authorities and the IRA terrorist movement. I can make no specific comment at this stage. Certainly, the experience of this case underlines what we have learnt so clearly — that the closest possible international co-operation is necessary against terrorism and the threat of terrorism of all kinds. That is why the House has asked me to express its appreciation of the co-operation offered in this case by the Spanish authorities.

Sir Antony Buck (Colchester, North): Does my right hon. and learned Friend agree that it is gratifying that almost the whole House appears able to unite in congratulating the security forces on what they have achieved? Is it not also gratifying that there appears to be substantial international co-operation in seeing that these evil gunmen do not get away with more terrorism? Are there any gaps in this? Are there any nations in which there is not full co-operation, other than the obvious ones such as Libya?

Sir Geoffrey Howe: I am grateful to my hon. and learned Friend for his comments in support of the security services and international co-operation. I hesitate to say that there are no gaps, but, as he knows, it has been the purpose and policy of Her Majesty's Government to do everything possible to secure the greatest possible international co-operation. That remains our objective.

Mr. Harold McCusker (Upper Bann): As the Spanish authorities have their own territorial dispute with this country over Gibraltar, will the Foreign Secretary convey to them the particular thanks of the people I represent for helping to rid us of those extremely dangerous people, who thought as little of the lives of innocent Gibraltarians and Spaniards as they do of those of people in either Northern Ireland or this country?

Can the Foreign Secretary tell us whether those people were travelling as citizens of the Irish Republic, using Irish passports; and, if so, what representations have been made to him this morning by the Government of the Irish Republic?

Finally, does the Foreign Secretary accept that, if a member of the security forces has to produce a weapon and then feels compelled to fire that weapon, he has no alternative but to shoot to kill?

Sir Geoffrey Howe: In answer to the last point, the terrorists in this case were shot. As I have told the House, the military personnel involved concluded that their own lives and the lives of others were under threat, and that there was no other way of protecting life.

As for the hon. Gentleman's question about passports, I am afraid that I cannot give him a comprehensive or detailed answer now. One of the features of such cases is the existence of more than one passport, not always of the same nationality. As I have told the House, three additional passports were found in the second car on the Spanish side of the border, and there may be more discoveries of that kind.

I conclude my answer to the hon. Gentleman by saying that his tribute to the co-operation of the Spanish authorities will certainly be transmitted and I am sure that it will be well received. The incident that was so narrowly averted underlines, as the hon. Gentleman made clear, the reckless willingness of the IRA to disregard human life no matter of what nationality or where it may be found. It is for that reason that international co-operation against terrorism is so vital.

Mr. Michael Colvin (Romsey and Waterside): The House strongly supports my right hon. and learned Friend in paying tribute to the security forces, with help from Spain, for the way in which they prevented the murder of hundreds of innocent people in Gibraltar. Will he acknowledge that it shows that terrorism knows no boundaries — that it can strike anyone, anywhere, at any

time? The people of Gibraltar may sometimes be irritated by the delays at their frontiers with Spain, but today's action shows that Spain, Britain and the people of Gibraltar stand together in the fight against terrorism.

Sir Geoffrey Howe: I agree entirely with my hon. Friend. We all stand together in the fight against the wicked and continuing threat of terrorism. In that fight we all share a common interest in the freedom of movement across frontiers as far as possible. However, that must always come second to our determination to take whatever action is necessary to prevent terrorism in every way possible.

Mr. Eric S. Heffer (Liverpool, Walton): As someone who has always opposed terrorism, whether of the IRA or anyone else, and who still condemns terrorism and who, like everybody else in the House, would have been affronted if people had been killed in Gibraltar, can I ask the Foreign Secretary to explain why those three people who, although accepted as members of an active service unit of the IRA, were shot and killed when it was admitted that they were not carrying guns and had not planted any bombs in Gibraltar? Can the right hon. and learned Gentleman explain why that happened and how that can help us in the fight against terrorism? Will that not help terrorism?

Sir Geoffrey Howe: I am afraid that the hon. Gentleman must stand almost alone in the House in offering that point of view.

Mr. Heffer: Well, I have done that before.

Sir Geoffrey Howe: I have described the circumstances giving rise to suspicion in this case. I have described the circumstances in which the terrorists were shot. I have made plain to the House the statement by the IRA that the three people were members of an active service unit on active service in Gibraltar. It is difficult to see how I could possibly conclude that the security services could have acted other than they did when faced with the events of that day.

Mr. Ian Gow (Eastbourne): Is my right hon. and learned Friend able to confirm that the co-operation between Madrid and London and the cross-border co-operation between Spain and Gibraltar could not possibly have been better in this case and that that co-operation took place without the existence of an Anglo-Spanish agreement?

Sir Geoffrey Howe: I acknowledge the generosity of my hon. Friend's tribute to the co-operation that took place in this case. I acknowledge also his ingenuity in pursuing one argument in whatever circumstances he may find it convenient to do so. As a matter of fact, there are a number of Anglo-Spanish agreements, at least two of which I helped to negotiate, which have helped considerably to increase the prospects of co-operation of the sort that took place.

Several Hon. Members *rose*——

Mr. Speaker: Order. I remind the House that this is a continuation of Question Time. There is a statement and a busy day ahead, in which a great many right hon. and hon. Members wish to take part.

Member's Letter (Privilege)

3.49 pm

Mr. Speaker: I have a statement to make about the privileges of the House.

I received last week complaints from several hon. Members about the contents of a letter sent by the hon. Member for Liverpool, Mossley Hill (Mr. Alton) to the constituents of certain members of the Standing Committee on the Licensing (Retail Sales) Bill. The letter accused the Members concerned of choosing to filibuster on that Bill as a means of obstructing the Abortion (Amendment) Bill. It went on to urge the recipients of the letter to take action to persuade members to desist from conduct which, it was said,

"would scandalise millions of people".

The letter from the hon. Member was sent before the proceedings on the Licensing (Retail Sales) Bill had begun, and in my opinion its tone and the manner of its distribution amounted to an attempt to bring unacceptable pressure upon Members of this House in the performance of their duties.

The hon. Member for Mossley Hill has written to every Member concerned and to all those to whom his original letter was addressed, withdrawing any suggestion of a filibuster. He has also made this letter public. In these circumstances, I do not propose to use my power to grant precedence to a motion on this matter. I do, however, wish to give a serious warning about the care which those involved with this Bill on both sides must take to avoid committing contempts of the House by seeking to bring improper pressure upon hon. Members.

In considering the present complaints, I have received considerable evidence of unacceptable conduct by bodies outside the House. Efforts appear to have been made to prevent Members from speaking about matters upon which they must be free to speak in this House, and there has been personal harassment of Members in their constituencies. I wish to make it clear that I shall take very seriously any continuation of this conduct and I urge hon. Members to use their influence to ensure that the merits of business before Parliament can be discussed calmly and responsibly without threats of intimidation.

Newspaper Article (Privilege)

3.50 pm

Mr. Speaker: I have a further statement to make on a matter of privilege.

I have received a complaint from the hon. Member for Newham, North-West (Mr. Banks) about an article in *The Guardian* of Wednesday 2 March. The article, in referring to the absence of Members from the House, made reference to a particular Member, and to Members in general, in terms which I was asked to consider could be regarded as being in contempt of the House.

I have considered this complaint, and have decided that it does raise issues which justify me in giving precedence to a motion relating to it. In consequence, if the hon. Member for Newham, North-West tables such a motion, it will be taken as first business tomorrow.

Inner-city Policy

Mr. Nigel Spearing (Newham, South): On a point of order on the statement and the documents relating to it, Mr. Speaker. Earlier today, I made inquiries as to the documents that would be related to the known announcement and was told that they would be available in the Vote Office at 11 am today. Since they were not available at that time, my office made arrangements to collect and deliver them to my town hall, where I was at that time. The only available document in the Vote Office was labelled "City Grant — Simplification of Urban Grants". The press statements and the glossy paper "Action for Cities" were not included.

I understand that the documents were made available in the Vote Office at 3 pm today, but only because I made inquiries about them. I therefore wish to raise the matter of the Prime Minister, who made the statement earlier today in public, not providing Members of Parliament and their borough councils with documents about public announcements, which should be made in the first instance in the House.

Mr. Speaker: I understand that five Departments have supplied documents to the House in connection with the subject matter of this statement, but that the number of copies of at least one proved to be insufficient and has now been supplemented. The House will be aware of the importance that I attach to the timely and adequate supply of papers. I am glad that the earlier deficiency has now been put right.

3.53 pm

The Chancellor of the Duchy of Lancaster and Minister of Trade and Industry (Mr. Kenneth Clarke): With permission, I should like to make a statement about inner-city policy.

The Government have today announced 12 new Government initiatives and commended three major private sector developments aimed at furthering our policy of renewal and regeneration of the inner cities. We have also published a booklet entitled "Action for Cities" which is a clear guide to the Government's inner-city policies and is intended for use by people prepared to make a contribution to a combined public and private sector effort in this area.

The new Government measures add to existing major regeneration programmes.

First, a new urban development corporation is to be established in the lower Don valley, Sheffield, which will cover 2,000 acres to the north-east of the city centre. It will have a budget of about £50 million over seven years.

Secondly, the area of the Merseyside development corporation is to be doubled by adding 800 acres on both sides of the Mersey. The enlarged MDC could spend between £50 million and £90 million over eight to nine years in the new areas.

Thirdly, two new city action teams are to be set up in Leeds and Nottingham. This adds to the five established three years ago, which have successfully pulled together Government support for enterprise and development in their areas.

Fourthly, a new simplified grant to support private sector developments in inner cities is to be introduced from May 1988. It will replace urban development grant and

urban regeneration grant, which have produced from the private sector over £580 million in investment, providing 28,500 jobs and more than 7,000 homes since 1982.

Fifthly, the drive to bring unused and under-used inner-city land on to the market is to be stepped up by requiring publication of information about land in public ownership.

Sixthly, two new inner-city roads costing £109 million, both of which will directly benefit inner cities—a £59 million improvement of the A13 between Limehouse and Dagenham, and a £50 million spine route through the black country to the M5 and M6—have been added to the Government's roads programme.

Seventhly, a major new initiative to tackle crime and the fear of crime will be introduced in 20 inner cities over the next three years; £2·3 million is being made available in the first year to support the initiative, which has been successfully piloted in five urban areas.

Eighthly, more help for small businesses is to be provided, including new offices for the small firms service, a fund to support local enterprise agency projects helping businesses, an 85 per cent. guarantee on bank loans to firms in task force areas, and help to encourage people into self-employment.

Ninthly, the Manpower Services Commission will give financial and other support to 12 inner-city employer-school compacts, in which groups of employers work with schools to guarantee a job with training for all young people aged 16 to 18 leaving school who meet agreed motivation and achievement standards.

Tenthly, we will be revising our help to unemployed people in inner cities. There will be more MSC and employment service staff working in local communities advising and helping residents, new information points to guide people on training and jobs, and special training in literacy and numeracy and English as a second language. There will be new measures to increase the involvement of employers in training.

Eleventhly, we will be making extra provision of premises for new businesses in rundown inner cities. English Estates, in partnership with private companies, will set up managed workshops. Up to £11 million of public funding will go into the programme in the first year.

Twelfthly, we will be building on our efforts to work with the private sector. The Government are organising a series of breakfast presentations to leading business men up and down the country, starting in Newcastle on 13 April. A free telephone link has been set up today so that businesses can find out from a single contact point how they can play their part.

The Government measures announced today build on the programmes and initiatives introduced since 1979 to tackle urban dereliction and inner-city decay, and to raise skills and encourage enterprise. In all, about £3,000 million will go to support urban regeneration in Britain in 1988-89, bringing in several times that total in private investment.

Mr. Bryan Gould (Dagenham): Is it not typical of this tawdry exercise that the right hon. and learned Gentleman's statement should end with the ludicrous assertion that coffee and cornflakes with Ministers will somehow provide the sustenance that the inner cities desperately need?

Why is the right hon. and learned Gentleman making the statement and not the Prime Minister, whose responsibility it is? Why was the Prime Minister so keen to spearhead the media hype this morning, yet so reluctant to face the House of Commons this afternoon? Is it because she knows that glossy brochures cannot conceal the simple fact that there is virtually no new money; no new proposals; no White Paper; no legislation; and no involvement of the local communities—in short, that there is almost nothing to offer hope to the people in the inner cities? Is it because after identifying, perhaps unwisely, an electoral problem on election night nine months ago, she now finds that she does not have the faintest idea how to tackle the real social and human problems in the inner cities that have been created by her policies?

Is it because the right hon. Lady knows that the only way to help the inner cities is to abandon the policies that have already caused so much damage and, in particular, to overcome her obsessive antipathy both to local government and to public spending? Is it because she knows that soft words from construction companies, which happen to include many major donors to the Tory party, are no substitute for involving those who really matter — local communities and their elected representatives?

How much longer will the Prime Minister turn her back on the consensus that has now emerged, which includes the Prince of Wales, the Church of England, local government and private developers, to the effect that a partnership that fully involves local government and local communities, as well as private capital, is the only way forward?

When did the right hon. and learned Gentleman first discover the awful truth that his much-touted White Paper had been torn up and that, as the Minister left without any clothes, his simple role was to shelter behind the Prime Minister's skirts? Is it not the case that changes in benefit and the poll tax will have a much greater impact, for the worse, on the inner cities than anything that has been announced today?

When will the Prime Minister, who is surprisingly not present to hear this statement, abandon her ideological prejudices and produce the new resources, new policies and new partnership that alone can help to rescue the people in the inner cities from the poverty, unemployment, disorder, slum housing and despair to which her policies have condemned them?

Mr. Clarke: There is an awful air of sour grapes in the Labour party's reaction to what we have announced. I thought that the hon. Member for Dagenham (Mr. Gould) summed up the right note of pessimism and cynicism, which he and his colleagues tried to whip up over the weekend, but he was unable to put much energy into it.

The hon. Gentleman criticises the booklet that we have produced. I commend it to him and I believe that he might read it some time with profit—[HON. MEMBERS: "Where is it?"] As Mr. Speaker explained, the copies in the Library this morning went rapidly, but hundreds of copies are now in the Vote Office. I am delighted that there is such demand for it.

If the Opposition parties were asked to set down their policies for the inner cities they could not fill the back of a postage stamp. If they wished to hold a conference to explain those policies to anyone, they would not fill a telephone box. The hon. Gentleman comes out with his usual litany of, "Where is the money? Where are the new proposals?" As I said in my statement, we are spending £3

[Mr. Clarke]

billion in the next financial year on urban regeneration. The new programmes announced today come within that total, but they represent about £250 million directed into new policy areas—targeted on the inner cities—that we have not announced before.

I set out a statement explaining the 12 propositions that we have announced today. However, the hon. Gentleman did not ask me a question about one of them.

Mr. Gould: Where are the new proposals?

Mr. Clarke: I will answer the hon. Gentleman's question when he states which of the propositions he is against. Is it simply the fact that he objects to the timing of meetings with business men at breakfast time? Does he object to the Government going to provincial cities and seeking to revive private-sector leadership in urban regeneration?

The hon. Gentleman should read our document. It is not a White Paper, because it is intended to be an action document to be used by those concerned with inner-city revival. When he has read it, he might know more about the subject and will be able to make a better job of questioning our policies the next time round.

Sir Hugh Rossi (Hornsey and Wood Green): May I tell my right hon. and learned Friend that his statement will be widely welcomed on the Conservative Benches and also by the all-party Environment Select Committee? That Committee recommended three things that my right hon. and learned Friend has adopted today—the expansion of the number of UDCs, the simplification of the three types of urban land grant and the greater use of the "domesday book" of property in public ownership. Will the simplified city grant be demand-led, as the Committee requested? Will my right hon. and learned Friend ensure that the "domesday book" is not limited by a minimum size of land to be registered in it?

Mr. Clarke: I thank my hon. Friend for his commendation for what we have done. I recall that the all-party Select Committee, including members such as himself, has been pressing for three of the specific changes that we have made.

The existing UDCs have been hugely successful, and I am sure that the two new UDCs will be welcomed in South Yorkshire and on Merseyside, where they have a great deal to offer. The amounts to be spent on city grant will largely depend on the response that we receive from developers coming forward seeking the grant. We have simplified the various types of grant that we currently have available so that grant can be paid more quickly in response to applications to speed up the process. I am sure that my hon. Friend agrees that more and more developers are acquiring confidence in the ability to invest on inner-city land, and the new simplified grant will help speed up the process.

With regard to the register of land, I shall refer the details to my right hon. Friend the Secretary of State for the Environment, but I believe that no minimum size will be placed upon it. My hon. Friend rightly underlines that all our announcements will receive widespread approval from people seriously interested in the subject. I still wait to hear—I am not sure that I will—any member of the Opposition get up and say that he disagrees with a solitary one of the propositions that we have made. All they are doing is sitting there, embittered, because they cannot think of what to say in reply and they are trying to pour general scorn on the whole thing.

Mr. Simon Hughes (Southwark and Bermondsey): Although a sincere interest in the inner cities is welcome, is not the watchword of the Government's announcement "power away from the people"? Does not the best experience from home and abroad demonstrate that one does best for inner cities when local people, local councils, local businesses and the local voluntary sector are involved? Is it not evidence of the Government's dishonesty that they have taken two local schemes—the urban regeneration in Sheffield conducted by the city council and the ILEA education-business compact—and pretended that they are their own? Partnership has been ignored. Surely the truth behind the Government's initiative is that, instead of giving power to the people in the inner cities, they are more determined to advantage their friends and themselves rather than the urban poor and disadvantaged.

Mr. Clarke: First of all, I agree with the broad proposition that policies make best progress when they are conducted in agreement with local people of good will; that is what our inner-city policies do. *[Laughter.]* Of course it is. Anyone who takes the trouble to involve themselves in the work of our inner-city task forces or the city action teams, or who considers the people who are on the UDCs and the way in which local authorities tend to welcome such things happening in their areas, would agree. Not all local authorities enter into that partnership: that is the difference between our experience and that of the Americans. Obviously it will be greatly to the advantage of the inner-city revival when all local authorities are genuinely business-friendly, prepared to co-operate, keep down the costs they impose on business and join in the effort.

It simply is not the case that we have stolen the credit from other people. The Sheffield UDC will bring to a derelict area in the Don Valley the ability of a UDC to assemble land for grant, to give it positive value and to take decisions quickly. There is no doubt that UDC spending is up.

The idea that compact is an invention of ILEA is an extraordinary proposition. The hon. Member for Southwark and Bermondsey (Mr. Hughes) knows that it came from Boston in the United States—*[Interruption.]* I am delighted to know that we have people who are keen on the Boston compact, however stridently. It was introduced into this country by the London enterprise agency with support from people in government. It is to ILEA's credit that it has agreed to become party to it.

I should have thought that, with ILEA as a party to it, there would be no one Left-wing enough in the country who would be hostile to the idea of more compacts elsewhere. The new idea today, which comes from my right hon. Friend the Secretary of State for Employment, is that Government money from the MSC will extend the compact idea to 12 other cities. That is a new, positive idea and it should be welcomed.

Several Hon. Members *rose*—

Mr. Speaker: Order. I draw the attention of the House to the fact that no fewer than 36 right hon. and hon.

Members wish to speak in the subsequent debate. May I ask hon. Members to direct single questions to the Minister, which will give me the opportunity to call more of them?

Sir George Young (Ealing, Acton): Is my right hon. and learned Friend aware that those Conservative Members who represent city seats will welcome the package of measures that he has announced, as will the thousands of people who live in the areas targeted by the new initiatives? Does he agree that, once the huffing and puffing is out of the way, the Labour party will work happily with urban development corporations and the city action teams, and that Labour Members will be queuing up for the new city grant as long as it is to be spent in their constituencies?

Mr. Clarke: I agree with my hon. Friend. That has been our experience so far, and I am sure that it will be again. The huffing and puffing that we hear from the Labour Benches is strangely out of line with the practice on the ground, even among Labour supporters.

Mr. Ron Leighton (Newham, North-East): Is the right hon. and learned Gentleman aware that there is a sense of disappointment and let-down, because we were expecting a proper White Paper? All that we have is this mouse of a consultation paper on grants, which shows confusion in the Government, a lack of clarity and no new money.

Is the Minister aware that 96 per cent. of the population of the London borough of Newham live outside the development area, that the borough comprises half the traditional east end of London, that this morning the borough council composed a letter to him about the plight of the borough and that, on Friday, I have an Adjournment debate on this very subject, when I shall ask for co-operation between the Government and the council to tackle the borough's problems? Will the Minister give me a guarantee that he will seriously consider both initiatives — he will receive the letter tomorrow — and respond adequately?

Mr. Clarke: I am delighted to hear that the hon. Gentleman is such an avid reader of White Papers. I did not want a White Paper, because a White Paper is suitable —*[Laughter.]* Perhaps from the laughter of the Leader of the Opposition we now know what their policy is: they would produce a White Paper. White Papers are almost as unread as Acts of Parliament. It is an extremely suitable document when one is contemplating a change in legislation, but it is usually published, read the next day and never referred to again by anyone.

What we have produced is not a consultation document, as the hon. Gentleman described it. He should obtain a copy — *[Interruption.]* He has one. He should obtain the full document about which we are talking, a copy of which is being waved by the hon. Member for Liverpool, Walton (Mr. Heffer). It is a full exposition of a complete package of policies, covering a wide range of activities.

In response to the hon. Gentleman's latter point, may I say that I am delighted to hear him lobbying for Newham to be allowed to join in the Government's policies. As my hon. Friend the Member for Ealing, Acton (Sir G. Young) said a moment ago, I expect that that will be the response of most Labour Members the moment this afternoon's session is over. Everyone will be queuing up trying to get similar announcements made for their areas.

Mr. Michael Grylls (Surrey, North-West): Does my right hon. and learned Friend accept that there will be a warm welcome for the provision of more small nursery units for starter firms? For too long, it has been too difficult to find the right premises on the right terms, and what he suggested today will go a long way to meeting that problem, which will then create more new firms and jobs.

Mr. Clarke: I am grateful to my hon. Friend. A variety of such units has been provided so far, and they have been such a success in practice that we thought it important to find a new way of putting extra public finance and a new agency, English Estates, into providing more of them. The present state of the economy makes it easier for small businesses to start up and expand, and we must give special support to that in the inner cities.

Mr. Merlyn Rees (Morley and Leeds, South): Will the Minister consider a special problem and answer more directly the point made by the hon. Member for Southwark and Bermondsey (Mr. Hughes)? I represent an inner-city area. Like many others in the House, two weekends a month I hold constituency surgeries, and 98 per cent. of the issues discussed are local matters. They include jobs, unemployment — [HON. MEMBERS: "And housing."] And housing. Along come the Minister's officials to Leeds to define an urban development corporation area. No one consults us. I talk to the councillors and ask, "What areas have been designated?" They say, "No one discussed it with us." Along come those civil servants, operating from the middle of Leeds and knowing nothing about the area. Everything is imposed from above. If that is the way the Government intend to set about it, it will just be another glossy magazine that will not work.

Mr. Clarke: The city action team for Leeds comprises the regional officers of the Department, all of whom know the area extremely well and all of whom have constant —almost daily—contact with the local authorities in the area——

Mr. Rees: Action now.

Mr. Clarke: I am sorry if the right hon. Gentleman has not been consulted recently, but he must know the regional officers of the Department in his city. They are not outsiders. They work in Leeds.

The urban development corporation has been announced and should be welcomed by people in Leeds, because it will speed redevelopment and bring back into active use derelict land in the city. There is a task force on the ground in the middle of Leeds, staffed by people who live and work in Leeds who have the closest contact with many voluntary bodies and with the local authorities. When I visit various bodies in Leeds, I frequently meet the leader of the council and people from the local authority and discuss these matters.

I apologise to the right hon. Gentleman if he has been left out of discussions recently, but he need only contact any of those bodies or me, and we shall happily keep him abreast of what we are doing.

Mr. Anthony Steen (South Hams): On behalf of the Conservative Back-Bench urban and inner-city committee, may I warmly congratulate my right hon. and learned Friend on doing a magnificent job in promoting urban and inner-city regeneration? Unlike the Opposition, may I offer a constructive suggestion that might help the

[Mr. Anthony Steen]

Government to get rid of some of the derelict and vacant land in public ownership? Has my right hon. and learned Friend considered privatising public land, passing it to a private company and giving the value of the land, in the shape of a share certificate, to the public authority so that the private company can market the land and regenerate the inner city?

Mr. Clarke: The proposals that we have announced are designed to ensure that the large amounts of public land that are still derelict and vacant should be brought into productive use more quickly. I shall pass my hon. Friend's commendable suggestion to my right hon. Friend the Secretary of State for the Environment, if it turns out that the latest moves in relation to the register do not have the desired effect of speeding the release of public land for development.

Mr. Frank Field (Birkenhead): May I welcome the extension of the Merseyside development corporation to Birkenhead, and ask the Minister for two undertakings? Will he draw the attention of the MDC to the wish of many of my constituents to live in the centre of the town which, at present, having been handed over to the private sector, is an industrial desert? Secondly, when the redevelopment is carried out, will the planning powers be handed back to the local authority?

Mr. Clarke: The hon. Gentleman's reaction to the extension of the urban development corporation into his constituency is in line with that of most local authorities, of all political persuasions, in all the recent extensions. We hope that things can be achieved on his side of the Mersey in line with what has been achieved in the Albert dock and the surrounding area on the other side of the Mersey. I share his desire to see as wide a range as possible of people living in the centres of cities and towns, but we must ensure that those who live in derelict inner-city areas are not people who are there because they have no choice and who would leave the moment they were given an alternative. We need a good mix of development in the centres of towns to get the mix of population that we require. Once the work of the UDCs is over—they will not be timeless organisations—I expect that the planning powers will revert to the local authorities.

Mr. William Shelton (Streatham): Does my right hon. and learned Friend accept that this is clearly a good day for inner cities? Does he further accept that I am lobbying on behalf of Lambeth? We need a mini UDC at Waterloo, where the new rail terminal of the Channel tunnel debouches, and we need a housing action trust in Brixton. May I visit my right hon. and learned Friend some time and discuss it with him?

Mr. Clarke: Lambeth is already included in the area served by the city action team. Both the points made by my hon. Friend are relevant to the well-being of the people of Lambeth. I suggest that he arranges a meeting with my colleagues at the Department of the Environment, to whom both his questions should be directed, and I am sure that they will take note of what he says. Housing action trusts are an important new development which will be taken further this year, and in due course my right hon. Friend the Secretary of State for the Environment will announce where those housing action trusts are to be set up. I shall draw my hon. Friend's suggestion to my right hon. Friend's attention.

Ms. Harriet Harman (Peckham): Is the Minister aware that, last week, I met officers of the North Peckham task force? Does he understand that people in Peckham are angry because, during the past two years, the Government have removed £20 million from Southwark council, yet they expect to be congratulated on the fact that, during the same two years, they have put in less than £1 million through the task force? Why are the Government prepared to put £700 million of public money into the London Docklands development corporation to attract private capital for luxury housing, yet they are not prepared to give the £18 million that is desperately needed to rebuild the Gloucester Grove estate or the £18 million that is needed to lift the threat of asbestos that hangs over the tenants of the Willowbrook estate? Is not his statement a cynical public relations exercise which shows that the Government are concerned about profit, property and politics, not about people and poverty?

Mr. Clarke: I owe the hon. Lady an apology. At this morning's press conference someone referred to her attacks on the North Peckham task force and I said that for two years she had not bothered to meet it or to discover what it was doing. She has now discovered that it is spending money, organising training and job opportunities, and targeting a great deal of money into north Peckham. I am delighted that the hon. Lady has crossed the threshold. I hope that she does not lose the nomination for her seat as a result of being seen talking to departmental officials. If she follows up these matters, she will find that much good will continue to come from the North Peckham task force.

The hon. Lady mentioned some estates in her constituency that suffer from some of the worst combinations of social and other problems of which I am aware anywhere in the United Kingdom. I am sure that she shares my pleasure that such large grants from Estate Action, for example, are being made available to improve the Gloucester Grove estate. I am delighted also that the hon. Lady is now aware of the existence of the London Docklands development corporation, which has been shunned by most of the politicians in Southwark ever since it was established and began to revive part of their area.

If the hon. Lady continues to learn more about the inner-city policies that are being applied in her constituency, I am sure that we shall be able to welcome her co-operation and support.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): Will my right hon. and learned Friend accept that many in Birmingham and the west midlands will welcome action for cities? Regional development grants always acted against our best interests. The city grants are bound to be useful to us.

I ask my right hon. and learned Friend to take a word of advice from those of us in Birmingham and the west midlands. If he could stop my rght hon. Friend the Secretary of State for the Environment from giving one permission after another for incursions into the green belt—all builders want to build on easy ground rather than difficult ground—the tens of thousands of acres of derelict land in the midlands would be taken up more quickly without any cost to the Government. As long as

my right hon. Friend gives easy work to builders, they will continue to build in Solihull and Meriden rather than in difficult areas in the west midlands.

Mr. Clarke: I am always grateful to my hon. Friend for his advice on Birmingham. I am glad that he welcomes the new city grants. A great deal of effort is going into inner-city Birmingham through the task force in Handsworth and through the support that we are giving to the Birmingham heartlands attempt to rebuild on the derelict land around Saltley. The local authority, central Government and the private sector are working closely together. I shall draw my hon. Friend's opinions on planning policy in the west midlands to the attention of my right hon. Friend the Secretary of State for the Environment.

Ms. Clare Short (Birmingham, Ladywood): Is the Minister aware of the work of Sally Holterman on the nature of urban deprivation and inner-city problems, which shows that all these areas are merely a concentration of poor people? We have a Government who have increased unemployment, poverty, and low pay and worsened the housing stock, and that is why the inner cities have become worse. The gimmicks that have been announced will not address the fundamental problems. We shall use any money that we can get, of course, but it is the Government who are damaging inner cities and making the problem worse. The Government's gimmicks will not put right that which is wrong.

Mr. Clarke: I have not read the work to which the hon. Lady referred and I do not agree with the analysis that has been put forward, if the hon. Lady has described it accurately, as I am sure she has. I do not agree with the proposition that the only problem in inner cities is poverty and that all that we need to do is to alleviate poverty, there being no need for other policies. [HON. MEMBERS: "She did not say that.] I do not accept either the Right-wing proposition that we need only to make the country better off as a whole without making any special effort in the inner cities.

The hon. Lady knows that we are taking positive action in her constituency to bring the unemployed into contact with work experience and training opportunities——

Ms. Short: Just 12 jobs in Broughton road, which the Minister talks about constantly.

Mr. Speaker: Order. The hon. Lady has already put her question to the Minister.

Mr. Clarke: I shall be happy to introduce the hon. Lady to other projects apart from the excellent Broughton road one, of which I am satisfied she has knowledge. A great deal is happening in her constituency, with the result that unemployment is steadily dropping and deprivation is becoming less. I am sure that we can improve the quality of life in her constituency and in other parts of inner-city Birmingham if we increase our efforts.

Mr. Richard Holt (Langbaurgh): My right hon. and learned Friend will know from his own experience that Teesside has enjoyed an urban development corporation for the past six months, and that as a consequence there has been a complete change in the atmosphere surrounding the economics of the region. We already see new entrepreneurs and new businesses coming into the area. It was significant that on the one o'clock news today on Radio Cleveland it was announced that there were no further sites left in north Teesside, in Hartlepool, for a company that wants to build a factory there to expand.

Given the expansion that is taking place in the area, it is disappointing that the Government continue to neglect the north-east by failing to recognise the need for a three-lane motorway from the south to the north along the east coast.

Mr. Clarke: The new Teesside urban development corporation appears to be making the fastest progress. The enterprise zone has been of great benefit there. The task forces in Middlesbrough and Hartlepool have both been welcomed and they are doing a considerable amount of work. I agree with my hon. Friend that it is a welcome change to read that there are shortages of factory accommodation for the expanding businesses in the region. However, that is a problem and we must ascertain what we can do to tackle it. I shall draw to the attention of my right hon. Friend the Secretary of State for Transport the remarks of my hon. Friend about the need to improve the great north road to take the ever-increasing traffic to the booming north-east.

Mr. Nicholas Brown (Newcastle upon Tyne, East): If the urban development grant has been the success that the Minister claims, why is it being scrapped? Why is he undermining the work of local authorities such as Newcastle city council, which has a good record of co-operation with the private sector, in favour of extending the powers of the colonial government in the north, the urban development corporation? This will mean that new schemes will be development-led rather than planning-led, which leads many of us to fear the return of old-style corruption to the region.

Mr. Clarke: I think that urban development grant has been a considerable success, as was its short-lived successor, urban regeneration grant. The new city grant is a process of deregulation. We are simplifying the procedures for applying for it and we hope to speed up the payment of grant for desirable development, which should be welcomed.

Urban development corporations should not be seen as the imposition of some sort of penalty on areas. They are seen as such only by a few officers in the local planning department. They have a proven track record of success in hastening the clearance of derelict land and introducing new developments. I am sure that my right hon. Friend has done a favour to the north-east by setting up a regional development corporation in the area and that residents will quickly come to appreciate that.

Sir Peter Hordern (Horsham): Will my right hon. and learned Friend add to the register of unused building land that is owned by local authorities the unused building land and houses that are owned by the Ministry of Defence? Some of the land has lain empty for many years.

Mr. Clarke: I shall draw my hon. Friend's remarks to the attention of my right hon. Friend the Secretary of State for Defence. I am sure that he and I are agreed that it is wrong for any unused land, housing or other sorts of building to stay in the hands of a public body for more than the essential length of time. All our efforts are designed to ensure that all unused land and buildings are put back into productive use as soon as possible.

Mr. A. E. P. Duffy (Sheffield, Attercliffe): Is the Minister aware that the announced budget for Sheffield, which will enable a partnership of public and private bodies to revitalise an important but old industrial area, is extremely important, although it is a budget that might have to be re-examined in future? It could have been welcomed by the Sheffield district council and it is unfortunate that that body has been by-passed.

Why must the right hon. and learned Gentleman introduce the UDC? He is aware of the talks that it has had with his Department in recent years and he knows that the council needs only the budget that he has announced. The council has provided leadership and has set the right example. It is willing to co-operate with the private sector and the evidence shows that that sector is responsive, and might be more responsive to the approaches of the city council than to those of the Minister. What response does he expect his civil servants to get from private bodies in Sheffield when they are not sure whether the council will be in a position to continue to provide leadership in what is supposed to be a democratic community?

Mr. Clarke: Urban development corporations can take decisions more quickly and produce results faster than the processes of local government in the cities where my right hon. and noble Friend the Secretary of State has established UDCs. Once Sheffield city council and responsible people in Sheffield give a few moments' thought to the implications of today's announcement, they will realise that it should be welcomed. I am sure that my right hon. and noble Friend will welcome their co-operation in taking forward the work of the Don Valley UDC.

Mr. Robin Squire (Hornchurch): The many thousands who use the A13 each day will welcome my right hon. and learned Friend's announcement of the improvement between Dagenham and Limehouse—perhaps the hon. Member for Dagenham (Mr. Gould) will welcome it too. When does he expect work to start? If it is to start earlier than 1992, can he extend it a bit further, to Rainham?

Mr. Clarke: I agree with my hon. Friend that the hon. Member for Dagenham (Mr. Gould) should be more enthusiastic about something that eases traffic jams between here and Dagenham. One problem is that the success of the London Docklands development corporation has added considerably to congestion on the roads going out to the east. This is an important follow-up to the improvement of the roads by my right hon. Friend the Secretary of State for Transport.

The timing is a matter for my right hon. Friend, who is confined by the large number of statutory procedures that must be gone through before a road can be built. If the local inhabitants ease the passage of the road and there are not too many pointless objections—there is bound to be a great deal of consultation about the route—it can be built more quickly. I shall draw my right hon. Friend's attention to my hon. Friend's point about the timing.

Mr. Nigel Spearing (Newham, South): In respect of urban development corporations, should not the Chancellor of the Duchy think again? They are unelected centralised quangos.

Is the right hon. and learned Gentleman aware that the London Docklands development corporation, which he has mentioned, has suffered a number of spectacular resignations, including that of the chief executive, who resigned after less than a fortnight? Is he aware that the Comptroller and Auditor General is preparing a report for possible presentation to the Public Accounts Committee on the LDDC's accounts? Would it not be wise for him to wait and see what the Public Accounts Committee says before he lays further orders for places such as Sheffield and Leeds?

Mr. Clarke: Like me, the hon. Gentleman remembers what the docklands area of London was like only six or seven years ago, when vast expanses of water lay idle and unused, surrounded by derelict warehouses that were rarely visited by ships and were surrounded by further areas of dereliction. My judgment at the time was that the prospects of rapid progress being made in reviving that area by the combined efforts of the Port of London authority and three local authorities involved were next to nil——

Mr. Spearing: It was being developed.

Mr. Clarke: On a trivial scale.

Of course, the London Docklands development corporation is a public body and must be subject to the PAC. It may have had its administrative difficulties, but if the hon. Gentleman goes to the heart of docklands now and sees how transformed it has been, what a model it is for urban regeneration and what a tribute it is to the work of all those involved, he should perhaps reconsider some of his continual snide criticisms of it.

Mr. Nicholas Bennett (Pembroke): As a former Conservative leader of an inner-London borough, may I congratulate my right hon. Friend on his initiative and assure him that we ignore the ragbag of carping, vacuous comments from the Opposition who have been in power in most of the inner cities for most of the past 50 years? Does my right hon. and learned Friend remember that one of the problems facing the inner cities in the past has been that there has not been enough private housing for those who wish to live there? One of the successes of the LDDC has been the bringing back to the inner city of people who wish to own their homes.

Mr. Clarke: I strongly agree with my hon. Friend. It is desirable that there should be the right mix of housing and population in all the inner cities—of people who have chosen to own their own homes or flats and who have chosen to rent in the private or public sector. That is the tenor of the housing parts of the document that we issued today.

I have already agreed with my hon. Friend's comments about the Opposition. I did not think there would be any specific objections to anything. I am almost tempted to ask my right hon. Friend to take away the urban development corporations from the constituencies of hon. Members who have grumbled—but I do not think I shall do so. They would all change their minds overnight if he did.

Mr. Barry Jones (Alyn and Deeside): Will the right hon. and learned Gentleman tell the House of new moneys and measures that will affect Wales and Scotland? I challenge him to name one measure that affects Wales. Where are his right hon. Friend the Secretary of State for Wales and his right hon. and learned Friend the Secretary of State for Scotland? Where is the Governor-General for Wales? Are we to have a statement from him tomorrow?

Mr. Clarke: It is true that the 12 announcements I have made do not include any that were relevant to Wales or Scotland, but there is a page on Wales and Scotland in the document, and a great package of proposals for which my right hon. and right hon. and learned Friends are responsible.

Scotland contains some of the best examples of urban regeneration in this country — particularly in Glasgow. What is being done with the urban development corporation in Cardiff, in Swansea bay, and with my right hon. Friend's proposals for the valleys is equally ambitious. As we have devolved government in this country, those things are the responsibility of my right hon. and right hon. and learned Friends the Secretaries of State for Wales and Scotland.

Mr. Hugo Summerson (Walthamstow): Will my right hon. and learned Friend give us his assurance that local authorities will not be permitted to enter into purely artificial schemes with third parties to develop land under which the tenants of the houses subsequently built will not be permitted to exercise their rights to buy under the Housing Act 1980?

Mr. Clarke: My hon. Friend raises a serious point. There is a problem of local authorities seeking to evade the right to buy or the tenants' choice of landlord in future years. I know that my right hon. Friend the Secretary of State for the Environment is anxiously considering this, and I shall refer my hon. Friend's comments to him. No doubt he will consider what proposals to bring forward.

Ms. Diane Abbott (Hackney, North and Stoke Newington): Is the Minister aware that what will cause concern about his statement to those of us who represent and care about the inner cities is what is absent from it? We know only too well that, since 1979, we have lost £7 billion in rate support grant and £8 billion in housing investment programme, which would have built 150,000 houses. This document contains no proposals for any new money, and it insults the people of the inner cities.

Are not large areas of policy that are essential to regenerating the inner city missing from the document? One is transport. What is there in the document to develop and build up public transport?

Finally——

Mr. Speaker: Order. I think the hon. Lady has had a good run. Many other hon. Members wish to ask questions, and I am trying to get them all in.

Mr. Clarke: The hon. Lady is not the first person to produce all those figures about lost rate support grant, housing allocations and so on. Although, fortunately, I do not usually have to face them, I regard them as—on the whole—bogus, based as they are on suppositions about what level of grant would have been paid if certain actions had been taken by local government. We allocate grants to local government according to objective assessment of need. It is true that some local authorities have gone into penalty and lost grant, but that is not a valid comparison to make with the measures announced today.

As for transport, I have mentioned two important roads, but there are other references to transport in the document, which I commend to the hon. Lady. They include references to the London Docklands development corporation's light rapid transit scheme — the railway that goes out to docklands — and to the fact that the Government are looking, with Manchester, at a proposal that a similar rail network might be set up in inner Manchester.

Mr. Tony Favell (Stockport): Does my right hon. and learned Friend's American experience bear out the views of many — that one of the greatest threats to inner cities and to employment in them are out-of-town shopping centres?

Mr. Clarke: In certain circumstances, I have no doubt that that proposition can be argued, but I suspect that my hon. Friend is skilfully trying to draw me into some planning dispute in his locality. I shall draw his views to the attention of my right hon. Friend the Secretary of State for the Environment, who will no doubt consider them carefully, if indeed my hon. Friend has a proposition on hand in the neighbourhood of Stockport.

Mr. Eric S. Heffer (Liverpool, Walton): The glossy document "Action For Cities", which I had to get from friends who are journalists because it was not issued to the House of Commons, says that the new Merseyside development corporation will cover the north docks and Parliament street in Liverpool. What does that mean? Parliament street is a residential area of council houses, which are now about to be pulled down by the present Labour authority in that city and replaced with good council houses. Does it mean that the Labour authority, elected by the people, will now receive enough money from the Government to help it carry out its programme; or does it mean that that land will be taken over by an unelected authority and handed over to private enterprise, which will do a great deal of damage to local people?

Can the right hon. and learned Gentleman also explain what he means when he says that the north docks will also be taken over by this authority because of the great work that has been done by the authority up to now? We are talking about an unelected authority. What great work has it done? It has done some work, but how many jobs and how much industry has it produced, and what has it done to rehabilitate industry in Merseyside?

Mr. Clarke: I concede that the hon. Gentleman knows more about the exact geography of Parliament street, Liverpool than I do. I shall refer his detailed inquiry to my right hon. Friend the Secretary of State for the Environment, who will no doubt give the hon. Gentleman a specific answer. The hon. Gentleman attacked what he called an unelected urban development corporation for Liverpool's docks. His comments were wide of the mark. The redevelopment that has already been done in Liverpool docks by the Merseyside urban development corporation is one of the best things that has happened in Liverpool in many years.

Mr. John Redwood (Wokingham): While I welcome the summary of the Government's actions so far, may I ask my right hon. and learned Friend to look urgently at the question of the supply of industrial space in the north-east? Could he not use the powers that he already has to organise a public auction of land to bring forward suitable factory space? Would it not be more sensible for factory space to be made available in the north-east at about a third or a half of the rental level in the south-east, given that a much higher proportion of the work force are unemployed in the north-east?

Mr. Clarke: We have not cut at all the activities of English Estates in helping to produce factory accommodation in the north-east. There has not until recently been a shortage of industrial land in the north-east. Obviously, one hopes that as quickly as possible there will be a reaction to the growing demand and that we shall see the necessary factory and office buildings coming on to the market. It is a problem that needs to be tackled by the private and public sectors. I can only reflect that it is a novel problem for the north-east that industrial expansion there is going on so quickly that we are beginning to get the first shortages of land and buildings.

Mr. Robert N. Wareing (Liverpool, West Derby): Does the Minister realise that his statement will be taken as a sick joke on Merseyside, given that this Government abolished Merseyside county council which did more for private business than the Government have ever done and that the Government robbed the city of over £300 million in rate support grant? Can he say when the Government will enter into real partnership with the real people of Merseyside—its elected councillors? Can he tell us how many disabled people looking for a telephone or adaptations to their homes, people seeking housing repairs and those looking for real jobs will be happy with his statement?

Mr. Clarke: I am interested in what the hon. Gentleman says. People will just have to judge the respective contributions to well-being on Merseyside made on the one hand by Merseyside urban development corporation, and on the other hand by Liverpool city council under its recent Militant control. The announcement I made today, that my right hon. Friend the Secretary of State for the Environment is about to extend the urban development corporation on both sides of the Mersey, should be welcomed by most people in that area. If what the hon. Gentleman says is any sign of a mellowing on the part of Liverpool Labour party towards the private sector and the attracting of new enterprise, it is a welcome sign. If the council could make itself more business-friendly and help redress the bad reputation that it has given to the city in the last few years, that would do a great deal of good.

Mr. Tony Marlow (Northampton, North): As the mould of Socialism is dependent for its growth on the feedstock of dereliction and decay, is not the hostility and ill-humour of the party opposite explained by the fact that my right hon. and learned Friend's statement today is a very grave threat to their few remaining strongholds?

Mr. Clarke: There is a mixed bag of motives on the Opposition side, and a mixed bag of responses. I entirely agree with my hon. Friend that, at its worst, when one finds real extremists inside the Labour party in some of our cities, they are people who have a personal commitment to making sure that nothing works and who feel that their political base lies in dereliction and decay. At its worst, that becomes quite a serious problem.

Mrs. Rosie Barnes (Greenwich): Does the Minister agree that more and more young people doing valuable and essential jobs — nurses, electricians, postmen, teachers — are being driven out of London because of a lack of affordable housing? Does he further agree that, unless this problem is tackled, inner London will never be regenerated and, sadly, its work force will be depleted? Does he think that his proposals will address that fundamental problem?

Mr. Clarke: I agree with the hon. Lady's assertion. This is an extremely serious problem. That is why we are proposing reforms in housing legislation so as to make sure that there is a variety of housing in London and that the number of organisations and landlords providing private rented accommodation should be greatly extended. We also need to tackle the question of the payment of people in London who perform some of these essential public services compared with payments in other parts of the country.

I am glad to see that the idea of more regional differentiation in the pay of people in these great public services is again a live issue. Today's proposals will make a further contribution, and in all we do we must pay attention to the points that the hon. Lady has made. We need a good mix of housing in London, offering the right choice in order to attract a variety of employed and self-employed people to the city.

Mr. John Marshall (Hendon, South): Does my right hon. and learned Friend agree that the inner cities have been the major victim of the doctrinaire policies of extremist local authorities, which have frustrated development by hoarding land, which have destroyed jobs through high rates and whose education policies have failed a whole generation? Does he further agree that the only hope for inner cities lies not in the nostrums of Opposition Members but in the proposals that he has announced, in the uniform business rate and in the Education Reform Bill?

Mr. Clarke: I agree with my hon. Friend. Certainly, some councils deserve all the strictures that he has applied. Our policies are based on the proposition that we need to bring the enterprise economy into the inner cities. That has been successful in reviving the national economy as a whole. It can be a success in the inner cities if the same principles are applied consistently by the Government and by leading people in business throughtout Britain. Following my hon. Friend's analysis, it is obvious that many Opposition Members still have to be converted to his view and need to realise that many of their friends in local government have done far more damage than good.

Ms. Mildred Gordon (Bow and Poplar): Will the Minister allow a public inquiry into improvements on the A13 and, in particular, the proposed docklands highway spine road? Is he aware of the considerable opposition in my constituency to the proposed docklands highway, which will destroy badly needed houses and cause misery to people who will continue to live along the route? My constituents consider that this will be a gift of a huge amount of public money to Olympia and York to bring people into the area from outside to work in the new offices. That money should be used to provide jobs for local people and much-needed houses. Is he aware that my constituents think that the Government's proposals will bring as much benefit to the east end as a plague?

Mr. Clarke: Of course the choice of route for a new road in an urban area is an extremely sensitive matter. My right hon. Friend the Secretary of State for Transport will go through all the processes of consultation and the statutory procedures as this road is promoted and brought near to being built. I hope that the hon. Lady will play a constructive part in all this. There is a danger that sometimes some of the community activists in the east of

London and elsewhere are very clear about what they are against: they are against most things that involve any change in their neighbourhood. There needs to be a positive surge to find solutions to the traffic problems that urban regeneration in east London is causing.

Ms. Gordon: My constituents know what they want. They want houses and jobs.

Mr. Speaker: Order.

Mr. John Fraser (Norwood): One significant difference between urban development grant and urban regeneration grant is that the latter bypasses local authorities. Will the new grant bypass local authorities? Secondly, much of the bias of the Minister's policy is directed at the development of vacant and derelict land and does not help boroughs such as Lambeth, which have very little such land left.

What specifically is in it for Lambeth? Will there be any compensation for the 13 per cent. cut in the urban development assistance that we had last year, for the doubling of the burden that will come as a result of the poll tax, or for the shocking housing conditions that we have as a result of cuts in housing investment programmes over the last nine years?

Mr. Clarke: Obviously the new city grant will be administered by the Department of the Environment in consultation with local authorities when it considers possible suitable sites for development. It is true that, unlike urban development grant, it will not require local authority consent before it can be given. As the hon. Gentleman is aware, a few local authorities still simply refuse to put forward applications for urban development grant because they are against the Government giving any help to redevelopment in their areas. The hon. Gentleman asked, "What's in it for Lambeth?" There is a great deal of empty and derelict housing stock in Lambeth. I am sure that the Government's proposals on housing policy will have a beneficial effect on that borough.

Mr. Tony Banks (Newham, North-West): I do not need glossy publications with soft-lighted pictures of "Mama Doc" on page two to inform me about the inner-city problems in Newham. I have to live with those problems daily. They arise directly from Government policies. Newham has lost £127 million in rate support grant since 1979. Poverty and unemployment have doubled since 1979. Those are the root causes of the problems in inner city areas. Why does the Minister not just come clean and tell us that the statement is part of the process of dismantling Labour-controlled local authorities in the inner cities – [HON. MEMBERS: "Hear, Hear."] Exactly – and turning them over to Tory business men to take decisions behind closed doors? What is more, they will even get free breakfasts for doing that.

Mr. Clarke: I am sorry that the hon. Gentleman is so upset by the pictures. May I commend the words to him? If he reads the words between the pictures, he will discover that his description of the document is something of a parody.

Mr. Max Madden (Bradford, West): Is the Chancellor of the Duchy of Lancaster aware that the official unemployment figures show that 16 out of every 100 of my constituents of working age are unemployed and that many of those in work have low-paid, part-time jobs involving night and weekend working and that they include a group of men and women who – it was revealed last week – are earning 12p for every kilo of onions that they peel? Whether they are men and women desperately looking for work or people peeling onions for 12p a kilo, they understand that the city of Bradford has declined as a result of the millions of pounds that have been taken from the local economy through cuts in rate support grant, housing benefit and social security payments. Is he aware that they will not take seriously the Government's promise to regenerate the inner cities until and unless substantial amounts of new money are pumped into Bradford to create new, better paid jobs that offer some promise to the people who have them?

Mr. Clarke: I simply do not agree with the proposition put forward by the hon. Member for Bradford, West (Mr. Madden), and by others, that somehow the inner-city problems have been created by cuts in rate support grant by the Government. The inner-city problems are long-standing and are a reflection of a long-standing industrial and commercial decline in some places. The Member does not do justice to the city of Bradford, which has mainly been affected by the industrial recession and the decline of the textile industry in west Yorkshire, upon which in the past it was too dependent. It is now bouncing back very well. It has done much to help itself and it will receive added support from the Government through the new city action team that I have announced today, which will be based in Leeds and will serve both Leeds and Bradford.

Mr. Neil Kinnock (Islwyn): On a point of order, Mr. Speaker. As we heard earlier, the Prime Minister chaired a press conference at which she presided over at least six of her Cabinet Ministers, one of whom has just provided us with a statement during which, in his replies to questions, he referred to no fewer than 11 of his colleagues to whom he said that he would refer matters raised by hon. Members on both sides of the House.

In anticipation of that kind of problem, efforts were made, as you know, Mr. Speaker, to ensure that the Prime Minister would come to the Dispatch Box to answer the variety of questions about a matter which she is supposed to be co-ordinating. Those efforts were not productive.

However, I read shortly after midday today on the Press Association tapes:

"Later today the Prime Minister faces an emergency Commons question about the initiative".

I know that there is a well-established and entirely understandable convention that you, Mr. Speaker, do not comment on any possible applications for private notice questions. However, given the completely unsatisfactory nature of the Minister's responses this afternoon and the number of references that he has been forced to make to his right hon. Friends, and the fact that the person who chaired the press conference this morning could not be here to answer questions this afternoon, will you give your view on the advisability of multidepartmental press conferences and the failure subsequently to provide the House of Commons with at least the facility offered to the press and broadcasting media?

Mr. Speaker: I had not anticipated that the right hon. Gentleman would raise a point of order. I thought that he was going to put a question to the Minister. I believe that those questions are for the Minister rather than for me.

Mr. Marlow: On a point of order, Mr. Speaker. Hopefully it will be a more helpful point of order than the one that we have just had. It concerns the hon. Member

[Mr. Marlow]

for Dagenham (Mr. Gould). Obviously you are concerned that the rules of the House should not change by precedent. You are well aware, Sir, that page 428 of "Erskine May" states:

"Her Majesty cannot be supposed to have a private opinion, apart from that of her responsible advisers; and any attempt to use her name in debate to influence the judgment of Parliament is immediately checked and censured. This rule extends also to other members of the Royal Family."

Mr. Speaker, you will have heard the hon. Member for Dagenham, in his original question to my right hon. and learned Friend the Chancellor of the Duchy of Lancaster —probably inadvertently and he would probably like to put it right in the circumstances—state that the Prince of Wales had a point of view which was in conflict with that of the Government. In other words, he was ascribing to the Prince of Wales a private point of view. Further, he was bringing that private point of view or supposed private point of view forward in order to influence debate. I feel that the hon. Member for Dagenham will realise that what he has done is inappropriate, and he may wish to put the record straight.

Several Hon. Members *rose*——

Mr. Speaker: Order.

Mr. Gould: On that matter——

Mr. Speaker: Order. Allow me to rule. I can answer the points made by the hon. Member for Northampton, North (Mr. Marlow). It is not in order to use alleged private opinions of members of the royal family to influence a debate. However, where a member of the royal family has expressed opinions publicly on a matter, it is in order to refer to those opinions without, of course, reflecting adversely on the member of the royal family concerned. Nothing out of order has occurred today.

Mr. Graham Allen (Nottingham, North): Further to the former point of order, Mr. Speaker. Given that the Government have abolished the metropolitan counties and the Greater London council and are now taking more powers away from local democracy, is there not yet more reason to support and defend the parliamentary accountability of the Prime Minister and other Ministers who give press conferences in preference to coming to the House to explain their positions?

Mr. Speaker: I am not responsible for who makes statements from the Front Bench.

Customs and Excise (South Armagh)

4.57 pm

Mr. Harold McCusker (Upper Bann): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the complete withdrawal of all British customs and excise services in South Armagh on Saturday 5 March 1988."

The matter is specific because it refers to the complete shutdown of Newry customs clearance station and the 10 customs clearance agencies that operate there. It is important because the Newry customs station is by far the largest and most important customs post on the frontier with the Irish Republic and is responsible for processing the bulk of legitimate trade between Northern Ireland and the Irish Republic and for controlling other movements across the border, and for reducing the massive swindles involving smuggling and other EEC procedures. The Newry customs station is normally open every Saturday until 5.30 pm.

The matter is urgent because the withdrawal of customs service occurred as a result of a single telephone call, allegedly from a terrorist or terrorist sympathiser. That telephone call did not contain any identifying code and was not accompanied by any public threat from the IRA, yet it resulted in not one member of the customs service turning up for work last Saturday, the day on which two terrorists were buried who had blown themselves up with their own bomb.

Within the next few days, the bodies of three more terrorists will return to Northern Ireland for burial. Will a number of telephone calls be allowed to bring chaos to Northern Ireland again, or will the Government take a stand against such intimidation? That matter requires to be debated urgently in the Chamber today.

Mr. Speaker: The hon. Gentleman asks leave to move the Adjournment of the House for the purpose of considering a specific and important matter that should have urgent consideration, namely,

"the complete withdrawal of all British customs and excise services in South Armagh on Saturday 5 March."

I have listened with care and concern to what the hon. Gentleman said. He knows that in Standing Order No. 20 applications I have to decide whether to give the matter precedence over the business set down for today or for tomorrow. I regret that I do not consider that the matter that he has raised is appropriate for discussion under Standing Order No. 20, and I therefore cannot submit his application to the House.

Electricity (Privatisation)

5 pm

The Secretary of State for Energy (Mr. Cecil Parkinson): I beg to move,

That this House, recognising the importance of introducing competition into the electricity supply industry, the advantages of new rights for customers, and the benefits of privatisation, approves the proposals set out in the Government's White Papers on the privatisation of the electricity supply industry in England and Wales, and Scotland, Cm. 322 and 327.

Mr. Speaker: I have selected the amendment in the name of the Leader of the Opposition. In view of the late start to this debate, may I appeal for brief speeches, both from the Front Benches and the Back Benches.

Mr. Parkinson: The motion refers to Scotland as well as to England and Wales. I shall cover Scotland in part of my speech, but in the main I shall concentrate on my responsibilities, which are for England and Wales. My right hon. and learned Friend the Secretary of State for Scotland will deal with Scotland in detail if he is fortunate enough to catch your eye, Mr. Speaker.

I am glad that the House has this early opportunity to debate our proposals. The subject is important and the issues are complex. It is obviously right for the House to comment now that we have taken our decisions on the structure of the industry, but there is much detailed work to be done before legislation can be introduced. The debate will set the scene for our consultations with the industry. In our legislation we can then build on what is said by the House and the industry. The Select Committee report will be an important part of that process. In bringing forward our proposals, we have already consulted widely. We have listened to many people and many views. We shall continue to consult as we develop the detailed legislation. The day after I had made my statement to the House, a copy of the White Paper was delivered to every employee in the industry—all 131,000 of them. We intended that each employee should have a chance to read the proposals, as they will greatly affect his or her future.

I ask the House to approve the White Papers for three reasons. First, our proposals will mean a better deal for the customer; secondly, they will provide wider opportunities and new freedoms for employees; and, thirdly, they will be of real benefit to the economy.

Our proposals are radical in their objectives, but they are also evolutionary. We are not in the business of transforming the electricity industry over night. That would not be possible or desirable. We have at least two years from now to put in place the new structure, and it will preserve what is best about the industry. The new structure will be just the start. It will create a framework in which a modern, competitive industry will develop. It will create a customer-led industry, with the 15 distribution companies free to find the cheapest sources of power for their 22 million customers. A new industry will evolve and will be shaped by the needs of its customers.

Since my statement last week there has been much ill-informed comment from Opposition Members, who talk about a continuing monopoly, rising prices and a bleak future for British coal. One thing is clear about these myths. They are the Labour party's vision of the future; they are certainly not ours. They describe a future for the industry under state control, not the prospects after privatisation. The facts are that our proposals will introduce competition into the generation of electricity, give new rights to customers, regulate the monopolies that remain, protect the rights of the employees and allow management to use its initiative.

I have always made it clear that we cannot have two competing light switches on the wall, or two sets of wires in the streets. However, it is nonsense to suggest that there cannot be competition to supply the cheapest electricity into those wires. The fact that there is only one shop in the village does not mean that there has to be only one supplier to that shop. We do not need a monopoly in the power stations just because there is only one set of wires to the customer. Opposition Members do not agree with that. They say, "Pile monopoly on monopoly." That is characteristic of the Labour party, and characteristically nonsensical. At the Conservative party conference last year I pointed out that nine months after the hon. Member for Kingston upon Hull, East (Mr. Prescott) took on his present responsibilities he suddenly started to become aware of a few of the problems. It came to him as a great enlightenment that there would be a monopoly in distribution. If he did not know that, he should have given up his job months ago, yet he portrayed it as something that had only recently been discovered.

Mr. Eric S. Heffer (Liverpool, Walton): The Secretary of State has just said that there will be only one supplier because one cannot have two wires coming into a house. That means that there will be a monopoly supplier for each area. At the moment the people are getting a good deal. Why do we need a change? The change is being made purely for doctrinaire reasons and has nothing to do with the needs of the people.

Mr. Parkinson: Not for the first time this afternoon, the hon. Gentleman is wrong. As I shall explain, there is a natural monopoly in distribution, and no one has ever denied that, but 80 per cent. of the costs of electricity come from generation, and there is nothing natural about a monopoly in generation.

As I was saying, Opposition Members' arguments on this matter are characteristically nonsensical and, when one considers the costs, irresponsible. Last year the Central Electricity Generating Board handed a bill for roughly £7,000 million to its 12 customers, the area boards. That made up about three-quarters of the bill that the area boards passed on to their 22 million customers. Several times that figure of £7 billion could be spent on building the new power stations needed by the end of the century. We have to introduce competition into the power stations to keep the costs down. Parliament agreed that when it passed the Energy Act 1983, which was meant to encourage competition in generation. It has not worked, because it left the CEGB in control as the dominant monopoly supplier. Our proposals will work because that monopoly will be ended. Companies can compete to build and operate power stations more efficiently.

The distribution companies will be the key to change. With a turnover of between £500 million and £1,500 million each last year, they will be among the largest private sector companies in their region. They will have a strong local identity and a real incentive to strike the best deal for their customers. Our proposals will give them the freedom to use that initiative. They will become a force for

[Mr. Parkinson]

development in their local economies. They will become real independent companies looking after local interests, not just the distributors of the CEGB's electricity.

Because the CEGB's monopoly will be ended, and because its obligation to supply will be removed, the distribution companies will no longer be obliged to take all their electricity from one supplier. Because the companies will own the grid, they will be able to bring new suppliers on to the system. They will be able to buy in the cheapest electricity and will have plenty of choice. The customer cannot have more than one switch, but the distribution companies can and will have more than one supplier. They will be able to contract for local sources of power supply into their own distribution networks. They will be able to contract from Scotland or France, from the two large generating companies or from the new private generators. A framework will have been created in which a modern competitive industry can develop. Already a number of private sector concerns have expressed interest in generating electricity. The area boards are interested in developing their own local generation. The industry already recognises the need to strengthen the link with Scotland.

Mr. Geoffrey Lofthouse (Pontefract and Castleford): The Secretary of State referred to Labour party fears about the effect that privatisation might have on the coal mining industry. Does he not realise that he could allay the fears by instructing both the coal industry and the electricity industry to enter into a formal binding contract on supplies to the electricity industry before privatisation takes place?

Mr. Parkinson: The Government did not impose the present arrangement on the industry. The CEGB and the National Coal Board entered into it because they believed that it was in their mutual interests. I have no doubt, as I hope to explain later, that a substantial part of the remaining huge demand for coal will continue to be met from the British industry, subject to certain qualifications.

I was talking about strengthening the link with Scotland. The Scottish industry will be a real force in the English market. It has a large surplus of modern and efficient power stations. The Scottish boards will be important competitors in supplying the 12 distribution companies and the generators south of the border, who will also be able to compete in Scotland. My right hon. and learned Friend the Secretary of State for Scotland will wind up the debate and answer points on his proposals for the Scottish industry. These were clearly set out in his White Paper. They recognise the different circumstances in Scotland. The industry has, for some time, been structured differently in Scotland, and the structure will remain different. The competition between the industry north and south of the border can only benefit the customer.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): The Secretary of State will be aware that, in preparation for privatisation, a big struggle is taking place between the South of Scotland electricity board and British Coal in Scotland. So far, the Secretary of State for Scotland has refused to intervene. Because of the huge investment of taxpayers' money in British Coal in Scotland, because of the importance of security of coal supplies, and because of his responsibility for employment and industry in Scotland, the Secretary of State for Energy has a locus in this matter. Therefore, will he encourage his right hon. and learned Friend the Secretary of State for Scotland to intervene and take some action, and at the very least knock the heads of the two parties together and get them round a table so that they can come to some kind of agreement before the coal industry in Scotland is decimated?

Mr. Parkinson: Both my right hon. and learned Friend and I have made it clear that we would like to see agreement between the SSEB and British Coal, but we cannot force that agreement on them. The chairman of the SSEB has another important statutory duty, and that is to supply electricity at the most competitive price. Therefore, we want to see these two industries get together and work out a deal. This is not a by-product or a part of privatisation. The chairman of the SSEB believes that he is fulfilling his statutory duties, and we can only make sure that a modern coal industry is available. We can encourage the parties, but, at the end of the day, this must be a commercial arrangement between them.

Mr. Alexander Eadie (Midlothian): In reply to my hon. Friend the Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) the right hon. Gentleman made great play of the statutory duties of the SSEB. Has he read the agreement on those duties? I counsel him to do so, because he will see from it that the Secretary of State for Scotland has the power to direct and to intervene if he deems it to be in the national interest. I submit that a Scottish deep-mined coal industry is in the national interest.

Mr. Parkinson: I am sure that my right hon. and learned Friend has heard everything that has been said, and I am sure also that he will deal with this subject. It is important to us all, but I recognise that it is particularly important to Scotland, and it is appropriate that my right hon. and learned Friend should deal with it.

I have heard Opposition Members say that there cannot be competition because there will be regulation. Again, there is confusion. There will be competition in the power stations. Regulation will ensure that the benefits of that competition are passed on to the customer in electricity prices. There will be a clear and effective regulatory system, and the White Paper sets out the principles on which it will be based. The emphasis will be on regulating the prices charged by the distribution companies. This will prevent monopoly profits being taken by any part of the industry. The initial contract put in place for the supplies from existing power stations will also have to be regulated. Detailed proposals can be put to the House only after consultations with the industry. The Government's principal aim is clear, and that will be to promote competition.

The regulatory system will reinforce the distribution companies' incentives to seek the cheapest supplies, but we shall also put competitive pressures on the distribution companies themselves. Neighbouring companies will be free to compete for large customers on their borders, and large customers will be free to buy electricity direct from the generators. The regulatory system will ensure that they can use the grid and distribution systems to do that. It will improve the existing provisions on common carriage in the Energy Act 1983. It will ensure that distribution

companies do not develop local monopolies in generating electricity themselves. It will prevent them subsidising their high street shops with income from electricity sales.

Mr. Tam Dalyell (Linlithgow): A number of us were the guests of the CEGB in the control room in Southwark. What does the Secretary of State say to controllers, such as Edgar McCarthy, who say that if, for example, in the Sundon incident in 1986, they had not had the authority to exercise control, the whole of London would have been in great difficulty within two minutes? The technical arguments of Mr. McCarthy and his colleagues weighed heavily with some of us. What is the Secretary of State's reply to that?

Mr. Parkinson: I noted that the hon. Gentleman asked this question earlier. We believe that the grid control will have the same ability to deal with emergencies under our arrangements as it does under the present ones. At present those arrangements depend upon common ownership, and we believe, on the basis of the contracts struck between the parties, that exactly the same reaction will be possible in a similar emergency.

Let me take it a stage further. In the recent hurricane, although the CEGB suffered some damage, by 11 o'clock that morning it was able to offer supplies to all the regions. The real problems were incurred by the area boards, and they had to sort out the massive job of restoring the low voltage distribution system. They did it extremely well, co-operating with one another and swapping personnel and equipment. That was a good example of how a diverse industry—not an integrated one; once again the hon. Member for Linlithgow (Mr. Dalyell) misses the point—with 12 separate companies can work together for the common good.

Dr. Michael Clark (Rochford): Will there not be the same continuity of supply whether the information for the merit order comes from internal information, in-house within a massive CEGB, or externally, from several generators, all of whom are supplying useful information to help sustain contracts and get contracts the next time they are for offer?

Mr. Parkinson: As I said earlier, the emergency arrangements will work just as well under this system as they have done in the past.

Mr. Peter Hardy (Wentworth): Will the right hon. Gentleman give way?

Mr. Parkinson: This must be the last time for some time.

Mr. Hardy: The Secretary of State overlooks the fact that the various bodies will be commercial undertakings devoted to profit. After the hurricane, constituents from my area went to the south of England where they gave assistance to ensure that electricity supplies were restored as rapidly as possible. In many cases they were restored in a matter of hours. Does the Secretary of State seriously believe that commercial companies will rush to aid one another, thereby diminishing their profits?

Mr. Parkinson: That is just a measure of the hon. Gentleman's basic prejudice against the private enterprise on which this country depends for its prosperity.

Competition in generation will provide the best protection for the consumer, because it will put pressure on three quarters of the cost of electricity. Price regulation of the 12 distribution companies will put pressure on the remainder. Customers will not just benefit from competition and regulation. They will be given new rights, too.

Guaranteed levels of service will be set by the regulator, in consultation with the industry. For example, the distribution companies could be required to meet all agreed appointments, to provide new supplies within a reasonable period, to replace meters by an agreed deadline, and so on. When they fail to meet these levels of service, the customer will receive compensation. Where the industry has a monopoly, the consumer will have a right of redress. This will be a novel feature of our privatisation of electricity. We are determined to ensure that the customer benefits from privatisation, not just in price, but in quality of service.

I believe that this scheme will be welcomed by the industry. It builds on a scheme that was introduced by the East Midlands electricity board. It will not just help customers. It will give management useful information on failures of service and an incentive to make improvements. It will be feasible and it will be effective.

Arrangements will also be made to represent consumer interests in the new structure of the industry. The advantages of the existing consumer and consultative councils will be preserved. Employees will also benefit. They will have the right to acquire a direct stake in the industry. There will be attractive provisions to help them to acquire shares. Their national negotiating and consultation machinery will be unaffected by the legislation. Their pension rights will be safeguarded.

Most important, the new structure of the industry will provide more diverse career opportunities. More companies will enter the market, and they will be looking for people with experience. There will be fair competition for the highest positions in the industry. Boards will no longer be chosen by Ministers. They will be filled by those with ability from within the industry, and with a minority of non-executives.

The majority of the employees work for the area boards, which are enthusiastic about the new structure. They are confident that it will provide real benefits for their customers. The chairman of the Electricity Council, the head of the industry, supports our proposals. So, too, does the Electricity Consumers Council. If the Labour party is concerned about the customer, it should listen to those who deal with the industry's customers and to those who represent them. It should not just listen, as it always does, to the producer.

I do not expect the CEGB to welcome the reorganisation. Proposals for change are often taken as criticism, but that is not the case here. The Government have the highest regard for the CEGB and its employees. We are confident that the CEGB will make a success of the new structure. It builds on its strengths. It will preserve the integrity of the grid and the operation of the power stations in merit order. It will preserve the CEGB's nuclear resources intact, ensuring continuity and high standards in managing the nuclear programme. As competition develops, there will be a developing market for the skills of those who know about electricity generation. Those are the facts about privatisation.

I should now like to deal with a few of the myths that the hon. Member for Kingston upon Hull, East seems to spend most of his time pursuing. The first of these myths is that privatisation will increase prices. That is not the

[Mr. Parkinson]

case. My proposals will introduce competition, which will put pressure on costs. The Opposition seem to think that competition is impossible. They argue that the customer is best served by a monopoly. I find that surprising. It is not what their spokesman said last October, when he claimed to understand the theory that a monopoly was

"more inefficient, takes more profit and exploits by charging higher prices."

He also said:

"The industry is also not consumer-sensitive."

That followed his statement that

"The concentration of power in one huge corporation is a questionable aspect."—[*Official Report*, 21 October 1987; Vol. 120, c. 816.]

The hon. Gentleman now appears to remember that his party has always believed in nationalised monopolies. He has therefore changed his ground.

The industry is facing a substantial investment programme. For years it has had surplus capacity. It has not had to order power stations. Those days are over. Demand is growing. More than 70 per cent. of the CEGB's plant is 15 years old, or more. The CEGB forecasts the need for 13 GW of new capacity by the end of the century — equivalent to about 10 large power stations. Inevitably, that will have an impact on prices. That is why it is important to introduce competition into the industry.

We need competition to make sure that the stations are built efficiently, to time and to cost. If the hon. Member for Kingston upon Hull, East is really concerned about prices, he should argue for competition, which is what I think he believes in, rather than monopolies, for which the unions tell him he must argue.

Another myth about privatisation is that the Government have abandoned the coal industry. That is nonsense. Last year the CEGB spent almost £3,500 million on coal. It bought about 75 million tonnes of coal from British Coal and accounted for three quarters of British Coal's sales to the United Kingdom market. Coal is the major source of fuel for our power stations and will remain so for years to come. About 60 per cent.of our electricity last year came from just a dozen coal-fired power stations. In total, about three quarters of our electricity comes from coal. The existence of those stations provides a solid guarantee of a market for coal.

The Government's commitment to the future of British Coal is not in doubt. More than £6 billion has been invested by the taxpayer since we took office, and about £2 million of taxpayers' money each working day is still being invested to make British Coal a modern industry. Those plans stretch through for the next three years.

The miners can help to make it a modern, competitive industry. They know that strikes and stoppages cost jobs. My hon. Friend the Under-Secretary of State for Energy said earlier that the loss from the recent overtime ban was about £100 million, the same as the likely investment in Margam — a brand new pit offering 800 new jobs. If British Coal can invest in new pits and adopt modern working practices, it can become a competitive supplier.

The Labour party talks continuously as though British Coal is a no-hope industry. It makes it sound as though the House is being invited to breathe life into a corpse — a most unrewarding occupation. We do not accept that view of British Coal. We believe that if the Labour party worked with us, by encouraging modern working practices to go with modern investment, British Coal would have a secure future. I have listened to what Mr. Scargill had to say this morning, and I have to tell the House that I believe he has learnt nothing from his recent experiences and that he has nothing that he really wishes to talk to British Coal about. What he looks forward to is finding yet another excuse for holding yet another ballot about more industrial action. It makes one wonder whether, with friends like Mr. Scargill, the coal industry needs any enemies.

Mr. Alex Salmond (Banff and Buchan): If the Secretary of State is so concerned about the future of British Coal, why is he not prepared to provide a guaranteed market for coal in the same way as he is prepared to provide a guaranteed market to the nuclear industry?

Mr. Parkinson: A proportion of our electricity will be supplied from nuclear power stations, but I have just told the House that three and a half times that amount will continue to be supplied by the coal industry. Three quarters of our electricity will come from coal-fired power stations, way into the future. The amount of electricity supplied by nuclear power stations will remain fairly constant. Whether it is British coal that is used is in the hands of the British miner and British Coal. It is not in the hands of the Government. We are doing our bit, and it is about time that Opposition Members did theirs.

The Opposition have also complained about our policy on nuclear power, but our proposals are an insurance policy for the customer. There are no alternatives to electricity in many of its uses, so security of supply is important. If the Opposition were really concerned about customers, they would realise the folly of relying only on finite fossil fuel resources to generate all our electricity. It takes a long time to build power stations. We cannot wait until the next jump in fossil fuel prices and then decide to build nuclear power stations or large-scale projects for the use of renewable resources. We need diversity if we are to have a secure energy supply.

Our commitment to nuclear power is only one part of that strategy. The obligation that will be placed on the distribution companies is not to ensure that the nuclear proportion grows—that will be up to the market. It is simply to ensure that nuclear or other non-fossil fuels continue to form part of a balanced portfolio. That proportion will be roughly equal to present levels, and the nuclear programme will itself be subject to new competitive pressures.

Mr. Rhodri Morgan (Cardiff, West): Why cannot nuclear power stand on its own two feet?

Mr. Parkinson: The hon. Member for Cardiff, West (Mr. Morgan) asks why nuclear power cannot stand on its own two feet. It is doing so. It is British Coal that has not stood on its own two feet for years. Earlier this afternoon my hon. Friend the Parliamentary Under-Secretary mentioned the figure of £916 million in deficit grant in a single year. There is a big market for coal, but we need other fuels as well. All sensible people who think about energy recognise that. The 18 per cent. of our electricity that comes from nuclear power now should be maintained at about that level in the future. That is no threat to coal. It offers security of supply, as I have said over and over again.

The Opposition may claim that the privatised industry will cut corners on safety and environment, but there can

be no question of that. Whether the industry is in the public or the private sector, it will still have to meet the same safety and environmental standards. I am sure that the hon. Member for Kingston upon Hull, East has not forgotten that Chernobyl was a state-owned power station. Private ownership will not lower the standards that the industry has to meet.

Opposition Members will go on believing in their myths, because they still believe that public ownership is necessary to provide a public service. However, 3 million new shareholders and more than 1 million new freeholders say that they are wrong. I expect many more new shareholders when the industry is privatised, and I expect many of them to be members of trade unions. The industry will then be properly accountable to the public. I expect more of the employees to take up shares. They will then have a real stake in their performance and in the future of their companies. The industry will be free to raise finance in the private sector, and its investment plans will be subject to commercial tests.

Public ownership means state control. It means monopoly. Privatisation will be of benefit by itself, and this will be the biggest privatisation of them all. In England and Wales it will create 15 new private sector companies, with more than 130,000 employees and a combined income of more than £10,000 million. In Scotland, it will create two new companies, with more than 15,000 employees, and an income of £1,200 million. There will be competition and choice. There will be a new force for deployment in the regions. There will be new, wider share ownership. There will be individual initiative, where there was state-controlled monopoly. There will be new rights for customers. There will be new opportunities for employees. There will be a better deal for the taxpayer, and for Britain.

5.33 pm

Mr. John Prescott (Kingston upon Hull, East): I beg to move, to leave out from "House" to the end of the Question and to add instead thereof:

'rejects the White Papers Cm. 322 and 327 which seek, in the name of a doctrinaire concept of competition, to dismantle a successful publicly-owned and integrated system of electricity supply which has produced a reliable and efficient supply of electricity at a price amongst the lowest of any developed economy; which will create a series of lightly regulated private monopolies and a less secure system, producing high profits for shareholders and high prices for consumers; which will have detrimental consequences for employment in the coal, power plant and other dependent industries; and which ignore the crucial strategic importance of a long-term integrated energy policy, aimed at sensible utilisation of the country's various indigenous fuel resources.'.

The Secretary of State's speech really proved the first criticism that I made of the White Paper—that it was a triumph of ideology over common sense. It was thin on detail, and it told us little about how the right hon. Gentleman's proposals were to be achieved. The White Paper is a statement of intent, a fraudulent prospectus high on promises and low on detail. It is a statement of blind faith that competition equals efficiency and is always beneficial to the consumer, which a good deal of evidence shows not to be so.

This is an unjustifiable, reckless experiment with a very successful public utility. It makes no attempt, as the White Paper makes no attempt, to justify the Government's aim to break up the electricity supply industry, and to replace the present certainty of supply with greater instability and uncertainty in this most important provision.

The White Paper is full of contradictions. For instance, it suggests that it is possible to abolish the present structure, but retain the advantages that that structure has provided over the past 30 years. The Secretary of State has made clear, in both his speech and the White Paper, that the electricity supply industry has a successful record; he has not gone on to explain why he believes that it has failed the country. That should be the first step in any White Paper.

The White Paper is bereft of detail. It smacks of haste and a lack of thought. I do not know whether the Secretary of State has chosen to read the report of the Plowden committee on the electricity supply industry in 1976. He nods; he will therefore know the difference between the quality and quantity of the analysis engaged in by the Plowden committee, and that of the shabby report that he has presented to the House. The Plowden report at least attempted to examine the different options that are available if the electricity supply industry is to be broken up. The Secretary of State has said that Plowden got it wrong, but at least it is possible to look at the reasons that he gave in the report's recommendations.

The White Paper contains no such substance or detail. It presents no alternative strategies. It is not a real White Paper; it is purely the kind of propaganda that we have learnt to expect from the present Government, masked as a White Paper. It has no contribution to make on the important and radical change that is being proposed—for I fully agree that it is a radical change. That is why it is all the more important that the Government try to justify giving up what we know to be a successful way of supplying electricity.

Mr. John Redwood (Wokingham): If the CEGB and the current industry are so successful, why are they being so slow to bring forward combined heat and power, combined cycle gas turbines and reuse of redundant power stations, which could be so much better at generating cheap power at little fossil fuel cost? Does the hon. Gentleman agree that the private sector might do that job rather better?

Mr. Prescott: The hon. Gentleman has proved that he should wait to hear my criticism before he rises to speak. I shall come to that point later in my speech. I appreciate that he may not know what I am going to say.

The Secretary of State has referred to a point that I made in my speech on the Public Utility Transfers and Water Charges Bill. I made it clear then that ours is the most integrated and secure electricity supply industry in any developed economy. It has not only achieved but exceeded all the profit targets that Parliament gave it. It has trebled its productivity in 30 years and, in the last 50 years, has increased prices by a factor of nine—a sixth of the increase in fuel costs and half that in the cost of living. Can any other private or public industry claim that record? I shall sit down if any hon. Member can cite one.

Mr. Redwood: The private sector computer industry could more than match that record.

Mr. Prescott: That is only over a period of five, six or 10 years during which it has been in existence. I am talking about 50 years of success by a public industry.

The fairest thing would be to compare the industry with other electricity supply industries in the rest of the world. An analysis has been done by the Electricity Council,

[Mr. Prescott]

which shows that on prices alone Britain is producing one of the cheapest forms of electricity when compared with the 20 developed countries in the OECD. That is a considerable record.

In the Sunday press, the Secretary of State is quoted as saying that his plans for electricity will cut bills. It does not say that in the article. Is the Secretary of State predicting that his plans will improve the record of the industry? Will they do better than make us the sixth cheapest electricity supplier in the OECD? Will he do better than that? Will he cut the bills?

Mr. Parkinson: I am grateful to the hon. Gentleman for proving that even after our price increases British electricity will remain competitive. He has spent the past few months saying that that is not the case.

Mr. Prescott: I shall deal with the price increases shortly. However, will the Secretary of State predict that the prices will come down as a result of the changes announced in the White Paper?

Mr. Parkinson: I spent quite a bit of time in my speech pointing out that competition will put pressure on costs, which will force prices down. Therefore, prices will be lower in the private sector than in the public sector.

Mr. Prescott: That is another example of a statement of faith. We are asking the electorate to accept the Secretary of State's belief that competitive forces will do better than the proven record of the past 30 years which, as I have said, has made us the sixth cheapest electricity supplier in the OECD.

We should bear in mind that the industry has carried the burden of the Treasury putting its hand in the till over the past few years. The Treasury has taken £2 billion from the industry in the external financing limits. It has now calculated that it will take another £1 billion in next year's accounts. Therefore, £3 billion will have been taken since the Tories took office, and that will have been financed out of the present price structure. The industry has had considerable money taken away from it by the Tory Government, but still it has a considerable price record.

I pray in aid the work of the Monopolies and Mergers Commission, which was set up by the Government. It looked into the operation of the electricity industry and examined transmission and generation. It has made legitimate criticisms, but, in the main, it said that the industry had operated in the best interests of the country. That is a good argument to put for the retention of a publicly owned electricity supply industry.

Of course, there are criticisms of the industry. The Labour party does not stand for the status quo. We want a change and we want improvements. However, we believe that a public sector electricity industry does the job far better than the private sector could, and the record shows that. I shall list some of the criticisms. The generation side of the industry is too powerful. I have suspicions of power when it is concentrated in that form, whether in public or private ownership. The industry has been obsessed with nuclear power and has had too little to do with combined heat and power schemes. It is not sensitive enough to consumer demands and it needs tighter control in the construction of nuclear plants — which, by the way, is done by the private sector — and in its demand forecasts. The industry has shown insufficient consideration for conservation and the environment. Nevertheless, it is still one of the most successful electricity supply industries of the developed economies. It has a proven record as a public industry and utility. That is why I restate the Labour party's commitment to retaining such an industry in public control and ownership. It has been of direct benefit to the country, to consumers and to industry. It is worthy of the title of a successful publicly-owned industry.

Our criticism of the White Paper is that it has a confused logic and blind faith. That is shown in the six principles set out on the first page. It says:

"Competition is the best guarantee of the consumers' interests."

That is precisely what the Secretary of State keeps saying.

The right hon. Gentleman made it clear at Question Time today that when he says "consumer" we should read "distribution boards." The distribution boards will receive the advantages of the reduced costs, in which he so blindly believes. How can the Secretary of State be sure that the distribution boards will pass on those advantages — if they take place — to the consumer? It will not be by the operation of supply and demand, but by a regulator; somebody who will intervene in the market. The Secretary of State has discovered that it will be a monopoly, and I am glad that he has discovered that. I happen to believe that this monopoly has worked in our interest by producing electricity more cheaply. That is contained in the report of the Monopolies and Mergers Commission. The assumption must not be that monopoly industries cannot achieve economies of scale. One of the advantages is that current prices have been achieved through economies of scale. That is one of the comparisons between the private and public sectors. One must ask whether it is necessary to have that sort of structure in order to achieve those benefits.

It is clear that we are talking about regulation. The Secretary of State seems to be suggesting that by breaking up the CEGB into a big part and a little part — 70 per cent. and 30 per cent. — with some piddling little bits on the side, the two parts will be competitive. There are many examples of two or three big companies getting together with all the characteristics of a monopoly. They agree prices. Why does the Secretary of State think that there would be competition? He said that it will be because of contracts between them. All the evidence we have seen from abroad shows that contracts are usually negotiated over long periods of time. Nobody will invest in generation unless a contract is guaranteed. All private and public utilities in the United States want guarantees of long-term supply. It is called a market condition of supply.

Mr. Parkinson: The hon. Gentleman has been carved up by the Leader and deputy leader of the Opposition. Therefore, I can well understand why the hon. Gentleman firmly believes in collusive duopolies. However, we will not have a collusive duopoly in the electricity industry.

Mr. Prescott: The Secretary of State has a justifiable reputation for cheap and nasty comments. I wish he would address himself to the argument. I may have it wrong; he may have it wrong. We are debating the White Paper and a difference of view about the operation of an industry and the experience we have seen in other parts of the world. The Secretary of State has totally failed to take that experience into account in the White Paper. Before arriving at his conclusions, he should have seen how

privatised electricity industries operate in other parts of the world. If he had done that he might not have had to say, as he did at the beginning of his speech, that a lot more detail has to be faced yet and that there is a lot more to be worked out. Apparently, the Secretary of State arrives at his conclusions without thinking of the details and without looking at other experiences.

Mr. Quentin Davies (Stamford and Spalding): Will the hon. Gentleman give way?

Mr. Prescott: I will not give way because I do not have much time.

Mr. Davies *rose*——

Mr. Prescott: Sit down. The Secretary of State faced the same problem. We have to achieve a balance as to how many people we allow to intervene. Many people want to contribute to the debate. We were asked by Mr. Speaker to try to cut the length of speeches. That is the problem. Consumers of the regional distribution boards will not have two switches. As the Secretary of State said, they are natural monopolies. He said in the White Paper that the privatised electricity industry will be a consumer-driven organisation. Presumably, the consumer cannot choose between different switches in order to make a choice between electricity board A and electricity board B. Therefore, the consumer has to depend on the distributors, in one form or another, passing on any advantage that the Secretary of State's competitive model—that is what he calls it—has achieved. Any advantages in generation will be passed on to the distributors.

How can we be sure that those advantages will be passed on? The Secretary of State said that it would be done by the regulator. Presumably, many of the distribution companies will begin their own generation. Why should they not begin to emulate what has happened in Scotland where they are both generators and distributors? Will they not then become regional monopolies of generation and distribution? The Secretary of State is shaking his head. It does not mention that in the White Paper. Perhaps that is something else that he is thinking about, but about which he has not told us. That shows the difference between the Plowden approach and the shabby White Paper of the Secretary of State.

We are talking about the possibility of the market producing a regional monopoly in generation and distribution. Presumably, even if the regulator wants to intervene, he will have to take account of the fact that the regional boards may have diversified into other investment interests. Those boards will not necessarily remain involved in the production of electricity. The market logic is to diversify. How will the regulator begin to find out how to deal with the cross-subsidisation in a joint company? There is no mention of that in the White Paper. There may be gold-plating of the assets, as happens in America, instead of the advantage being passed on to the consumer. There may be an answer to these points, but they were not even addressed as a problem by the Secretary of State. The board would be the link between the saving on the generator and the consumer, yet the distributor, in desiring to maximise profit, could do all sorts of other things in the private market system. The regulator would have no control over that. There are many questions involved, including the problem of cross-subsidisation.

The White Paper states that the obligation to supply is to be given to 12 distribution companies. We have an excellent integrated national grid, as the Secretary of State has said, and no one disputes it. Spain is the only country whose national grid is owned by the distributors, and no one is experimenting with that way forward. Because power stations in Britain are owned by the generators, they can be directed, in order of merit, to come on line. The proposal is that contracts will be negotiated and within the terms of those contracts the generators can be brought on line.

In view of the dispute on COAC contracts in Scotland, would anyone believe that was one way of bringing greater security into a grid contract system? What happens if there is an emergency resulting in a blackout and some generators do not comply with their contracts? That happened in a blackout in New York because the contractors supplying the power did not co-operate. Presumably, if that happens here, it will be a point of issue between the generating board or company and the network. That will become sub judice, so hon. Members will not be able to discuss it. What a prospect to face! We have an integrated national network based on merit and efficiency but now contracts are to be introduced. Even if people believe that the new system is good, they must accept that it introduces uncertainty into a system in which certainty is needed. Under the present publicly-owned system, certainty is guaranteed. Competition by contract will bring about greater uncertainty on essential conditions of the market.

The Secretary of State has said in his statements that it will cost quite a lot to break the national grid away from the generators. The people who now operate it say that it will cost £1 billion. I do not know what the costs are, although they have been highlighted in a number of board statements. Presumably, the Secretary of State has accepted that it will cost something, but he says that it will be balanced against the savings which will be made in the industry. We know that it will certainly have a cost in money and uncertainty.

There was no mention in the White Paper or in the statements of the Secretary of State of the savings likely to come from the new system. The logic of the argument is that we cannot tell what those savings are because the market economy determines them. That is supply and demand. The Secretary of State assumes that savings are guaranteed. I do not accept that or believe that there is a great deal of evidence to support it. There will be greater uncertainty.

Who will manage all the areas and make the system better? How will the Government ensure that the public interest is observed? Apparently the answer is to have some form of regulator. We know that a regulator is required in all privatised systems in order to intervene, but this approach has not been successful in some industries and countries. There are doubts about the system, with its many side effects, in America. There is no one who would argue that the examples of regulators for British Gas and British Telecom are good examples — indeed, the Secretary of State distances himself from that method and calls for a more powerful form of regulation. I should be interested to hear the right hon. Gentleman's comments on that. The Secretary of State will face considerable difficulties, as we know from experiences abroad and from British Gas and British Telecom.

[Mr. Prescott]

I had hoped that the Secretary of State would tell us about the extra powers for the regulator. I believe that, even with a publicly-owned facility, there is a role for the regulator to act on the consumer's behalf, to intervene and call on people to justify their actions. That is nothing to do with ownership as such. It is about accountability in one form or another. Although I pay credit to the excellent work of the Select Committee on Energy, its efforts are not sufficient to provide the necessary accountability in the day-to-day running of an industry. In its report on the gas industry, the Energy Committee said that it did not accept the formula for the price controls imposed by the regulator in the gas industry. It appears that the Committee was right. Anyone can read of the factors. The Secretary of State has ignored the fact that the Committee asked for a White Paper, but one that would tell us how the energy market would be dealt with in regulations before any further privatisation. The Committee wanted to know how the regulator would operate. The Secretary of State has totally ignored that request. There is no mention of it in the White Paper. He ignored that justifiable recommendation by a Committee, the observations of which in these matters have been far more useful than the Government's.

The regulator's role is a problem, and I draw in support of that comment a statement from a meeting on 29 February of the Bow Group energy committee, which the Parliamentary Under-Secretary of State for Energy attended. After the White Paper was published, the hon. Gentleman reported that he was concerned about the safety of nuclear installations, about consumers having to fund the massive industrial investment through price rises, about the effects on the coal industry and about whether private sector competition would be encouraged to enter the market. I liked his statement that he was concerned about

"how the new regulators can sort this out".

The hon. Gentleman asked for comments to be sent to him, since he has to publish a paper on the subject.

Mr. Peter Rost (Erewash): Will the hon. Gentleman give way?

Mr. Prescott: I shall give way to the hon. Gentleman, because he was present at that meeting

Mr. Rost: In fact, I chaired that meeting. I am not clear where those supposed minutes came from. They certainly have not been approved by me yet and, from what I have heard of the hon. Gentleman's presentation of them, that is a gross misrepresentation of what took place.

Mr. Prescott: I shall accept from the hon. Member who chaired the meeting of the Bow Group energy committee that this is a gross misrepresentation of what went on. There is nothing in the statements of the Secretary of State or the answers of the Under-Secretary of State during Question Time that gives us an inkling that they understand what a regulator has to do. If my information from the meeting is wrong, I shall give the Secretary of State and the Under-Secretary of State a chance to show that they know precisely how the regulator will work in respect of the critical matters of price and control.

Mr. Parkinson: I made it clear in my speech that we were debating the structure. I then said that there was an enormous amount of detailed work to do. I said that we looked forward to the views of the Select Committee on Energy. There is no secret about this matter. I have discussed it with the unions and the management. I explained the outline of our regulation policy in the White Paper and in my remarks today. There is much detailed work to be done now that the structure is out in the open.

Mr. Prescott: That rather confirms my view about the operation of the regulator. That aspect is critical to the question whether the Government can get the kind of competitive industry about which the Secretary of State talks. This system has not worked before for British Gas and British Telecom. It is not working successfully in America. The Secretary of State is merely confirming the report of the Bow Group energy committee — that if anyone has any ideas, they should be sent to him and his Minister. At least that point must be correct, because the right hon. Gentleman has confirmed it. This confirms that the Secretary of State speaks about the ideology but does not know how it is to be achieved. That is all that the White Paper has presented to us.

Mr. Morgan: This is not so much a White Paper as a suggestions box in which everyone may put ideas.

Mr. Prescott: That is a very good point. It is a pity that the Government did not have the suggestion box out before. They could have taken account of the sound advice that was available before they reached these conclusions. But I do not think that that has anything to do with it. The Secretary of State told the Tory party conference that this is what the people would get. The members at that conference gave him a cheer, and it was a triumph again for him. Frankly, I presume that we are faced with the consequences. We all know the importance of this change. The Prime Minister came in at statement time to hold the hand of the Secretary of State. She must be convinced that the right hon. Gentleman is OK, as he is on his own tonight.

It is a bit rich for the Secretary of State to say that he wants to privatise the industry to stop Government interference because they are for ever pinching money from the electricity supply industry to fund their financial programmes — £3 billion during the past four to six years. The Secretary of State has said, "Please protect me from putting my hand in the till." If that is why we have this White Paper, it is not a justifiable reason.

The Secretary of State also referred to his opposition to Government interference. But he is imposing a 15 per cent. price increase on the industry against all the judgments about whether such an increase is necessary. He has also referred to regulated profits, and whether they will be fair, and to future investment programmes. The Secretary of State did not say anything about the golden share. We heard in the statement a fortnight ago that there will be a golden share in the industry. If there is, I hope that it will be more effective than that of Britoil's which the Secretary of State admitted did not work. The Secretary of State is interfering in nuclear power. He has agreed that strategically we want a nuclear industry and that the electricity supply industry will be forced to buy some nuclear supply. That is considerable Government interference. It is agreed that the Government constantly interfere in oil taxation policies and in cheap gas imports from Norway. Therefore, to assume that there is no Government interference, whether the industry is in the old or new form, is nonsense.

The only rule of the market will be for the coal industry, which will have to face massive imports and which will be encouraged to do that. Indeed, we can see what is happening in Scotland at present. That is the only area in which the Secretary of State says that we can make savings of about £500 million—*[Interruption.]* No, I acquit the Secretary of State of that; he does not give us such details. The industry has assessed that it can save £500 million or £700 million costs. What will be the effect on the balance of payments and on prices? Is the future of the coal industry to be determined on the short-run effects of international coal prices? That seems to be the coal industry's future. That will have an effect on many thousands of miners, on pit closures, and on the railways and shipping industries. It has been estimated that it will affect about 100,000 jobs.

I wish that the Secretary of State had given us an indication of what he thinks the effects will be on jobs, instead of lecturing us about how to work harder, especially those in the mining industry, which produces the cheapest deep mine coal in Europe, when he knows that its record in the past few years has shown a considerable changeabout—*[Interruption.]* For whatever reason, the changeabout has been considerable. We cannot assume that it is just the status quo because there have been considerable changes.

The Secretary of State should be telling us what the coal industry's future is—there must be a future for the coal industry — instead of saying that its future will be determined by price, the results of that, limitations on the balance of payments and imports. Why does the Secretary of State not say, "I am going to ensure a future for nuclear power, so I shall ensure one for coal; I shall develop a plan for coal just as I have for nuclear"? That is precisely what he is doing, but for one reason or another — for the Government's own political prejudices — he wants to sort out the miners, and that will have consequences for their jobs and major costs to the community and the taxpayer.

If the Secretary of State reads his White Paper, he will see that most of the benefits that he claims will be the result of the structural changes could come about whether the industry is owned publicly or privately. The grid could be separated under public ownership. The CEGB could be broken up into the forms that the Secretary of State is talking about with the industry still in public ownership. There could be the competitive yardstick that the Secretary of State says replaces competition; there could be consumer benefits and regulated powers — all under public ownership. More powers could be given to the regulators in line with the Monopolies and Mergers Commission—again, under public ownership.

The reality is that the only difference under the changes in the White Paper is that the Goverment need to sell the industry to get the money. That is an ideological requirement, which has nothing to do with efficiency or the consumer. It is about maximising money for the Treasury so that it can utilise it for tax cuts. If one considers the fattening-up prices—the 15 per cent. price increase — which the CBI has rejected in its Oxford report — *[Interruption.]* When the Secretary of State argues the case of short-run costs and long-run costs, he should look in detail——

Mr. Quentin Davies: Will the hon. Gentleman give way?

Mr. Prescott: No; I do not have the time.

The Secretary of State should look in detail at the report. As an accountant, he will see that it makes clear that that price increase is not necessary to justify investment or to increase the rate of return—it increases the value of the assets. By running off capital debts so that the industry is free from capital debt by the end of the decade, the Secretary of State is guaranteeing the maximisation of resources and prices for the selling off of the electricity industry. This is what it is all about — maximising the price to the Government.

When the Secretary of State, at Question Time, said, "The hon. Gentleman" — that is, myself — "apparently realises that money goes to the Treasury and therefore to the benefit of the taxpayers," he missed out two essential points. First, money may go to the Treasury, but, if it is used for tax cuts, it is hardly of benefit to all the people of this country. Secondly, all the people will pay that price because they all pay for electricity. The consumer will pay a privatisation tax for a benefit that will be given to the City, the Treasury and the 3 million shareholders he hopes will invest in the industry. However, there are already over 40 million shareholders in the industry at present, when it is in public ownership, and they are concerned to maintain cheap electricity supplies.

We are faced with an electricity supply industry that, when privatised, requires higher profits and higher finances to attract investment and equity. It is a price far higher than the public sector has to provide because a low-risk industry can provide all the investment and produce lower prices at about half the level of the rate of return, which apparently is 2·5 per cent. at present. The only reason that we are increasing that rate of return—it is why a Labour Government recommended it and increased the rate of return—is primarily to get money for long-term investment. However, as has been pointed out, the Electricity Council, in its report for the industry, says that all the extra prices that came from those changes in the Labour Government's White Paper are already embodied in the price structure, and investment requirements up to the year 2000, under the Electricity Council, have been catered for.

Therefore, the only reason for these resources is to provide cash for the Treasury. All the organisational changes that the Secretary of State talks about — the benefits to the consumer and the competition that is to come from a regulated monopoly system — are a sham. There is no advantage to the consumer. This measure will not introduce competition into the industry in the form in which the Secretary of State desires it. It will result in greater uncertainty of supply, less integration, higher prices, higher profits, and higher unemployment. The public sector has done far better than that. We shall ensure that the industry is returned to public control if the Secretary of State is successful in privatising it.

6.6 pm

Mr. Alick Buchanan-Smith (Kincardine and Deeside): The hon. Member for Kingston upon Hull, East (Mr. Prescott) accused my right hon. Friend the Secretary of State of indulging in rhetoric, but having listened to the hon. Gentleman I should say that I have rarely listened to so much empty rhetoric as in the past half hour. It was rhetoric without content. I might have a little more respect for the hon. Gentleman if he had addressed the right questions. My right hon. Friend never criticised the record or achievements of the CEGB. What he is seeking to do,

[Mr. Alick Buchanan-Smith]

and what all of us are seeking to do, is to make the industry even more successful in the future than it has been in the past.

It is a bit rich for the hon. Gentleman to accuse the Conservative party and a Conservative Chancellor of the Exchequer of taking money out of the industry in higher prices. Does he not remember that probably the most predatory Chancellor of the Exchequer in regard to the energy industry was his right hon. Friend the Member for Leeds, East (Mr. Healey), because when he was Chancellor of the Exchequer we saw one of the biggest energy price rises at any one time? The hon. Gentleman would have done better to do his research a little more thoroughly than to come up with such arguments.

I strongly support the privatisation of the electricity industry, specifically on the grounds that the hon. Member for Kingston upon Hull, East rejected—the grounds of interference by Government. I served for four years in the Department of Energy. Before entering that Department, which was my first departmental experience of a nationalised industry, I would not have believed the degree of interference with the industry, not only through the Department itself, but through the Treasury and its oversight. Sometimes it made me wonder how anybody with any commercial ability would ever want to serve in high executive office in such industries, given the degree of interference that he would experience.

Having said that I support the privatisation of this important industry, I believe it is critical that we get the privatisation process right. This is important for the Government's policies as a whole—for the policies that we have carried through already, and for the future. It is no use simply legislating now and regretting later if the practicalities of the privatisation do not work out in the way in which many of us would like.

I am glad to note that my right hon. and learned Friend the Secretary of State for Scotland is present. I believe that the structure plan that he has proposed for Scotland is good. It makes sense and it is extremely welcome to my area and the area served by the North of Scotland hydro-electric board. I hope that the discussions on items still to be decided upon will be carried through vigorously. There is still work to be done on the exchange of generating capacity. Will there be an exchange of territory to try to get a better balance between the two boards? Assurances are also necessary with regard to how—as a result of contracts or otherwise — we will maximise export opportunities for Scottish-generated electricity south of the border.

Mr. Hardy *rose*—

Mr. Lofthouse *rose*—

Mr. Buchanan-Smith: I shall not give way, because I wish to be brief as many hon. Members wish to speak.

As a result of examining the issues involved, I am well aware of the difficult questions that my right hon. Friend has had to address with regard to England and Wales. I understand that my right hon. Friend must comply with a fairly tight flotation timetable. Given the split that he is seeking within the CEGB, and between the CEGB and the grid, I wonder whether there will be sufficient time for the track record of the new companies to be established to meet the flotation timetable, which I believe my right hon. Friend has set for this Parliament. If the timetable extends beyond this Parliament, I hope that my right hon. Friend will inform us of that when he replies.

I have reservations about the merits of the split of the CEGB and about ownership of the grid. My right hon. Friend was right to pay a lot of attention to the need for competition, but the House must ask whether the competition that is to be introduced will be real or illusory. We must be certain about that. I believe that the only true competition is from Scotland, from France and from other energies, especially gas. My right hon. Friend has acknowledged that.

I acknowledge and understand the political attraction of breaking up the CEGB. However, I believe that it is questionable whether there can be real competition in the generating sector of the industry. For there to be competition there must be surplus capacity. Without that, I do not believe that competition can exist. My right hon. Friend has acknowledged that at present there is no surplus capacity within the CEGB. I believe that there will be no true competition until the least efficient capacity has been phased out and new investment has taken place.

I cannot quite understand, nor has my right hon. Friend explained, how the proposed split at 70:30 has been arrived at. I believe that as a result of such a split certain economies of scale and the attendant benefits to the consumer will be lost. I also question whether the 70 per cent. share left with the CEGB will be big enough to attract the investment that is needed, especially for nuclear power and for the new conventional capacity required. I believe that there is an alternative to that split. My right hon. Friend has said that the evolutionary process is the right one, and I believe that there is a certain evolutionary process that would enable competition to build the new, necessary generation capacity. Such competition could be introduced on the basis of giving opportunity to those who can build new statons most economically and, equally, by encouraging better access to the grid.

I do not undertstand what is achieved by the grid structure proposed by my right hon. Friend. We must realise that, basically, the grid is a utility. Simply to split it does not necessarily achieve the sorts of things that my right hon. Friend has claimed. We must also realise that the grid is not just about transferring megawatts from one part of the country to another. The transmission system is basically unstable because of the nature of electricity, that is, alternating current and voltage. The transmission system is not simply a matter of transferring power. Voltage and frequency must also be kept within acceptable limits to ensure the continued integrity of the supply. Therefore, the system is much more difficult and complex than the simple operation of a merit order system as proposed by my right hon. Friend.

I am concerned that, under the structure proposed by my right hon. Friend, there could be conflicts, inefficiency and also, of critical importance, instability of supply. I agree that there must be access to the grid, but I believe that it is unnecessary to separate the grid from the generating end of the industry to achieve that access. I believe that my right hon. Friend may pay too high a price to achieve it. Access to the grid can be better insured through the use of the regulator, or as a result of the shared ownership of the grid under integrated managment from the generating side. That alternative commends itself to me.

I know that many hon. Members wish to participate in this debate, and the final subject to which I wish to address my remarks is coal. I believe that coal is of equal importance to this debate. A week ago, when my right hon. Friend made his statement on privatisation, my hon. Friend the Member for Sherwood (Mr. Stewart) asked about coal, and I believe that its importance is highlighted by the current dispute in Scotland.

In the White Paper my right hon. Friend has singled out nuclear power as requiring special circumstances and considerations. I do not understand why coal has not been singled out to receive similar attention. My right hon. Friend paid tribute to the need for the security of supply and the variety of supply, the merits of which are underlined in the White Paper, particularly in paragraph 46. He was correct to underline those considerations.

We had an analogous situation — not an exact parallel — with the privatisation of British Gas and the import and export of gas. Hon. Members who served on the Committee on that Bill will remember that the Government, as a result of pressure, gave undertakings about the considerations that they would apply to the import and export of gas because it was a natural resource that required such special consideration.

I accept that British Coal must be competitive against imported coal, but the enormous progress that has been made by British Coal must also be considered. In Scotland I am concerned by the somewhat hysterical, emotional outbursts from one individual head of a nationalised board. In such instances, I wonder whether the long-term considerations are taken into account. I believe that it is dangerous to set short-term profit against long-term stability and predictability.

Some facts must be borne in mind. About 4 per cent. of the total steam coal production in the world is seaborne. If the CEGB or its successor enters the world market, it may destabilise that market, which is relatively small in relation to its requirements. Equally, prices on the world market are highly volatile and they follow oil prices.

Mr. Neil Hamilton (Tatton) *rose*——

Mr. Buchanan-Smith: I would rather not give way at this stage.

The spot availability of coal is uncertain. Examples of that are the current shipping problems from China and the problems in Colombia, one of the major sources in the world market, which appears to have oversold.

The most important matter from the national point of view is that once a deep mine is closed it will not reopen. That worries me, because we risk the loss of an indigenous energy source and, in the longer term, the higher cost in foreign exchange of having to import coal.

I ask my right hon. Friend the Secretary of State to reconsider this before he brings legislation before the House. I was encouraged by the statements that emanated from the Scottish Office at the weekend to believe that more interest is being taken by Ministers in the present position, and I hope that recognition will be given to the longer term as well. I wish my right hon. and learned Friend the Secretary of State for Scotland well in trying to preserve the position in Scotland, and I hope we can ensure that our indigenous energy resources play a proper and full role in the future.

6.20 pm

Mr. Bruce Millan (Glasgow, Govan): The right hon. Member for Kincardine and Deeside (Mr. Buchanan-Smith) started by giving a general welcome to the Government's proposals, but it was a pretty tepid welcome by the end of his speech. Almost everything that he said contained either explicit or implicit criticism of the Government's proposals. The Opposition welcome his remarks about the future and importance of the coal industry, especially in relation to the present crisis in Scotland.

I shall relate my remarks exclusively to Scotland. Last week, the Secretary of State for Energy gave no convincing argument for upsetting the present arrangements and introducing privatisation, but we were at least promised two companies in Scotland. In view of the behaviour of the South of Scotland electricity board during the past few weeks, I am happy that there will be more than one company in Scotland. I would not trust the present SSEB and its leadership with anything.

But we have heard no details. There will be adjustments in generating capacity between the northern and southern companies. The right hon. Member for Kincardine and Deeside mentioned adjustments of geographical areas. That was not discussed in the White Paper, and we do not know whether it will form part of the Government's proposals. There was an odd proposal for the joint ownership of the nuclear industry in Scotland, but the implications of passing the nuclear industry into private hands have not been properly explained by the Government. Indeed, it may pass into foreign ownership, because we have heard nothing about the protection of the national interest.

We have heard completely unconvincing arguments about competition, and the new concept in Scotland of competition by comparison. The ordinary domestic consumer in Glasgow can compare the accounts of the two companies to see which is more efficient, but he will still have to take his electricity from the southern company because of where he lives. What will be the good of his having all that information — which, incidentally, he can obtain now?

Private generation in Scotland would be a non-starter because we have such an excess capacity. The argument that the major industrial users can choose between the two competing companies does not bear serious examination. In Scotland, we shall have an arrangement different from that south of the border. We shall have two private monopolies set up with little regard for the public interest and an undefined role for the regulator on prices and other matters.

The present problem of excess capacity in Scotland will be worsened when Torness comes on stream later this year. In 1978, when I was Secretary of State for Scotland, I gave permission in principle for the building of Torness, although the decision to go ahead with the construction was not made until April 1980 by the former Secretary of State for Scotland, now the Secretary of State for Defence. At that time, there was a good case for deferring its construction for several years, but I shall not make too much of that point, because I have always supported nuclear power as part of our generating capacity. Now that I am outside Government, I shall not change the views

[Mr. Bruce Millan]

that I held then, although there are now more public worries about the nuclear generating industry, in the light of Chernobyl and other incidents.

The problem of excess generating capacity in a publicly owned system, with the possibility of selling excess capacity to England, is entirely different from the problems that will arise under these proposals, when we shall have to sell electricity not to the CEGB but to a distribution company south of the border. That will be much more complicated, and I believe that it forms part of the background to the recent extraordinary behaviour of the SSEB. When the industry is privately owned, it will be landed with the problem of excess generating capacity, which is not a problem now, given the fact that there is no excess capacity in England and Wales.

This afternoon, the Secretary of State for Energy had the impertinence to say that it was a myth that the privatisation proposals pose any dangers to the Scottish coal industry. In view of the present crisis in the industry, he would be lynched if he made such a statement at a public meeting in Scotland. Here we have two nationalised industries in a public dispute that has gone to the courts. The SSEB denies that it has received a tender offer from British Coal at the price which British Coal says it has tendered. British Coal accuses the SSEB of telling lies. Last week, Lord Prosser, granting an interdict to British Coal in relation to coal supplies for Longannet and Cockenzie, said that if the SSEB went ahead with its present intention to buy all its coal from abroad, it would be catastrophic and irreversible for the Scottish coal industry.

The chairman of the SSEB, Mr. Donald Miller, says that he will abide by the court decision — that is very generous of him — but that he will evade it as much as he can. Despite what the court has said, he will buy no more coal from British Coal. If necessary, he will use Kincardine power station to its full capacity, burning foreign coal. He will use the maximum amount of oil generating capacity. Indeed, he will do anything rather than use the produce of the Scottish coal industry.

The head of a nationalised industry in Scotland is behaving outrageously, and the Secretary of State for Scotland has stood by and done nothing about it. In this case, standing by is an act of deliberate treachery to the Scottish coal industry. We learn from statements made on Sunday that the Secretary of State is now worried about the matter. When he made his statement in the House last week, and during Scottish Question Time, he was pressed many times to take action to bring the two parties together, find out what was happening and do something to resolve their differences.

Mr. Dick Douglas (Dunfermline, West): The Secretary of State for Scotland should wipe the smile off his face.

Mr. Millan: As my hon. Friend says, the Secretary of State is smiling.

There have been problems before between the SSEB and the coal industry. Difficulties arose in 1977 and the then Labour Government intervened. I was personally involved in negotiations with the SSEB and the National Coal Board in Scotland. The problem was resolved, and long-term agreements resulted from our negotiations and discussions. The contrast between those events and those that are taking place now is that the Secretary of State is standing back and saying that he cannot intervene in a commercial agreement between two nationalised boards. He has done nothing. He has made many excuses for doing nothing, and now we are told in a Scottish Office statement — we are supposed to admire him for this — that he is concerned about the demise of the Scottish coal industry. He has behaved abominably, and he should be ashamed of himself.

It is a lie to suggest that these issues have nothing to do with privatisation, that they would have arisen anyway. This is all to do with privatisation. The SSEB is adopting a tough attitude because it is anticipating privatisation under the Government's proposals. It is a scandal and an outrage that this should have been allowed to happen in Scotland. It is a foretaste of what we shall have in Scotland and the rest of the United Kingdom under the Government's privatisation proposals, and it is one of the reasons why we shall be voting against them tonight.

6.33 pm

Mr. John Hannam (Exeter): First, I wish to congratulate my right hon. Friend the Secretary of State and the Department of Energy on producing a White Paper that is clear and understandable, and on getting absolutely right the proposals that are set out within it. Having been involved in energy matters since the early 1970s, I know of the problems that faced my right hon. Friend when he began to study the means of arriving at the declared 1987 general election commitment of a privatised electricity industry.

It is easy to say that we should privatise the industry and introduce competition but not so easy to implement that policy. My right hon. deserves admiration for producing the programme that is set out in the White Paper. It was obvious from the start that the various vested interests — the unions, the CEGB and the Electricity Council — would all have an axe to grind and would be advancing different arguments. It was important to find a method that achieved three basic objectives: first, to create competition; secondly, to protect consumer interests; thirdly, to maintain security and safety of supply.

For many years, the industry has been a huge monopoly involved in the generation and distribution of electricity with the national grid linking the Central Electricity Generating Board and the area boards. I have always believed that transmission and distribution form a natural monopoly because of the impracticability of laying competing cables under the streets of our cities and towns. The generation of electricity is not a natural monopoly. As it represents over 80 per cent. of the costs of electricity to consumers, it was vital to try to find ways of bringing true competition into this massive industry.

With the grid as the common carrier, it should always be possible to generate power in any one place in the United Kingdom and to sell it in any other place. It is obvious that the further that electricity is transmitted the greater the loss and the greater the cost. The 1983 legislation was intended to create opportunities for independent generators to supply through the grid. With the CEGB's restrictive policies of buying-in rates and conditions, and with it being limited by existing statutory tariff and supply requirements, very little progress has been made.

Alternative forms of energy have never been given a real chance. Major industries such as chemicals and oil refining, which already generate for their own needs, should be able to dispose of surpluses to neighbouring

industries or towns. I welcome the decision to separate the grid and to put it truly into our distribution system with availability to it being open to a wide and new range of small and large generators of electricity.

The argument advanced that the use of the grid as a merit order system will offer better safeguards for the consumer is, I believe, wrong. There is no money or financial risk involved, and therefore no real competition. We find ourselves now with a system that is dependent on huge and expensive power stations that are buying high-cost fuel and using it less efficiently than anywhere else in Europe. These large stations sell only 31 per cent. of the energy that they burn. They waste the other 69 per cent. and deposit huge amounts of pollution throughout the countryside both here and abroad. The energy that is thrown away from our power stations is greater than the whole output of British Gas. The energy that is wasted would heat every home in Britain.

The cost emphasis on large power stations has meant that combined heat and power has not been developed in Britain, unlike other countries. Our most efficient station just about reaches 38 per cent. efficiency, whereas in Holland, Germany, Denmark, Sweden and Finland there are hundreds of stations reaching 80 per cent. efficiency through CHP and heating over 160 towns. Although we had 150 potential CHP schemes projected in about 50 towns, none was really promoted by the CEGB and we now have a bare five city schemes that are struggling for survival. There were more than 20 in 1981.

In the process of rigid large power station ordering, the wide variety of small and more flexible power generators were squeezed out. Since 1971, 146 power stations have been closed by the CEGB. Their size ranged from 30 MW to 400 MW. Their total capacity was about 20,000 MW, nearly double the replacement programme that we are talking about now. These power stations were replaced by the still uncompleted and not terribly successful AGR programme.

I am not saying that the CEGB has been grossly inefficient and has failed the country. It is the monopolistic structure that has failed the country, by not allowing greater diversity of supply. I believe that, given the constraints that are inherent in a huge nationalised industry, which itself is bound by the huge nationalised coal industry, the CEGB has performed well. To give credit where it is due, it has recently shown a more flexible approach to private generators. It is strange that this has happened shortly before privatisation. The House will recall all the new telephones that appeared shortly before British Telecom was privatised. Unfortunately, we did not create enough competition in that privatisation, and we failed similarly with the privatisation of British Gas. I am pleased to say that in the White Paper we are creating real generating competition, and that is certain to be good for the consumer.

Electricity energy is fast becoming an international commodity like oil and gas. The European electricity grid is developing fast as French nuclear surpluses build up. The Nordic grid has proved to be an efficient trading system, and now Britain will be providing competitive electricity. First, there will be a power pool for generating utilities — two Scottish, two English and 12 area companies. Secondly, there will be the entry of a host of industrial and CHP schemes, renovated coal stations, gas-turbine combined cycle generators, fluidised bed schemes and tidal, wind and other alternatives. Thirdly, we shall have competition from abroad.

I have mentioned the diverse methods that are available for the generation of electricity, and I must raise an important query for my right hon. Friend the Secretary of State to consider that is related to the unfair local rating discrimination that is applied to independent electricity producers. I met some of these producers last week and I was given details of the various methods of producing cheap electricity that are now being submitted to area boards. Successful waste tip generators are in operation and they could provide substantial amounts of generated electricity for nearby towns. A Meriden firm has completed trials at a landfill site where a waste turbine that is fuelled by waste tip gas is capable of producing 3·7 MW of electricity, which would be enough for 5,000 homes, or a town the size of Warwick.

However, the CEGB as a national industry has a special formula rating which does not apply to private generators, with the result that they face rate bills three times as high as those of the rival CEGB stations. These producers urge that, after privatisation, power stations should be rated on the same basis as any other buildings or manufacturers. There should be parity across the generating industry, from Sizewell B at the top down to the 250 KW wind and water generators. I ask my right hon. Friend to take that on board, as it is vital that there sould be no impediments to the smaller alternative electricity producers.

My hon. Friend the Member for Erewash (Mr. Rost) and I have urged for years that this country could produce its electricity far more efficiently and cheaply if we had a system that encouraged a greater diversity of power generation. He and I have been involved in launching various small local CHP schemes in which the diesel or gas-powered engine provides heat and electricity for the hotel, leisure centre, swimming pool or factory, and sell the surplus back to the local grid. They operate at more than 90 per cent. energy efficiency.

On a larger scale, firms such as Hawker Siddeley are building, and can build within 18 months, 300 MW generators, producing much cheaper energy than the huge stations that we are used to. Coal, gas, diesel, wind and wave could all contribute to our future needs and help reduce our dependence on large stations.

We now face increases in electricity prices, which are needed not, as the Opposition say, to fatten the calf for privatisation, but to provide the capital for the generating investment that will be needed in the coming decade to replace older stations that are now coming to the end of their working lives; it will also be needed because of the increased capacity in our expanding economy. Whether that capacity comes from large stations or from a wide range of small and large generators, it will still have to be found. After a decade and a half of no ordering of new power stations, it was obvious that a higher return was needed to finance this building programme.

I should have preferred — I argued this at the time with my right hon. Friend — a three-year phasing in of the higher prices, especially as in the south-west we face a 12 per cent. hike of prices in April. That appears to be due to a larger than average reduction in prices in 1986-87 in the south-west, but even after the forthcoming increase we shall still be at a lower real price level than in 1985. Nevertheless, that sort of increase is a blow to an area with

[Mr. John Hannam]

lower than average incomes and with more elderly people than elsewhere. I hope that the electricity board can be persuaded to achieve its target return on capital more equitably.

I raise now another problem with which I think my right hon. Friend should deal. Last year, during the Sizewell B pressurised water reactor debates, a general commitment was given for the inclusion of at least two coal-fired stations to be built in the forthcoming programme. West Burton, Fawley and possibly Kingsnorth were those mentioned. These are key orders for our construction companies. While I accept that they must be subjected to all the usual planning procedures, I must point out that companies such as Babcocks and NEI are anxiously awaiting confirmation of orders so that their already depleted work forces can be retained.

Given that there are three or four years before the privatisation of the generating companies, what will happen to those orders in the meantime? I hope that the CEGB will be empowered to proceed as planned with its applications for PWRs at Sizewell and Hinkley Point and also for the two coal-fired stations, provided that it is assured of their place in our new competitive industry——

Mr. Hardy *rose*

Mr. Hannam: The hon. Gentleman will forgive me if I continue, as many hon. Members wish to speak.

I ask my right hon. Friend to give details about the position of these orders during the pre-privatisation period. That is necessary to remove the uncertainties which have once again fallen on these large construction firms.

If we look ahead to this time next century, we shall find that the world has come to depend upon safe, non-polluting nuclear power for its electricity. Fossil fuels will be running out, oil will be replaced by coal as the main industrial feedstock and natural gas will have been replaced by coal gas. Coal will have become too valuable and expensive a commodity to burn wastefully in electricity generation. We have large coal reserves — enough to last into the 22nd century, but that coal will be increasingly expensive and difficult to extract, and the trend in output will continue downwards in the short term.

At the beginning of this century, United Kingdom coal output was 287 million tonnes and we reached a post-war peak of 226 million tonnes in 1952. We are now down to 100 million tonnes, large amounts of which are still wholly uncompetitive with world supplies. We are now a net importer of coal, as compared with pre-1914, when we exported more than one third of our coal output. Since then, rising costs and declining coal markets have put double pressure on the industry. Output could be increased again to meet future rising demand, but only when that demand outstrips the cheaper coal from countries such as the United States, Colombia, South Africa, Australia and Poland.

In the meantime, coal must compete in a fiercely competitive market, as we can see in the current debate in Scotland, where the SSEB is trying to force a more competitive price from British Coal. That has already happened in the CEGB, and it is inevitable, privatisation or no. It is inevitable that British Coal will have to continue on its declared path of reducing production costs and closing uneconomic pits. It is heartening that the miners recognise these facts of life — hence their ending of the overtime ban and their spreading acceptance of flexible working hours over six days.

In the longer term, it is to nuclear power that the world will turn, and it is right that the Government are keeping the nuclear option open in the White Paper. Contrary to the views of many, I do not wholly accept that nuclear generation represents some sort of market fudge in the division into the 70 per cent. "Big G" company. I welcome the use of the term "non-fossil fuel generating" because that implies that nuclear power will have to compete with all other alternative systems, such as tidal barrages, wind power, and so on.

It may be a surprise to learn that only three OECD countries have state-owned electricity supply organisations with a monopoly in nuclear power production — Italy, France and the United Kingdom. In the other countries of Europe in which nuclear power has been developed, power stations are owned and operated by a mix of private, private-industrial-municipal groups and the state. In Finland and Sweden, state-owned and private companies own and operate nuclear power stations. In Switzerland, where 40 per cent. of electricity is nuclear, the five operating stations are owned by partnerships in which local electricity supply companies, Swiss Federal Railways and a variety of industrial companies participate.

There are plenty of precedents for privately owned operated nuclear plant. It is the safety and regulatory framework which is important, and ours, which is the best in the world, would apply in any event. Our capital markets are perfectly capable of making a financial risk judgment on price and return, and the Channel tunnel, which is equal to four new Sizewell PWRs, is a good example of what they can do.

I am confident that in this new competitive world of generation, nuclear power will play its full role as a baseload supplier of about 15 or 20 per cent. of our output. With the opening up to private generators, electricity prices will come down as those of gas and oil rise.

I welcome the freedom being given to the new distribution companies to seek competitive electricity contracts as well as to generate themselves. Obviously the detail of the new regulatory system will be all-important, so that all these interests can be interwoven with those of the consumer. The employees in the industry, of whom the bulk are on the distribution rather than the generating side, will benefit from direct share ownership and better career opportunities. Even those well-known employees at the top of the various industries will have no difficulty in accepting the challenges of heading up the companies, which will all rank in the top lists of world industries. The 70 per cent. "Big G" company will be the third largest generating company in the world — I understand — so perhaps Lord Marshall can continue his excellent work in the electricity supply industry heading that company.

I welcome the White Paper and congratulate my right hon. Friend on his skilful and imaginative proposals, and I look forward with great enthusiasm to the new era of electricity supply.

6.49 pm

Mr. Matthew Taylor (Truro): When the Secretary of State presented his White Paper, he suggested that it would be of great benefit to the customer and a massive step forward for the industry as a whole. He hails the virtues of privatisation and says it will mean that the customer

comes first, that benefits are enhanced, opportunities more exploited and the industry made more vital and dynamic. Given that kind of build-up, it seems legitimate to look at the specifics and start to question how those things will happen area by area, stage by stage.

Above all, the Government harp on privatisation. They say that it will increase competition and that benefits will result from that competition. However, 70 per cent. is surely still a monopoly by any schoolchild's textbook of economics. The power of monopoly will still be there in that child of the Central Electricity Generating Board. The White Paper states:

"All who work in the industry should be offered . . . the freedom to manage their commercial affairs without interference from Government."

If the Government really believe that, they should open up the industry not in a 70:30 split, but by creating many different generators who could be in continuing competition. That would give small-scale producers some kind of opportunity.

For example, if we in Cornwall were to have a 50MW power station, how would it be possible in realistic terms for it to compete on an even keel with 70 per cent. or even 30 per cent. held by the CEGB? Will the small-scale producer who invests in CHP or renewables benefit? I doubt whether such small producers will ever get a look in, because the base load will already be fully catered for and the non-fossil fuel element, about which the Government boast, will already be provided. There will not be the opportunities that the Government predict.

Will the Secretary of State demonstrate his commitment to competition by decreasing the prohibitive rates currently imposed on the small private generator? I suspect it is more likely that he will extend the rates burden to the son and daughter of the CEGB, and yet another price increase will face the consumer. What will be the nature of the contracts between the generators and the suppliers? The 70 per cent. and 30 per cent. son and daughter of the CEGB will demand long-term contracts to allow for forward planning and to ensure a return on investment.

What other producer is likely to benefit from such arrangements? Small competitive producers will be offered only the possibly remote prize of going into the grid when there is a shortfall. The base load will be supplied by the nuclear generators and the big brothers that the Government are creating in the industry. Until we have assurances on those matters there is no doubt that competition cannot be the benefit to be derived from this White Paper. Even if competition were to exist, we can query whether it will have cost benefits. Even if there is competition it can only be on the basis of an increase in capacity. The Electrical Power Engineers' Association says:

"For there to be real competition there will have to be significant excess capacity. This will have to be rather greater than the 22% spare capacity now built into the system . . . this will be a straightforward cost burden to the system which the consumer will have to bear."

If it is not competition, perhaps the employees will benefit. We were also told that by the Government. However, the overwhelming response so far from the employees is that they will not benefit. Even the employees of British Coal do not look to benefit from these proposals.

My hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) said last week that the coal industry has improved its efficiency. People in his constituency want to know why the Government intend to subsidise the nuclear industry when they are not prepared to so the same for the coal industry. If the Secretary of State intends to continue with his scheme of placing the obligation on the distribution boards to supply a minimum level of non-fossil fuel electricity, will he now make a commitment that there will be no stipulation for a certain amount of nuclear generation? Will the Minister stand by what the Secretary of State appeared to say earlier—that there will be an obligation to provide by way of nuclear power the 18 per cent. of generation that is currently provided? Is that the position, or will it be genuine, free competition in the non-fossil fuel sector? If the Secretary of State will not give that commitment, it is quite clear that the Government's policies of attempting to combine the nuclear industry with a competitive industry have completely failed. That cannot happen and we can see that in the way that the White Paper has been created.

The creation of that 70 per cent. big brother of the CEGB owes its existence entirely to the Government's recognition that the nuclear industry cannot stand on its own feet and can only exist as long as it is feather-bedded by a large industrial monopoly of the sort that the Government are planning to create. The Electrical Power Engineers' Association is not against nuclear power. It says:

"The now widely held view of all informed opinion, which we share, is that private generators will not wish to take on the hassle of new nuclear power generation when coupled with the very high initial capital cost and the long pay back period involved."

There are many worrying questions even beyond looking to the benefits of the privatisation of nuclear power, and they remain unanswered. Who will take responsibility for the decommissioning of these power stations? Last week it was announced that the CEGB had pulled out of its multi-million pound research programme into decommissioning nuclear reactors. It is quite clear that the CEGB does not reckon that its successors will have to take on those costs. Who will take the responsibility for that research which is so necessary for public safety?

Another unanswered question is about insurance in the nuclear industry. There is no reference in the White Paper about where that would come from. In the United States no one will provide insurance for the nuclear industry. Will the Government put in the money? If they do, that will it be another hidden subsidy for the nuclear industry, even though the Government will not help the coal industry. Is that another hidden subsidy, or is there something else about which the Government have not told us?

Will the environment benefit from the White Paper proposals? Is there anything there that we can latch on to in the White Paper that the Secretary of State so eagerly presented? It is almost unbelievable that throughout the White Paper the Secretary of State makes no reference to that. That area is crucial to the workings of the electricity supply industry and of the Department of Energy. The electricity supply industry is responsible for over half the acid emissions in the United Kingdom and the majority of nuclear waste, and it produces about 16 million tonnes of fly ash per year, much of which is dumped. By ensuring that there is no protection for our coal industry, the Government take the risk that Britain will import substantial quantities of shallow-mined and surface-mined coal with a much higher sulphur content than the coal that we currently burn in our power stations.

[Mr. Matthew Taylor]

We all know the cost to the environment of acid rain. It is appalling that the Secretary of State should tell us nothing about what will happen in future. Who will be responsible? Will the Government or the industry be responsible? Who will pay for desulphurisation equipment? If smaller coal-fired power stations are reopened or started up as a result of new competition in the industry, will they be obliged to fit desulphurisation controls in their power stations when they are opened? What are the effects on the environment of the White Paper? Nothing in the White Paper gives us the answer to that and we can only go on the Government's record, which has been wholly inadequate in the past. They are now ducking the issue even more.

Perhaps, if there is no benefit there, we can look to energy efficiency benefits. The Government have often boasted about that, and they came up with Monergy. That was a failure because we used more power in Monergy year than we used the year before. In spite of various recommendations that energy efficiency would massively decrease the need for new power stations, the Secretary of State has nothing to say about that in the White Paper. Hon. Members need not take my word for it. They can look at what the executive vice-president of the world's largest integrated private sector utility, Pacific Gas and Electric, had to say on the subject. They will see in that the benefit of a Government who were more adequately committed to efficiency. He said:

"Conservation programmes are considerably less expensive than the cost of adding new capacity, and are clearly less risky from an investment perspective."

It would cost about £20 billion to build 10 Sizewell B nuclear power stations. However, it is estimated that an investment of only £8 billion or £9 billion would achieve potential energy savings equal to that figure. Of course, a private generator has absolutely no interest in energy conservation. Private generators are interested in selling more and more energy. Indeed, they are interested in less energy conservation. Will the Government maintain their commitment to energy conservation? What obligations will be placed on the industry? Indeed, it has been rumoured that the Department of Energy may cease to exist. That possibility was floated in the Watt report recommendations. If that is the case, who will take the obligations on board?

Similar criticisms can be made about research and development. Anyone who was present last week during the debate on the problems in British science will be aware of the difficulties facing this country over research and development. I have already said that the CEGB has withdrawn its research and decommissioning. Private generators are unlikely to make similar research efforts because they cannot afford to do that. After all, as the Secretary of State continues to tell us, they are subject to competition and the pressures of a competitive industry. They are hardly likely to invest the same level of resources.

Private generators will have to be backed if research is to continue. Perhaps that will be another form of subsidy. Will there be basic Government funding from the Department of Education and Science? Natural Environment Research Council budgets are already being pushed to the nuclear side and are being lost to other areas. Will research and development be left to private companies? Will there be a levy on private companies, as exists in America, to fund a research programme? The White Paper contains no answers to those questions. All that we can be certain of is that, without precise answers to those questions, a private, competitive industry is likely to do less than is done at the moment.

Mr. Norman Hogg (Cumbernauld and Kilsyth): Is the hon. Gentleman aware that the North of Scotland hydro-electric board supplies 2·5 per cent. of the nation's consumers, covers 25 per cent. of the land mass and returns five Social and Liberal Democrat Members of Parliament? What are his party's views on the proposals for the North of Scotland hydro-electric board?

Mr. Taylor: I was just about to consider Scotland in my remarks. Obviously, Scotland is a very different area and perhaps there will be special benefits for Scotland which the rest of us will not experience. As I represent a constituency at the other end of the country, I am not sure whether I believe that that is a good idea. After all, there is a separate White Paper on the matter, and I am sure the hon. Member for Cumbernauld and Kilsyth (Mr. Hogg) will join me in regretting the fact that we have not had the opportunity of a separate debate on the subject of Scottish privatisation. However, looking at the Conservative Benches, I can understand why we have not had a separate debate.

Mr. Neil Hamilton: Will the hon. Gentleman give way?

Mr. Taylor: I will not give way, because I want to make some more points.

The absurdity of competition by comparison highlights the lack of logic or reason for this privatisation. The Secretary of State admits that Scotland has an efficient, well managed and successful electricity industry, and he can produce no real argument for privatisation. He is bowing to the Prime Minister's ideology and the Chancellor of the Exchequer's purse strings. The Scottish consumer will simply make a contribution to future tax cuts.

We are not considering a Scottish solution. Far from it. There are no safeguards that the Scottish industry will remain in Scottish hands. Nothing of that kind has been presented. There is no recognition of the hydro-electric board's unique social commitment. The proposals are a catalyst and will threaten thousands of jobs in Scotland. I believe that the hydro-electric board represents a model that the Government should consider. There is no need for privatisation — we can argue whether that is really needed. The hydro-electric board's example may be applied to other areas of rural need, and my constituency is such an area.

Doubtless the SSEB's decision to put its coal supplies out to tender is a direct consequence of the need to reduce costs and increase profitability as a result of the Government's aim to privatise the industry. Building the Torness nuclear power station meant a £2 billion debt and £240 million of the SSEB's £286 million profits last year went on interest payments. Some 3,000 jobs and the livelihoods of whole communities are threatened by the Government's twin pursuits of uneconomic nuclear power and privatisation. If the Government are looking for savings in those directions, they need not have chosen privatisation. They could have stated openly that they were interested in savings in the state-controlled industry as it exists at the moment.

The Government claim that consumers will benefit directly. The Secretary of State's constant references to the customer are as conspicuous as the absence in the White Paper of any reference to the environmental impact or conservation. It is equally hard to believe that the consumer will benefit directly from the proposed privatisation. With the exception of large customers on the boundaries between one distribution board company and another, the customer will have no choice over the personal supply of electricity.

The Secretary of State has rightly said again and again that electricity supply is a natural monopoly. Will the Secretary of State explain how the individual consumer can make a choice anywhere along the line? Of course he cannot. He has to say that choice will be found through the boards. If the distribution companies are to be forced to choose a minimum level of nuclear power, will the costs incurred in the safe disposal of waste and decommissioning force uneconomic price rises on customers? The total decommissioning costs of more than £2 billion represent an enormous liability for the private sector, yet those costs are essential for public safety.

We have been promised new rights for the customer. Yet those rights could be incorporated by a Government who believe in making the state sector more responsive to the consumer. We advocated all those new rights when Ofgas and Oftel were created and the Government miserably failed to implement them then.

According to a *Financial Times* editorial:

"The nature of the regulatory system is the biggest question left unanswered by yesterday's White Paper."

Privatisation is supposed to bring the promise of lower prices, but the only tangible impact that we have seen so far from the proposals is a sharp rise in prices—15 per cent. over the next two years. Tariffs are increasing by an average of 9 per cent. in April and 6 per cent. next year. The Government's oft-repeated comments state that the average return is 10 per cent., not 5 per cent., and we may yet see larger increases once the boards enter private hands.

The *Financial Times* editorial also stated:

"A new entrant building a coal-fired power station will have costs far higher than the average costs of the two CEGB successor companies with their mix of old and new stations."

There is no hope for real competition, for an industry more responsive to the consumer, or that the White Paper will produce any of the glorious promises that the Secretary of State has claimed for it. There will be massive upheaval in the industry, a less efficient system to the detriment of the old and the cold and those who have to pay electricity bills. There will be no benefits of true competition because the White Paper contains no proposals for that. It is high time that the Secretary of State and his colleagues rethought their proposals.

Mr. Deputy Speaker (Mr. Harold Walker): I remind the House of the need for brief speeches.

7.7 pm

Sir Trevor Skeet (Bedfordshire, North): There are three reasons why I intend to support the Government tonight: privatisation will lead to a commercial approach; it will lead the industry to access to the market; and it will involve freedom from political intervention. Those points far outweigh anything else I might say. However, I have some reservations.

The merit order system ensures that, whenever the level of demand for electricity rises, it will be met by a combination of generating plants with the lowest total costs. Technically, that requires a close relationship to be maintained between the transmission and production of electricity. That may be complex and the directions arbitrary. That process is now to be split. How will generators respond to a national emergency if they have no statutory obligations to supply? There are powerful arguments for the retention of an integrated power generation and transmission system. After all, the present system evolved as it did following the Weir committee report in 1925, which led to a nationally co-ordinated system in 1947.

Vertical integration has been secured for all the distributors, so why has it not been secured for the CEGB? That must be recognised as an anomaly. The distributors have the right to produce and the right to distribute, while the CEGB has the right to produce but has limited marketing power, and no power over the transmission system. With public utilities, it is not so much competition that counts—one only has to consider the situation in the United States—as collaboration, with cross-links between all the companies concerned in a very complex chain. In the United Kingdom, that will require a dispensation under the Restrictive Trade Practices Act 1976. That will have to be provided by parallel legislation, if not by a clause in the Bill that emerges from the proposals.

If the distribution companies own the grid and produce their own electricity, what is to prevent them from ensuring preference for their own generating capacity or so maintaining costs of local generation by cross-subsidisation? It will be more difficult to maintain a merit order system with a fragmented industry. Will the voice of the grid triumvirate be heard in the provinces?

To ensure a better balance, it would surely be preferable to permit the grid to be owned by an independent agency. An independent agency would not be controlled by anybody and would therefore not be obligated to anybody. It would perform its task as it saw fit. Alternatively, would it not be preferable to vest the equity of the transmission company 40 per cent. in the CEGB, 40 per cent. in the distribution companies and 20 per cent. in the other participants? When we discussed the Bill dealing with the privatisation of the gas industry, I tabled an amendment providing for an independent transmission company to cover major trunk pipelines. The Government rejected that suggestion, although it would have been very much better had the amendment been accepted. I now recommend exactly the same arrangement for the electricity industry to enable the CEGB to have an interest and to maintain equilibrium.

I further recommend to the Secretary of State for Scotland that the transmission agency cover the 400 and 275 kV lines. The area boards now control 132, 66 and 33 kV lines respectively. Would it not be more prudent to extend the grid to cover the whole system? There would be considerable advantage in that.

I do not see how the interconnectors with Scotland and France can operate if the distribution companies desire to satisfy part of their paragraph 49 commitment by drawing nuclear electricity from France. Will the grid be subject to an overriding strategic guidance when economic logic is likely to supersede the requirements of the coal industry?

[Sir Trevor Skeet]

First, the selection of cheaper French nuclear electricity through further cables to France might be economically advantageous. The use of natural gas from the continental shelf on coastal sites with the use of gas turbines might also be attractive, and with the price of oil dropping to $14 a barrel, oil-fired power stations may be at a great advantage in relation to coal-fired power stations. Will the regulator provide a golden card, indicating a strategically important concept laid down by the Government?

I have referred to the reserve capacity of the electricity supply industry which is normally supplied by the CEGB. I dare say that that will now be handed down to all producers of electricity. There will be checks and balances but competition in the market place is unlikely to be the crucial factor. The regulator will himself determine the level of prices.

The hon. Member for Truro (Mr. Taylor) referred to nuclear research—a complicated matter, with which I shall deal in a moment. First, I refer to the coal industry. Coal and electricity should have been considered together, because the industries are interdependent. I should not be at all surprised if British Coal entered the production of electricity, supplying its own coal. That is certainly one reason for treating them as one industry.

The problems of the electricity industry, however, will continue if the Government's policy is to ban coal imports and if that ban is likely to remain. I suspect that the newly founded allowance for imports will be confined to textbook instructions and will be permitted only for minor tonnages required for smaller generators. There may be significant changes in 1992, when all the barriers come down within the Community.

Let me make some suggestions. We could follow the West German example. West Germany has a mix of imports and indigenous coal; the obligation is placed upon the burner of the coal to utilise both indigenous production and a proportion from abroad if he desires it. If the French and Germans can import coal, there is no reason why we should not. There is also the possibility of a reduction in coal production in the United Kingdom of between 80 million and 90 million tonnes. Furthermore, there may be a shift in emphasis away from deep-mined coal to opencast coal, in the range of between 12 and 20 million tonnes. That is another possibility that the industry should face.

Mr. Lofthouse *rose*—

Sir Trevor Skeet: I see the hon. Gentleman springing up, but I shall not give way.

The leasing of selected coal mines to named generators might also be considered, although the ownership of facilities would remain with British Coal. In determining prices for the consumer, more is likely to be gained by the industry and the public through a rational import policy on coal at international rates and the retention of comparable rates of fuel oil tax than through competition.

Finally, I refer to nuclear electricity. I have a feeling that the arrangements could lead to a scaling down of nuclear power projects in England, although not in Scotland. The historical approach has not been of advantage. Over the past eight years, there have been very few orders. The chief executive of the British Oxygen Company said:

> "We see a real danger that fragmentation will mark the demise of Britain's nuclear programme. We believe this programme is essential for strategic diversity of fuel sources and will for all plausible levels of fossil fuel prices over the life of the plant prove to be commercially correct."

The CEGB has about 3,460 MW of Magnox power, most of which is to be retired by the end of the 1990s. The advanced gas-cooled reactor programme is 4,720 MW. That is considerable, but, in turn, it will have to be retired later. Unless we have new buildings and the engineering facilities of the CEGB are maintained at the scale that has been achieved, it will be extremely difficult for a nuclear programme to continue in the United Kingdom.

The nuclear research and development programme is already in jeopardy. I noticed in *The Independent* of 3 March a report saying that the research programme for decommissioning has been abandoned. I have also noticed that the CEGB has abruptly withdrawn from building an £18 million new laboratory for microscopic examination of material bombarded by radiation. Why could these programmes not have been continued? Would this proposal have been an incentive for the CEGB to go ahead with its projects, or would it regard itself, because it is to be cut in size, as not having the same incentive to go ahead with its obligations, bearing in mind that its statutory commitment to supply has been taken away?

The paragraph 49 statutory obligation imposed on distribution companies is avoidable. They will have to take nuclear power, but they can take it from Scotland, where there is a heavy preponderance of nuclear power, or from France. They could get together and have a second cable from the continent to draw this power, or they could take it by other means.

The hon. Member for Truro mentioned compensation for nuclear acidents. We have learnt, through questions today, that this is covered by a convention, of which the total liability is £20 million. Then it is over to the taxpayer if any further sums have to be paid. I remind my right hon. Friend the Secretary of State of Chernobyl. The compensation for that great state calamity in 1986 has worked out at £7·56 billion, and that is beyond the capacity of either a large company or a minor country to bear. There is no cash fund to make provision for decommissioning, so there will be a charge on Her Majesty's Government.

With those reservations, I support what has been proposed. It is important that I should make those reservations, while I intend to support the Government, hoping that they will bear in mind the points that I and others have made, and will decide to make modifications. I know that they cannot chop and change too much at this stage, but it is important to keep the grid as one unit, and keep it independent or divided between the CEGB and the distribution organisations. It should be either completely independent or they should all have a share in it. If that happened, it would be more satisfactory as a commercial operation than under the suggested arrangements.

7.23 pm

Mr. Peter Hardy (Wentworth): The hon. Member for Bedfordshire, North (Sir T. Skeet) is an experienced Member, and many of us will have observed that he is attempting to ensure that the Government do not put him on the Standing Committee. If, by some mischance, he is there, we shall table amendments which no doubt will secure his support. We shall have opportunities to follow

some of the points that he has made, so I shall not attempt to do that now. I shall try to make a short speech, as we have already had far too many long ones.

A number of serious points need to be made, of which Chernobyl is one. It was foolish of the Secretary of State to embark on that, as the principle that he seemed to be enshrining is that nuclear power is all right provided that it is privately owned. One has only to think of what nuclear power would be like in Papa Doc's Haiti or Idi Amin's Uganda to realise that the arguments should be a little more mature and sophisticated.

I sometimes distanced myself from some of the arguments used in criticising nuclear power. There are powerful arguments, and they should be used powerfully and maturely, rather than emotionally. There are both emotional and mature arguments against a system that protects nuclear power while allowing even the most shortsighted operation to bring in imported coal and destroy the mining industry. The Government are destroying that industry, despite enormous public investment in it, and despite all the records being set. This is happening for shortsighted reasons, so that some people can please the Government and secure a decent job in the privatised electricity industry, just as people sought to placate the Government to secure a decent job when the gas industry was privatised.

Lip-service has been paid to the quality and the record of achievement in the electricity supply industry. I hope that Government Members, particularly those from the remote rural areas, recognise that Britain was lit and powered by the electricity industry because it was in public ownership because no private interest would have gone into the thinly populated glens of Scotland or the valleys of the south-west of England. I see that the hon. Member for Truro (Mr. Taylor) has now gone, having inflicted a long speech on us, and there is now not one representative of the alliance parties in the Chamber. We are not unused to seeing that practice.

The record of achievement was made possible by a large public enterprise, and it is now being imperilled. It may not have dawned on some of my hon. Friends that the Government's smokescreen has so far been effective. Why, do my hon. Friends imagine, are there to be 12 separate distribution boards? Why is the CEGB to be split on a 70:30 basis? It is simply because the Government know full well, in the light of the BP fiasco, that they would have the devil's own job to sell off, as a single company, the electricity supply industry, with about £55 billion of net asset value. It is not being sold as one company because the Government would have difficulty in launching it in that way. It is being sold as 12 area boards, and the Government hope to be able to drum up such regional loyalty as will enable them to sell the company for the sum that they have in mind.

I have an idea of the sum that the Government have in mind. If they offer the electricity boards for much more than £22 billion, I shall be surprised. That represents the share in the asset value applied in other privatisations. However, the immensity of this privatisation means that they will be prepared to accept a smaller sum as a proportion of the value of the company that they are selling.

Mr. Douglas: On a point of order, Mr. Deputy Speaker. I apologise to my hon. Friend for interrupting him. However, the House should notice the discourtesy of the two Secretaries of State, who are not attending this debate. Furthermore, it is disgraceful that there is not one Minister from the Department of Energy to hear this important debate.

Mr. Deputy Speaker: That is not a matter for the Chair.

Mr. Hardy: I shall not follow my hon. Friend's point, although I am delighted that he made it, even though it may make my speech look slightly longer than I had planned.

Privatisation will disfigure the industry. It has a good record of achievement and service—the sort of service that I noticed when I visited High Marnham power station not long ago. These people are being sold down the river. I understand that one of the things of which the Government are afraid is that people who work in the electricity supply industry are in a much more powerful position than the Government would like them to believe.

The Secretary of State has promised that there will be no redundancies. He does not want reference to be made to the Henney report, but when the Minister winds up the debate I hope that he will refer to it and say whether the manning figures that are contained in that report will affect the size of the labour force in the privatised electricity supply industry. The Government want the people who are working in the electricity supply industry to be lulled into a sense of complacency, so I do not believe that Ministers and Conservative Members will mention the Henney report. If Conservative Members were to refer to it, the Government Whips might frown in their direction.

The Secretary of State said today that workers in the industry will enjoy exactly the same conditions and pension rights as they now enjoy. That was said about British Steel, but when British Steel workers in my constituency were subjected to privatisation not long ago, at the River Don works — or at the very profitable special steels section of British Steel, which became United Engineering Steels—they found that their conditions of employment and pension rights were not maintained. Those who have been involved in earlier privatisations have not necessarily enjoyed the same conditions and pension rights as they enjoyed in the nationalised industry.

The Government know that if the electricity supply workers were to sabotage their foolish and entirely partisan approach they could threaten the size and the value of the privatisation. The Government also know that since most of the public sector has already been sold off they will have to depend on the £20 billion, £21 billion or £22 billion that they will receive from the sale. When that has gone, the Government will be scratching around perhaps selling off parish clocks.

The Government will not worry unduly about annoying their Back Benchers, most of whom are eager to join in the sale of foreign coal to this country. There are Conservative Members who are involved commercially in that kind of venture. There is a fairly powerful lobby for opencast mining. The hon. Member for Bedfordshire, North told us that he would like there to be much more opencast mining.

In my area pits have been closed, which means that our country's industrial heritage is to be destroyed so that Conservative Members can make a profit. That is what they are after. They are not concerned with rewarding the workers or serving the people. They are not concerned

[Mr. Hardy]

about ensuring that there is a guaranteed supply of coal. They want to ensure that some people make a profit. It would be regrettable if the body that illuminated and powered Britain in a way that commands public respect and esteem should be sold off to allow some hon. Members and their foreign friends to make a great deal of money.

Mr. Lofthouse: Is my hon. Friend aware that at a meeting last week, chaired by hon. Member for Bedfordshire, North (Sir T. Skeet), British Coal said that opencast mining could be down to about 7 million tonnes by 1992 unless the planning regulations were relaxed? Does he agree that relaxing the planning regulations for opencast mining would have a disastrous effect on the countryside?

Mr. Hardy: It would have a disastrous effect on the quality of life in areas such as that which I am proud to represent. Furthermore, if the planning regulations were to be relaxed the clamour for opencast mining would grow from the business interests that are represented by Conservative Members. The Government are not concerned about the workers or the national interest. They are not concerned about ensuring that British industry enjoys energy at competitive prices. Their only concern is to ensure that they have enough money to bribe voters and to reward some of their friends, no matter what their nationality.

7.34 pm

Mr. Tony Speller (Devon, North): On behalf of all those who support alternative energy, I warmly welcome the White Paper. Paragraph 32 says:

"The new structure . . . will give the distribution companies:

The incentive to promote competition in generation.

The ability to connect competing generators to the system.

A wide choice of generators."

The CEGB has given little assistance to alternative energy sources, and until recently that was true of every Government, whatsoever their colour. It is excellent news for those who believe that alternative energy resources—the winds, the waves, solar power and the geothermal "hot rocks"—can come economically to the market place. The hon. Member for Wentworth (Mr. Hardy) complained bitterly about the Government caring only for profit. There is nothing wrong with a profitable enterprise, especially if it is a clean, profitable enterprise.

Two great industries in this country are in dire danger. One is represented more by the Opposition—the coal industry—while the other, agriculture, is represented more by the Government. Both suffer from the same danger. People say that coal can be bought more cheaply elsewhere or that food can be bought more cheaply elsewhere. However, if we follow that line watch how prices rocket up when our own indigenous industries have been destroyed.

We must support our coal industry. It is agreed by all that 75 to 80 per cent. of our future energy supplies will come from the coal industry. It would be unwise to allow all our pits to close, not because there was no coal there or because there were no men to dig the coal but on some short-term whim.

As for alternative energy sources, until now almost all research and development money has been devoted to nuclear research. I am not anti-nuclear as such, but why must all the research money be spent on something that will be of no actual value to us, or to our children or probably our grandchildren? We should conduct research into all forms of energy. It is madness not to conduct research into resources that do not pollute and that are infinitely renewable. If only for that reason, I give a warm welcome to the White Paper.

Recently I have visited Norway and seen wonderful work being done there through the use of tidal power. But here the Norwegians are using British-based technology. Australia and New Zealand both have hydro-electric and solar power schemes. Again, they are doing wonderful work, but it was often pioneered in this country. Many of the wind generators that are used in California were manufactured in this country. At long last the White Paper refers to the generation of power allowing use of alternative energy sources. I do not deride coal or nuclear power, but the CEGB has been unwilling to accept energy from small generating plants, and the price paid has been derisory. Her Majesty's Government give no encouragement to installing a generating plant for one's own home, imposing rates on these home improvements. Even now there are no direct connections to the grid in parts of Exmoor, but at last the time is coming when some heed will be paid to alternative energy sources in areas like my constituency.

If privatisation allows economic non-pollutant renewable fuel to be supplied to the grid, that will not require billions of pounds' worth of investment and that will be to the benefit of this country. One of the greatest things about alternative sources of energy is that they are clean and renewable. There is no pollution and there is certainly no problem about decommissioning. One just turns the thing off. There would be no spoil heaps, and no nuclear waste dumps. All that is necessary is to harness those elements of the world that have been with us since the world began, and will be with us long after nuclear power is dead and gone—and, I suspect, long after all the fossil fuels have gone.

At long last, this White Paper pushes open a door that has been firmly closed under the monopoly control of generation in this country. That must be a good thing. Whatever our feeling about the preferred kind of generation, we must have choice. With our ability to invent and to improvise, we have everything to gain from going out into the world and saying, "Let us build it for you." There are firms like the Howden Group working on wind power, and many big contracters working on wave energy. We can produce it. The ridiculous thing is that we have been producing it around the world, but have not been allowed to do so here.

On behalf of all the alternative, renewable energies, I welcome this White Paper, and give it my full support.

7.40 pm

Mr. Chris Mullin (Sunderland, South): The White Paper represents the latest stage in a programme of looting of public assets in which the proceeds are being used to purchase the support of the public through tax cuts without regard to the national interest. It must be folly for a nation sitting on 200 years of coal to go for an energy policy based on coal imports. It is a further example of the merciless application of market forces without regard for the disastrous economic and social consequences.

The CEGB, in its comments on the White Paper, has been a little restrained, but its advice was rejected. It refers coyly to the present plans as

"not having been attempted anywhere else in the world."

That is putting rather generously what the CEGB must really be feeling. It says:

"Fragmentation of ownership of existing power stations would increase the cost of electricity"—

that contrasts with what the Secretary of State and others have told us—and adds, in my view understating the position, that privatisation

"will throw up some major challenges and problems".

I should like briefly to examine some of those problems. One is the problem of where the investment is to come from. I do not believe that private capital will be willing to invest on the necessary scale. One consistent theme of our financial institutions, and, indeed, of our industrial history, has been the reluctance—nay, the downright refusal—of those who control finance to invest it in socially useful activity, and I shall be very surprised if they are forthcoming with the money in this instance. The other consistent thread has been the remorseless pursuit of the short term, whether it be office blocks, oil paintings or gold candlesticks. Whatever may be said about the electricity industry, there is nothing short term about it, and I do not believe that it will prove of interest to those who control investment funds.

I wonder, in passing, whether the day will come when we have to bail out one or two of these companies that obtain franchises. I note that when it comes to nuclear power not even the Government have confidence in market forces. They have made some special arrangements, because they know as well as everyone else that if market forces were ever let loose on nuclear power it would sink like a stone. That contrasts with their attitude to coal, where market forces have been invited to do their worst.

Another problem that will undoubtedly arise is the effect on the balance of trade. We are now suffering from one of the most adverse trade balances in manufacturing industry that we have ever experienced. Yet we are proposing to spend millions of pounds, perhaps hundreds of millions, of foreign exchange on importing coal and French electricity. I wonder where that will end, particularly as in due course we shall have to go back to the world market to purchase oil.

There is also the problem—other hon. Members have referred to it, so I shall not dwell on it—of foreign investors: what we might call the Kuwaiti factor. Will we wake up one morning and find that our electricity industry has been taken over by some foreign Government or multinational?

What primarily concerns me, as I am sure hon. Members will understand, is the impact on the people of Sunderland, a town which I, among others, have the honour to represent. Paragraph 33 of the White Paper says:

"in future, generating companies will be free to purchase coal and other fuels from the most competitive sources."

Those words spell doom for thousands in my constituency, not only in mining, but in related industries. Sunderland has male unemployment of well over 20 per cent. Hon. Members may have read in the past few days that the Government are planning to pull the plug on the other big industry, shipbuilding. Three days later, here we are discussing pulling the plug on a large part of the coal industry.

About 2,000 miners work at the Wearmouth pit in Sunderland. They are working 14 miles under the sea in very difficult conditions. Many other miners work at neighbouring pits in Herrington, Eppleton and Westoe. Many, if not all, can in due course expect to find themselves with their livelihood threatened, and with no serious visible alternative available. They are continually exhorted to work harder and to adopt flexible rostering and longer shifts. They have co-operated in great measure, and the result has been a large increase in productivity. But they are not daft. They know as well as anyone that if there is no market, more productivity leads to the dole queue.

In addition, there has been a huge public investment. Mining coal 14 miles under the sea requires such investment. As the right hon. Member for Kincardine and Deeside (Mr. Buchanan-Smith) said, deep mines, once closed, cannot be opened again. They certainly cannot be reopened 14 miles under the sea. As recently as January this year, there was an announcement of new investment of £25 million in local pits. Is all that to be wasted?

The market is already being undermined, deliberately and systematically, by coal imports, which have increased by leaps and bounds. Some is even coming into the port of Sunderland. Everyone knows the phrase about bringing coals to Newcastle, but it is just as ludicrous to bring coals to Sunderland. About 250,000 tonnes were brought into our town last year—a town where, as I have said, many thousands of people work in the mines.

It is now proposed to remove the biggest single market for British coal, with coal from China, the Soviet Union and perhaps—no one really knows—from South Africa and Colombia, and to bring in opencast coal, with which no deep mine can possibly compete. A new coal-fired power station is being built at Fawley, near Southampton. What is the point of building a coal-fired power station near Southampton? It cannot be because it is close to the coalfields. It must be for some other reason. Could it possibly be because Southampton has a deep port that can take imported coal in ships up to 150,000 tonnes deadweight? If that is not a cynical exercise, I do not know what is.

Finally, let me mention an aspect which, I believe, has already been touched upon, and which will affect thousands of my constituents. If this privatisation has anything in common with previous ones, it will lead to many more disconnections. There will be an increase in the ruthlessness with which poor people who cannot afford to pay their bills find themselves cut off.

There is an element of revenge in all this. It is targeted against the coal industry. I do not think that anybody is under any illusion about that. It is all being done without regard to the social or economic consequences. My hon. Friend the Member for Wentworth (Mr. Hardy) asked what will happen when there is nothing left to sell. That is a question that I have often asked myself. One thing of which the Government cannot be accused is not thinking long term. However, I have never heard any Minister explain to us in serious detail what will happen when everything has been sold off.

My hon. Friend the Member for Kingston upon Hull, East (Mr. Prescott), our Front-Bench spokesman, said—I saw the Secretary of State agree with him—that £1 billion has been taken out of the electricity industry by the Treasury and that a further £1 billion is likely to be taken out. Presumably, that money helps fund the Health Service and education. What happens when that revenue is no

[Mr. Chris Mullin]

longer available? I should like to hear, now or at some other time, a Conservative Member address those questions. What is the Government's long-term plan? Is it that they think they will not be in office when the time comes to clear up the mess? Is it that they think that they will be in the Bahamas or the south of France, or is there some plan of which we have not yet been told?

7.50 pm

Dr. Michael Clark (Rochford): I should like to say to my right hon. Friend the Secretary of State, in his absence, that I welcome the proposals in the White Paper. Most people have spoken about generation but I should like to speak about the area boards. Currently, there are 12 area boards and they have the interface with the customer. Between them they have 22 million customers. Each one of these boards is, more or less, the size of a foreign electrical utility. Therefore, they are sizeable entities in their own right. My right hon. Friend the Secretary of State said in the White Paper that he will ensure that there are 12 area boards for distribution when the electricity supply industry is privatised. I support that proposal.

We know that the supply of electricity into the home is a natural monopoly. That has been agreed by my right hon. Friend the Secretary of State and by Opposition Members. However, it is strange that the Opposition, who are against breaking up the monopoly of the CEGB, criticise the fact that we have to concede that the two wires into a home are a natural monopoly. It seems that the Opposition would like that to be broken up into competitive suppliers, even though they do not want the CEGB broken up. That seems rather ironic.

If the 12 area boards remain, we can have control of prices and service by comparison between the boards across the country. Is 12 the correct number of area boards? If we had more than 12, there would be far too many and they would be too small. However, if we had fewer than 12 boards, they would be too large and there would be a massive amount of disruption in terms of assets and people employed within the area boards. Therefore, no number is absolutely right. Perhaps nine area boards would be right or perhaps 15. However, since we have 12, it seems appropriate to stick with that in order to minimise disruption.

It may be that my right hon. Friend the Secretary of State will propose to float all 12 area boards in one company and break the shares down at a later date. I hope that he will not do that. I hope that he will sell each board separately so that it can be judged on its merits in the market. I hope that service will be taken into account. It is just as important to set up a structure that enables us to compare the service given by each area board as it is to set up a structure that enables us to compare the price charged by each board. Service is as important as price in the electricity supply industry. If we jeopardise service by trying to obtain minimum prices, we shall not be assisting the consumers.

Before the White Paper was published, a debate obviously took place as to how many area boards there should be and whether they should be merged. I dare say that during that debate people said that some of the area boards are not viable, some had boundaries that were unfair or inefficient, some had insufficient assets to make them capable of floating as separate companies and some had returns on the capital employed that would make them difficult to sell. It is true that the returns on capital employed vary from 3 per cent. to 4·75 per cent. That is a large variation in percentage terms.

Of course, the area boards will be sold not on the basis of return on assets employed but on the yield on the buying price. If an area board is not producing as good a return on assets as would be liked, the selling price of the board will be lower, and thus the yield could be made to be the same as the yield on other area boards that may be doing better due to features such as geographical size, population density or the amount of industry or number of consumers in its marketing area. There will be problems with selling the boards separately, but I believe that the problems should be overcome rather than brushed aside or pushed under the carpet through merger.

The electricity board in my constituency is the Eastern electricity board. It happens to be the biggest, and perhaps it benefits to some extent by its size. However, it is only marginally the biggest, and it is a credit to the Eastern electricity board that on "added operating costs per customer" it is the lowest. It has the lowest "administration cost per customer" and it has the second highest "net return on capital employed". However, it does not necessarily follow that the biggest area board will have the best figures. The South Eastern electricity board is only the eighth biggest. However, its results are almost as good as those of the Eastern electricity board. The London electricity board, the seventh biggest, has poor results in terms of cost control, although it does not do too badly in terms of profits on assets employed.

I hope that those factors will be taken into account and that the area boards will be encouraged to emulate the best rather than to merge away their difficulties by forming liaisons with other boards.

Mr. Lofthouse: Like myself, the hon. Gentleman is a member of the Select Committee on Energy, which is at present taking evidence on the privatisation of the electricity industry. What influence does the hon. Gentleman think the Select Committee report has on the debate? Does he not think that the debate is useless in advance of the report from the Select Committee? Does he not find it embarrassing to put his views tonight when we are privileged to have such expertise at our disposal and so many eminent people giving evidence? We are only in the early days. Does he not think that the debate is premature, or are the Government cocking a snook at the Select Committee procedure?

Dr. Clark: The hon. Member for Pontefract and Castleford (Mr. Lofthouse) knows my view on that. He was present in the Committee when I voted against the proposal that the Select Committee should look into ways in which the electricity industry should be privatised. I did that because I felt that it would be far better for the White Paper to be prepared and for the Select Committee to look into the White Paper proposals. I understand the hon. Gentleman's point, but he will not be surprised at my answer because I voted that way two or three months ago and I am being consistent with that vote.

There is a need for technical co-operation and for the area boards to have a co-ordinated research effort so that the technical features of electricity supply in this country will move forward in unison. There will also be a need for co-ordination on safety standards, and all boards should

work to the same high standards. Therefore, it could be proposed that there should be an industry establishment, similar to the Motor Industry Research Association or the Paper Industry Research Association — MIRA and PIRA. It could be known as the Electricity Industry Research Association. There could be a role in that for the rump of the Electricity Council that will be left after privatisation. The expertise in that council could be used to co-ordinate research, technical effort and safety standards.

Will the 12 district boards have any bargaining strength against the mammoth generators? The answer is yes, because there will be several generators — "Big G" and "Little G", France and Scotland and the private generators. The area boards will negotiate on behalf of the customers and will have direct access to the customers. If the area boards decide to generate themselves, as I hope they will—it will mean more power to their elbow—they will have more strength, even if they generate only 10 to 15 per cent. of their needs. I should have thought that the hon. Member for Kingston upon Hull, East (Mr. Prescott) would agree that, if they generate 10 to 15 per cent. of their needs, while being capable of increasing generation to 20 or 25 per cent. if "Big G" or "Little G" does not give them the right price, that would be to their advantage. I hope that the majority of the area boards will consider generating, because that is another way of ensuring that they get the best possible prices and thereby serve their consumers.

If the area boards are to generate, they will need proper access to the grid. I hope that, when my right hon. Friend the Secretary of State publishes the terms of access, he will ensure that all area boards and private generators can get ready access to the grid and that there are not terms that make it difficult for small firms to have an input. I hope that the small boards will be encouraged in as many ways as possible to generate electricity, by entering consortia with other area boards or by entering consortia with private capital. I concede that I would not want the area boards to enter into consortia with "Big G" or "Little G", because that would be a return to monopoly.

The smaller boards could give careful thought to small-scale generation of about 300 MW and then transmit straight into their 132 kV transmission lines without having to go into the national grid. My right hon. Friend the Secretary of State says in his White Paper that there will be regulation for the distributing boards. I hope that, when he brings about this regulation, he will ensure that there are clauses to make sure that there are comparisons between the 12 area boards on such aspects as controllable and fixed costs, administration costs—bearing in mind differing population densities and geographical areas — and the relationship of manpower efficiency and the effective use of the assets employed. I hope also that there is a comparison of that all-important item, service.

One aspect at present of area boards which will remain as it is unless there is a change through this legislation is the electricity showroom. The service in many showrooms is poor. The prices of many goods are high, and I often wonder why people buy from them. Many of my friends and I who visit showrooms do so to find out what goods are available from a wide range, and then buy more cheaply elsewhere. One must wonder, even though those prices are high, whether the goods are subsidised.

Whether they are subsidised now or not, we must worry about the possibility of cross-subsidisation under privatisation. It would be wrong for the white goods in electricity showrooms to be cross-subsidised by the sale of electricity. I invite my right hon. and learned Friend the Secretary of State for Scotland to say what regulations he will introduce to ensure that the costs and accounts of showrooms are transparent, so that we can be certain that there is no such cross-subsidisation. With 12 area boards, it is essential that they do not become monopolistic in supplying electrical goods and that, if they supply them, they do so at proper commercial prices.

My points are all for the consumer's benefit. The legislation and the White Paper are of benefit to the consumer. I hope, therefore, that my right hon. Friend the Secretary of State for Energy will take my points into account, bearing in mind that we have the same objectives.

8.4 pm

Mr. Dick Douglas (Dunfermline, West): I have made the point before about the great disrespect to the House caused by the fact that neither of the Secretaries of State responsible for the White Paper — the Secretaries of State for Energy and for Scotland — has seen fit for the past hour to be present in the House. Conservative Members should note the disrespect paid to the whole House by that action. I have been a Member since 1970, with a break between 1974 and 1979. I have always believed in trying to apply the force of argument and to influence the Government of the day by argument. If the people responsible for the greatest piece of privatisation ever, as the Secretary of State for Energy said, do not see fit to attend these debates, how can hon. Members have any faith — it is now a diminishing faith — that our arguments will have any influence on the process of legislation or on Government policy?

I shall not talk about the White Paper for England and Wales, but just comment tangentially on the opening remarks of the Secretary of State for Energy. I challenge the two underlings on the Government Front Bench, supposedly representing Scottish Departments—the hon. Members for Stirling (Mr. Forsyth) and for Galloway and Upper Nithsdale (Mr. Lang) — because, to the best of my knowledge, they did not hear the speech made by the Secretary of State in opening the debate. I shall give way if they can name one argument deployed by the right hon. Gentleman in support of his policy for England and Wales that applied to Scotland.

The Secretary of State for Energy introduced a phrase which applies to Scotland — "collusive duopoly". That high-flown phrase describes what the two Scottish boards will do if the ideas and concepts in the White Paper for Scotland are carried into practice. There will be no competition in Scotland because the two boards are being joined to form some form of company which will jointly own the nuclear supply. When Torness comes on stream, that nuclear supply will be a growing part of the Scottish total supply but will be a preponderant part of the base supply. I estimate that it will account for 60 per cent. of the base load.

Where is the competition in Scotland? The Minister has the opportunity to tell Scottish consumers from where the competition will come. He may have to have recourse to the Government's great flowery phrase "competition by comparison." Comparison with what? Will it mean comparing the North board's output and supply with those of the South board? How will that be done? The two will be joined in this nuclear holding organisation which

[Mr. Dick Douglas]

both will own, although we are not sure in what proportions. We are told that in Scotland there must be some geographical changes—we are not sure which—and some changes in the apportionment of power supplies between the two new companies. This is a hotchpotch.

Part of the industry is of great concern to me. I represent the largest coal-fired power station in Europe — Longannet, and, along the road from it, the Kincardine power station. Earlier today, in answer to an energy question we heard that the Coal Board had invested £60 million in the Castlebridge operation. In terms of production, that £60 million could go nowhere else than Longannet power station. If we pursue what is happening in Scotland now, is it the Government's intention to write off that investment? That is a fair question. Because of the so-called "arm's length" approach, is it the Government's intention to wipe off that capacity and investment for which the consumers will get a zero return?

Those are fair questions and we in Scotland expect answers from the Secretary of State. I am not very hopeful that we will get them but we expect answers from him this evening because we have been told through the press—I believe the Scottish press now and again — that the Secretary of State will answer those questions when he replies to the debate tonight.

Let us consider what has happended to the coal burned from Scottish mines since 1979. In 1979-80, there were 7·58 million tonnes; in 1986-87 that amount had been reduced to 4·5 million tonnes. I submit that all that had been done on an extremely efficient basis. I plead in aid the last report and accounts that are available from the South of Scotland electricity board. Page 8 stated:

"This took into account the need to ensure the longer-term prospects for the Scottish coal mining industry, which will continue to supply the board with a major part of their fuel requirements."

That was what Mr. Donald Miller said in the last balance sheet. In attracting new industry to Scotland the Government praise the new pulp and paper mill at Irvine. I refer again to the report and accounts, which stated:

"The board acknowledge the part played by British Coal and the private mines industry in helping to control costs and thus ensure that adequate and secure supplies of electricity will be available to the mill at competitive cost."

That was a year ago. What has altered Donald Miller's mind? In a word, "privatisation". I do not like criticising someone who cannot reply on the Floor of the House, but if Mr. Miller wants to reply outside, I will repeat this outside. I believe that he has been bought and sold for the expectation of a job in the private enterprise company that will come into being. There is no other explanation.

I shall conclude, because I know that many hon. Members want to participate in the debate. We plead that the two Government Departments—the Scottish Office and the Department of Energy—should get together to solve this problem. It is not good enough for the Secretary of State for Scotland to sit back and say that he has nothing to do with it. I do not necessarily ask Conservative Members to accept my argument, but they should read the editorial of Saturday's edition of *The Scotsman*. It is not a Labour paper and is not necessarily friendly to Labour's outlook. However, it stated:

"Though the reasons for Mr. Miller's extraordinary behaviour are, on the information available, difficult to discern there can be small doubt that he is acting with the knowledge, if not the sanction, of the Scottish Office."

Conservative Members, and Ministers, should either contradict and refute that tonight or substantiate it. I believe that Donald Miller would not be acting in that way if he did not have the support of the Scottish Office. That Scottish Office support means the destruction of capital assets that the public have paid for. It means the destruction of 4,000, and more, jobs in Scotland. If hon. Members want to support the Government's policy, they should come to Oakley tomorrow night, to a miners' meeting there, and say that they are the custodians of the Scottish economy. I know what answer they will get from that meeting. The Scottish Office has tried to manipulate the press. It has media and photo-calls every week. Ministers should come to Oakley tomorrow night for a photo-call. I know what they would get if they came.

If Conservative Members had any guts, they would intervene to save jobs. We are arguing not about an old declining industry; we are arguing on the basis of a case that was stated a year ago in a balance sheet. We are arguing on behalf of men who have moved out of pits such as Comrie, Bogside and Seafield into a complex that they thought would give them secure employment for a long time. Scottish Office Ministers cannot and will not intervene, so let them bear the repercussions in Scotland.

I know where I shall be if one lump of foreign coal is burnt in a power station in Scotland. If that happens, every man, woman and child in Scotland should be in uproar against it. Responsibility for that will not rest with the Opposition. It will be because the Scottish Office and Ministers refused to listen to the righteous cries and the clarion call from all the people of Scotland.

8.16 pm

Mr. Mike Woodcock (Ellesmere Port and Neston): I join those who have congratulated my right hon. Friend the Secretary of State on his ambitious and far-reaching proposals, which will change the industry from being producer-orientated to consumer-driven and ensure a better deal for the consumer. I congratulate him on ensuring that as far as possible competition will be the guiding force of the new industry. I congratulate him also on ensuring diversity of fuels. How prudent he is in ensuring that never again will electricity supplies in this country be threatened by militancy in the coalfields; nor will we be at the mercy of OPEC.

While welcoming the proposals warmly, like many other hon. Members I want to offer some thoughts on the effects of the privatisation of electricity on the coal and nuclear industries. We have heard a great deal from Opposition Members about the so-called threats to the coal industry. Those threats apparently stem from British Coal having to compete on the same terms as many of our other industries. I have listened to those arguments and advise my right hon. Friend that he will do well to ignore them because they are ill-founded and unrealistic. For far too long the taxpayer has paid the price of outdated working practices and inept management in the coal industry. For too long the taxpayer has poured money into the industry at the rate of £2 million per day, and has guaranteed markets for British Coal in the mistaken belief that that will bring forward a more realistic approach to working practices in the industry. However, we have seen a monopoly power abused for economic and political ends. The privatisation of electricity will perhaps do more

good in bringing home economic realities to the mining industry than anything hitherto, and it should be welcomed for that.

I have quite a lot of sympathy for the domestic and industrial consumers of coal and for those who service and market the coal. The Opposition have shown a great deal of concern for those who work in the industry, but little for domestic consumers, who are probably paying £10 to £15 per tonne more than they need to for their supplies of coal. Domestic consumers pay excessive prices for electricity because of the costs of British Coal. Consumers suffer from the non-availability of some domestic grades of fuel.

Similarly, I have sympathy for industrial consumers who pay too high a price for electricity, partly because of the cost of British coal and partly because the coal lobby in this country has prevented the development of our nuclear industry to its full potential. I also have sympathy for coal traders who, shackled by a producer-dominated industry, are forced to turn more and more, against their will, to imported coal because British Coal cannot come up with the goods in terms of price and availability.

Last week I was in Scotland, and I also listened to representatives from the Scottish coal trade. Understandably, there is great concern about the current disagreement over the supply of British coal for power generation. However, until there is a more realistic approach to working practices within the coal industry it is difficult to have sympathy for the Scottish miners. Nevertheless, I am concerned about the effects on coal merchants and consumers of pit closures in Scotland. It is clear that, unless the major user of coal in Scotland and the major producer of coal in Scotland can agree, the inevitable consequence will be the diminished availability of competitively priced domestic coal.

The question that we have heard repeated so many times is, "Will British Coal be able to meet the threat of the privatised electricity industry?" Another question that we must consider is whether British Coal will be able to continue to supply the domestic market. While the coal industry remains nationalised, without the stimulus of domestic competition, without sensible working practices and without concern for the market and the consumer, it is unlikely to be able to meet that threat or to supply the domestic market fully.

There is one logical conclusion. If the privatisation of electricity is likely to benefit the consumer and the employee as I believe it will, I believe also that the ability of the coal industry to respond to competition in the electricity industry, and through that to continue to meet the demand for domestic fuel, will be enhanced if it is transferred to the private sector. In due time I urge my right hon. Friend to consider the privatisation of the coal industry. That privatisation would offer the best future for the industry's employees and the best future for the domestic and industrial consumers of coal. It would also offer the best deal for the consumer of electricity.

It is right that the Government are seeking to ensure a balance in fuel supply. It is also right that the nuclear industry should have a definite place in the generation of electricity. However, it is sad that our nuclear industry is not more highly developed. We did lead, and should still be leading, the world in nuclear technology. The reason why we are not doing so is largely that the coal lobby is far too powerful. Therefore, I welcome the Government's commitment to the future of the nuclear industry.

There is a need for those who take investment decisions in the electricity industry to take a long-term view as well as ensuring that the industry does not suffer from any unfair dumping—to a limited extent it is suffering from that practice at the moment. There is also a need for the Government to help in attacking protectionism within the nuclear industry worldwide. Nevertheless, in the long term the best interests of the nuclear industry will be served by free and fair competition with other fuels.

Last week, when my right hon. Friend made his statement about the privatisation of electricity, the hon. Member for Workington (Mr. Campbell-Savours)—he is not in the Chamber at present—sought an assurance about the continuing public ownership of British Nuclear Fuels plc. Presumably the implication of the question is that BNFL should remain within the public sector. However, the interests of BNFL would be best served in the private sector. As the Government move nuclear generation into the private sector, I urge that they should also consider selling the Government's stake in BNFL, itself a generator and alternative supplier of nuclear power. I believe that such a move would be greatly welcomed by the work force and by the management within that industry.

My comments in no way detract from my general support for the Government's proposals. Those proposals are good for the domestic and industrial consumer of coal, good for consumers of electricity and good for the employees. My plea is that those proposals are taken even further by implementing similar principles within the coal and nuclear industries.

8.24 pm

Mr. Alan W. Williams (Carmarthen): I disagree with the hon. Member for Ellesmere Port and Neston (Mr. Woodcock) more than any other speaker in this debate. Britain produces the cheapest coal in Europe. The hon. Gentleman spoke about free and fair competition within the nuclear industry, but the White Paper is all about feather-bedding that industry and exposing the coal industry to the vagaries of the world market. The price of coal in that market can go up just as fast as it has come down in the past two years.

In common with others of my hon. Friends, the theme of my speech is Government standards. The nuclear industry is treated in a highly-protected fashion, but the policy for the coal industry is short-term. The White Paper states that there will be a minimum requirement for non-fossil fuel electricity. I agree with some Conservative Members about renewable sources of energy, but, unfortunately, the White Paper will make no difference to those sources. The White Paper is a straightforward case of coal or nuclear power. The Government expect 25 per cent. of electricity to be generated from nuclear power, regardless of the cost.

Over the decades nuclear power has proved to be far more expensive than coal. A privatised electricity industry would never build nuclear power stations. There is no economic case for the Sizewell PWR — it has been destroyed. However, the Government do not appear to have conceded the economic cost of nuclear power and they have made it a requirement of privatisation.

I am concerned about what privatisation will mean for safety standards within the nuclear industry. This weekend was the anniversary of the Herald of Free Enterprise ferry disaster. That disaster, and the subsequent inquiries,

[Mr. Alan W. Williams]

showed how the company had cut corners. Of course, the courts found the company not guilty — "They would, wouldn't they?" The courts blamed the captain and other individuals and put the disaster down to human error. However, profit was the dominating factor in the company's operations. The company sought to cut corners, and I believe that the same would apply in a privatised nuclear power station. If fuel rods started to leak, as they do—burst cans, and so on—would they be taken out immediately as is now the requirement? I fear that they would be allowed to stay in place for a few more weeks, as a result the coolant streams would become radioactive, and they would be pumped out into the atmosphere.

How will staffing affect safety requirements? There are dozens of reactor incidents almost every year. At the moment, such an incident would cause a nuclear power station to be shut down. Obviously when the industry is privatised and profit is all-important, such a shutdown would be the last resort because a few weeks of lost operation would mean the loss of many millions of pounds. I fear that safety standards will be compromised throughout.

The Government want a lot of nuclear power to be generated in the future. Earlier, one hon. Member said that, by the next century, we would be all-nuclear, but I believe that he is wrong. If that were to be the case, we would be dependent on plutonium in the next century. The logic of some Conservatives' argument is that, eventually, we would be exporting plutonium to Japan, France, Germany, Idi Amin and Colonel Gaddafi. What would that mean in terms of nuclear proliferation?

Very conveniently, during the past few months the Government have decided that nuclear power stations will not be decommissioned. Trawsfynydd, Hinkley Point and Bradwell will be allowed to remain as they are for the next 100 years. They will be nuclear graveyards. We shall have to protect them and provide high security, not just so that children cannot get into them but because they could become terrorist targets. There is the sinister prospect, in 10 or 20 years' time, of a terrorist car bomb exploding outside one of those disused power stations. The fact that we do not know how to decommission nuclear power stations is another argument against this unsafe source of energy. But the Government insist on going ahead. It is a case of compromising safety and the economics of nuclear power going out of the window.

In sharp contrast is what is likely to happen to coal. The Government are willing for British coal, which is the cheapest deep-mined coal in the world, to compete against coal from South Africa, Colombia and Australia. We know why South African and Colombia coal is cheap—non-existent or repressed trade unions and child labour —but such morality does not apply to the Government. Provided that the price is right, they will ask no questions.

The world coal market is a very unsafe market on which to depend for our future energy supply. World trade in coal accounts for only 4 per cent. of world coal consumption, so very little coal is traded. If, in five years' time, when many of the pits are closed, oil prices start to climb again as oil becomes scarce, coal prices will follow rapidly and we shall become dependent upon imports. Another problem with Government policy is the short-termism which threatens the future of the industry. If we were planning now for the year 2000—that is what the Japanese do — we would want British coal to be the basis of our electricity production, because it is economic compared with other coal produced in the world.

We heard a great deal from the Secretary of State for Energy in opening this debate and in the statement on the White Paper about competition in generation. He accepts that there is no competition in distribution and that that is a natural monopoly, but he tries to argue that there is competition in generation. We know that that is nonsense. In generation, the 70 per cent. company and the 30 per cent. company will share the market. They will not build surplus power stations to introduce competition because power stations are far too expensive. They will spend £1 billion on the construction of a power station only if they are guaranteed a market.

I believe that the privatisation will be a flop anyway. The stock market collapse last October means that people will not have the same taste for privatisation, and we should not forget the BP fiasco. The distribution companies may be saleable because they will be able to name their price for electricity. The 30 per cent. company, "Little G", may be saleable because it does not have the handicap of nuclear power. but the 70 per cent. company, "Big G", is saddled with the albatross of nuclear power. Let us consider what it will inherit: first, the clapped-out Magnox reactors, which no one in his right mind would want; secondly, the advanced gas-cooled reactors, which were a bigger economic disaster than Concorde; and, thirdly, the pressurised water reactor programme with which the Government insist on lumbering the industry.

My feeling is that the "Big G" will not take off and that the proposed privatisation could be the biggest flop of all. It is not in the national interest, nor is it in the consumers' interest. The Government will be able to make the proposal saleable by fattening up the industry before privatisation, but that will lead to a terrible 15 per cent. increase in electricity prices. The proposed legislation is immoral and dangerous and would go against the national interest.

8.40 pm

Mr. Malcolm Moss (Cambridgeshire, North-East): My right hon. Friend the Secretary of State outlined as strongly as possible in his opening remarks that decisions about the supply of electricity should be driven by the needs of customers. We have not heard much from Opposition Members about the needs of customers.

I took the trouble to read some of the submissions made by consumer councils on privatisation. The National Consumer Council put forward seven conditions for what it considered to be an ideal solution and structure for maximising competition and simplifying regulation: first, there should be a split into three major operating activities —local distribution, bulk transmission and generation; secondly, there should be more than one major distribution company; thirdly, there should be more than one major generating company, fourthly, there should be one bulk transmission company; fifthly, the generating market should be open and there should be non-discriminatory access to consumers for all participants. Every one of those submissions has been incorporated in the proposals outlined in the White Paper. We have not yet agreed with the sixth and seventh submissions in terms of priorities, but the first five major priorities of the consumer councils have been fulfilled.

The Electricity Consumers Council has said that the "present structure of the electricity supply industry is unsatisfactory. The CEGB not only has a monopoly over generation but also over decision-making in a sector which affects and/or accounts for 80 per cent. of electricity prices." It continued:

"The main advantage from privatisation is that unhelpful Government intrusion into the industry should cease."

In the council's view, it is essential that management is strengthened. The public's expectations of a privatised industry are increased and accountability to shareholders is a very different regime — and one completely misunderstood by Opposition Members—from accountability to Government.

Anyone would think that Opposition Members were spokespersons for the CEGB. They tell us how wonderful it has been over the past 40 years, but the electricity supply industry did not grow up as one unit, despite the claims of Labour Members and the CEGB. Before nationalisation the grid served independent generating enterprises, and served them well. Compared with overseas industries, the CEGB's capital costs have been unduly high. Its forecasting has been woefully inadequate. Its co-ordinating role, by which it sets such store, is really unnecessary, bearing in mind what is taking place in the rest of Europe and America. The CEGB's argument that competition raises prices and that monopolies lower them is a view that is no longer shared in the Kremlin, let alone on the Opposition Benches. It was the CEGB's monopolist symbiosis that laid the basis for the NUM monopoly. National security of supply requires the breaking up of this cosy and convenient relationship.

The issue of security of supply has been raised during this debate. Under normal demand patterns there is no real problem in producing contracts between the grid and the generators, but questions have been asked about the new privatised enterprise coping with abnormal conditions. It is said that if the grid-generation system cannot be optimised it could lead to increased costs and a reduction in security of supply. But the grid must take on the financial risks of operation and we must introduce an arbitration mechanism to settle disputes about compensation. There is no reason why we should not have a consumer compensation or protection fund.

Much has been said about economies of scale, and the merit order system has been portrayed as the saviour of the present security of supply. The variable costs of generation will determine that merit order. The technical criteria for merit order could be replaced with some form of a financial order. Least-cost plant, yes, but also least-cost mix of plant which will come in time. There is no apparent reason why contracts between the grid and generators cannot accommodate price competition in both the areas that I have outlined. That would result in both merit order working and price pressure to optimise the mix of power station types.

The Opposition and the CEGB say that there is a danger of losing security of supply in a fragmented structure of generation. The CEGB has said that the fragmentation will cost about £1 billion a year—about a 10 per cent. increase in costs—but I see nothing in the CEGB's case to justify that figure; nor have we any evidence in the debate to show where those figures come from.

The Energy Act 1983 has patently failed to encourage any competition in electricity generation. It is still only one quarter of 1 per cent. On present trends there is no evidence that the potential identified by Sir Frank Layfield in the Sizewell inquiry — the equivalent of five Sizewells by the year 2000—is anywhere near to being achieved. There are two reasons for failure. The CEGB is asked for a 3 per cent. return on its assets, but the independent producers need a return of at least 10 to 15 per cent. The Act made the electricity boards the judge and jury in setting prices for their competitors. That price decreased further this year, and it is still between 20 per cent. and 38 per cent. less than the price at which the boards sold their electricity.

The 1987 price reduction resulted from making a major change in the bulk supply tariff. Since 1983 the CEGB has twice raised the fixed charge proportion of its bulk supply tariff. The boards do not include that proportion in the price that they pay to independent producers. This has meant a decrease of about 25 per cent. in the price paid to independent producers.

In April last year, when the CEGB announced a new structure in its 1987-88 review, the Department of Energy suggested that the Electricity Council should commission a report on those charges, and it called in Price Waterhouse. The report was published at the end of 1987, but it has not yet seen the light of day. In the Select Committee hearings the chairman of the Electricity Council refused to make it available. Perhaps it has not come to light because it suggested that the pricing structure to the independent producers was contrary to the 1983 Act.

Mr. Rost: My hon. Friend should know that today the Electricity Council has made available a summary report to the Select Committee on Energy, but it was given to us in confidence. Although I have read it and would love to talk about it, I am under an obligation of confidentiality.

Mr. Moss: I think that my argument is still valid that the report being under wraps since the end of 1987 suggests that it goes against the interests of the independent producers.

In December the CEGB announced further changes in its bulk supply tariff for 1988-89, and, although it restored some of the cuts that it had announced before, no consultation was entered into — consultation which is required by statute—with either the Electricity Council, the Electricity Consumers Council or the Department of Energy. Why, at the end of 1987, was there a sudden change of heart as the privatisation proposals began to be firmed up? By shielding its full cost structure from the competition the CEGB is insulating itself from the full discipline of market forces, to the disadvantage of consumers.

For area boards to be saleable they need to have long-term contracts. The 70 per cent. C E G B and its 30 per cent. competitor will have the advantage of operational generating plant, and if they are allowed to establish bulk supply tariff agreements with high fixed cost elements in the immediate period after privatisation this will keep out independents for a long time to come. Therefore, it is vital that a regulatory authority is brought into being before privatisation to oversee pricing and terms of trade in electricity.

Rates have already been mentioned in the debate. The rates for independent producers are up to 40 times as high as those for the C E G B. In 1986 the Government promised

[Mr. Moss]

to bring the rating of independents in line with that of the CEGB. This is long overdue and vital for real and fair competition in future.

I turn next to conservation, which was mentioned by the hon. Member for Truro (Mr. Taylor). In the present nationalised monopoly there has been a conflict between the coal industry, which has wanted more coal mines, and the CEGB, which has wanted more generating plant, and the campaign to save on energy costs. Under the Government's Monergy campaign, a target of 20 per cent. savings was set. Only 2 to 4 per cent. has been achieved so far, so there is a great deal to do. The target saving of £7 billion is equivalent to six Sizewell B plants. We need to press forward with these conservation measures.

Once the distribution companies are able to purchase electricity free from the CEGB's monopoly they may change their attitude to measuring success in terms not of how much electricity they can sell but how they can serve the best interests of their customers. They could enter into advice on energy savings, insulation schemes and cheaper long-term tariffs, and enter into contract energy management schemes to reduce wastage and share resulting benefits.

Finally, I turn to the recent report on energy conservation in the north-west region, which the March Consultation Group brought out at the end of 1987. Much has been said about imminent prices increases in electricity for industrial users, but the Opposition do not take into account findings that are set out in reports such as that produced by the March Consultation Group. It states that in the industrial and commercial sector there is scope to save 15 per cent. of final energy demand from measures that would use existing technology, with paybacks in two years or less. This is worth £250 million a year to the north-west regional economy. It would provide a welcome boost to profits and to employment. Secondly, it concluded that in many instances top management was not convinced that energy efficiency was worth while. Either energy costs are not a major area of concern for them—and that would drive a coach and horses through the argument advanced by Opposition Members—or the case for investment has been badly presented.

The electricity supply industry, unlike most other industries, but like many other utilities, is faced with a situation where all its shareholders will be its customers. These people will have a focal point. There will be an occasion at which they will be able to make known their views, and that is the annual general meeting. Shareholders will, as a result, have higher than normal expectation of performance. Profit at the expense of service will not be acceptable in future.

8.49 pm

Mr. Alex Salmond (Banff and Buchan): I want to address some of the arguments put forward in the reasoned amendment tabled in the names of my hon. Friends and myself. Of the two amendments on the Order Paper this is the one that addresses not only the principles involved in electricity privatisation but the distinct and individual issues raised by privatisation in Wales and England on the one hand and Scotland on the other.

First, I shall discuss privatisation in England and Wales. The great challenge facing anyone proposing such a foolhardy policy would have been to find a structure which, by introducing competition, would have outweighed the technical disadvantages and extra cost of breaking up the CEGB's hold on generation and transmission. Those costs were estimated by the CEGB as being about £1 billion, or 10 per cent. on electricity prices. Has the Secretary of State found such a competitive structure? The answer is an unambiguous no. He has entirely given up trying to introduce competition for distribution. He said on 25 February:

"The distribution and transmission of electricity are largely natural monopolies.—[*Official Report*, 25 February 1988; Vol. 128, c. 454.]

The right hon. Gentleman said something similar when opening the debate this evening.

What about generation? The Secretary of State for Energy betrays a complete lack of understanding of the central difficulty in introducing a competitive structure into electricity generation in England and Wales, where there is undercapacity in the system. One cannot have effective competition in a structure in which there is undercapacity. If there is undercapacity, any generator, "Big G," "Little G" or one of the PGs, can generate safe in the knowledge that its electricity will be used, and that it can price it, regardless of generation costs, at the cost of the marginal producer of electricity.

This basic problem of introducing competition into generation has been well aired in the evidence before the Select Committee on Energy. It is a great pity that the Secretary of State for Energy did not allow that evidence to run its full course before producing his White Paper. He was faced with a choice — to produce a technically efficient structure with no competition or a pseudo-competitive structure that was technically inefficient. He chose the second, the chic solution. That is hardly surprising — he could hardly have done anything else. Having told the Conservative party conference that he was going to introduce the privatisation of electricity, he could hardly have gone back to a future conference and announced that he was not going forward with that policy. But if the problem had been looked at with an unjaundiced eye, the inescapable conclusion would have been that the industry in England and Wales belonged to the public sector because no effective competition could be introduced.

If the Secretary of State for Energy produced a botched job for the electricity privatisation for England and Wales, it was as nothing compared with the pig's breakfast produced by the Secretary of State for Scotland. He is dealing with, arguably, the most efficient electricity generation industry in western Europe. It is significant that, in the illustrations and comparisons produced by the Central Electricity Generating Board before the Select Committee on Energy, the only international comparison with which it did not compare favourably was the Scottish example.

The one failing of the Scottish system has been the incredible build-up of over-capacity — 6,000 MWs of demand at peak load but with generating capacity, after Torness, of about double that. When Torness comes on stream, 60 per cent. of Scottish electricity generation could be met by nuclear baseload—a ridiculous percentage in a country with such diversified potential from oil, gas, hydropower and wind and wave renewables.

Mr. Morgan: I believe that that gives the lie to the justification given by the Secretary of State for the 15 per cent. price rises in England and Wales compared with the

much smaller rise in Scotland. The justification given for increasing electricity prices by 9 per cent. this year and 6 per cent. next year in England and Wales is to increase the rate of return above the 2·75 per cent. — or to take money off the electricity consumer in order to buy nuclear power stations that he does not want, which is even worse. The idea is to increase the rate of return. It should apply more strongly than in Scotland, where prices will rise by only 2 per cent.

Mr. Salmond: The hon. Gentleman is right in that many and various reasons will be given in electricity price rises over the next few years if these proposals go through.

The weakness in the Scottish system has been the build-up of over-capacity. There is nothing endemic to a publicly controlled system which produces over-capacity. The build-up has been because of specific and foolish decisions made by successive Governments.

There are five major failings in the White Paper proposals for electricity privatisation in Scotland. It was an enormous job to boil down, given the incredible lack of specific proposals in the White Paper, to only five major problems. The first major failing is that, having arrived at the privatisation of the Scottish electricity industry, with its enormously valuable assets, where should the proceeds go? Paragraph 42 of the Scottish White Paper says:

"all of Scotland's electricity consumers have contributed to these assets".

Instead of going on to make the obvious point that all Scotlands electricity consumers should therefore benefit from the sale of these assets if privatisation goes ahead by having the benefits distributed by way of a free share issue, the White Paper arrives at the incredible conclusion that somehow Hydro board investors are desperately anxious to obtain a share of the nuclear capacity of the SSEB, which is to be jointly owned. If Scotland's electricity consumers have paid, through their bills, for the build-up of this capacity, why are they not receiving the benefit from the sell-off? Why is the Treasury receiving the benefit? Why are Scottish customers being mugged by the Treasury?

Consumers will also be mugged by the privatisated boards; this represents the second problem. The Hydro board already concedes that, in the private sector, it will see a doubling of the effective rate of return from 5 per cent. to 10 per cent. in real terms. That can only come from the bills of the Scottish electricity consumer who, after paying to build up the assets of the Scottish electricity consumer, who, after paying to build up the assets of the Scottish electricity system, will now have to pay dear for the prices charged in the private sector.

The third major weakness is that the Secretary of State made no commitment last Wednesday to the ownership structure of the Scottish electricity system, in marked contrast to the Secretary of State for Energy who, on 25 February, was able to say that something more effective than a golden share would be introduced to the system to ensure that the various elements of English and Welsh privatisation remained autonomous. No such guarantee was given by the Secretary of State for Scotland. Why the difference? Perhaps it is a case of the ringmaster, in the form of the Secretary of State for Energy, and the performing horse, in the form of the Secretary of State for Scotland.

The fourth major disadvantage is that there is no attempt to introduce competition into the Scottish electricity system. The only competitive element in the Scottish proposals is not to introduce competition in Scotland but to introduce it in England and Wales. The rejigging of assets in the Scottish system is designed in such a way that the two Scottish boards will compete to sell electricity in cut-throat competition to the English distribution boards. They will not face a market from individual distribution boards. We already know that from evidence given to the Select Committee. The English distribution boards will combine to make the Scottish boards sell to the grid, and the Scottish boards will face a monopsony buyer.

The Secretary of State for Scotland (Mr. Malcolm Rifkind): The hon. Gentleman's argument is somewhat confusing. Could he say whether it is his view and the view of his party that if privatisation takes place there should be a single Scottish company rather than the two companies that the Government propose?

Mr. Salmond: The Secretary of State should have contained himself. I was coming to the fifth failing in his proposals. The competition introduced into the Scottish system will not be for the benefit of the Scottish consumer, but to benefit competition in the English and Welsh systems. That is the sole element of competition in the Secretary of State's proposals. Failing No. 5 deals specifically with the point that the Secretary of State makes. If he had bothered to read the reasoned amendment tabled by myself and my colleagues he would have seen the answer to his question.

We welcome the fact that the Hydro board will remain independent. However, what kind of Hydro board will it be if it is stripped of its social clause and the obligation to perform for the economic welfare of the Highlands and Islands and the rural areas of Scotland? The only guarantee that Hydro board consumers are being given is that there will not be differential tariffs and prices. What about reconnections and repairs to lines in the rural areas? Will the rural areas eventually face the same problems that they already face from British Gas, which treats them quite disgracefully? What guarantees will Hydro board consumers have in the private sector and what guarantee will they have that the Hydro board will remain independent?

My final point underlines the central difficulty in these proposals. It is about whether these privatised boards will operate in the public interest. Just now we have in Scotland a working example in the dispute between the SSEB and British Coal that illustrates these problems. We can explore the policy issues involved in the current dispute. The Government position was expressed on 15 February by the Minister of State for Energy. It was repeated today and it is that the impasse

"has nothing to do with . . . privatisation". — [*Official Report*, 15 February 1988; Vol. 127, c. 694.]

I have here a letter written by Donald Miller, the chairman of the South of Scotland electricity board. It is a letter to British Coal and is dated 6 January. In the letter, he makes a point about why he is rejecting British Coal's price offer. The letter says:

"One difficulty that I find in reconciling your statement, that you expect to match world long term coal prices . . . from the Scottish coalfield by the time we are privatised in some two years or so, with your refusal to make any significant move towards these prices at the present time. I am sure that you will appreciate that, to have any credibility with

[Mr. Salmond]

investors, we must be able to demonstrate these cost trends in a convincing way and that can only be done with a significant price movement in the 1988/89 financial year."

It is quite clear from that letter that the nub of the disagreement, the reason for the impasse, is that the SSEB is looking towards privatisation. In the face of the evidence contained in that letter, would the Secretary of State like to repeat his claim that the impasse, the breakdown in relationships, has nothing whatever to do with his policy of privatisation? Let him get to his feet and say how he can deny the evidence of that letter. On the one hand, the SSEB is scared stiff of privatisation and is looking to its role in the private sector. On the other hand, British Coal, as was made clear in the evidence to the Select Committee on Energy, is looking over its shoulder to see what will happen with the CEGB if British Coal concedes anything to the SSEB.

It is inescapably clear that the Government's policy of privatisation has produced the present chaos in the Scottish industry and is threatening the entire future of deep-mined coal in Scotland. I will not accept a tentative intervention by the Secretary of State for Scotland. If he is to do his job at all, he will need to make a definite and full intervention in order to knock heads together and save the Scottish coalfield.

This is an example of a privatisation which is without principle. It is deficient in theory and will be disastrous in practice. In England, Wales and Scotland we have utilities that by international comparison, by "emulation" and by "yardstick competition" are the best in the world. They are the birthright of us all and should not be sent into the private sector.

9.3 pm

Mr. Peter Rost (Erewash): In welcoming the White Paper I want to confine my remarks to dealing with the main and persistent criticism by the Opposition. They say that there will not be any competition in generation and that, even if there is, it is unlikely to benefit the consumer. I have news for the Opposition and for the critics of our privatisation programme. Competition is already happening.

Mr. David Lambie (Cunninghame, South): Where is it?

Mr. Rost: If the hon. Gentleman will contain himself I shall tell him. Offers from private generators are already coming forward to the area boards. Contracts are already being negotiated at prices per unit of electricity that are lower than the prices that the area boards presently pay to the CEGB. There is evidence not only that competition is coming forward, but that the prices at which electricity is offered to the boards are lower than the boards pay at the moment.

Competition is building up from many sources, and hon. Members have referred to some of those already. New capacity is coming from independent producers, some of whom are buying old power stations which the CEGB no longer wants. They are refurbishing those power stations and using coal as fuel. Major companies are also producing new capacity. For example, Hawker Siddeley has been waiting to market its combined-cycle technology in this country, but the CEGB was not interested. Therefore, Hawker Siddeley had to rely on the export market. The company will now have an opportunity to prove that it can generate cheaper electricity by its method than the CEGB can produce in its traditional large power stations.

Opposition Members have consistently tried to remind us this evening that British Coal is down and out or about to go under. However, British Coal has announced that it intends to enter the business of electricity production to prove its fluidised bed technology, in which the nationalised electricity monopoly was not interested. That technology is well established in other countries which are in competition with us. Of course, it is our technology, but it has not been established in this country because the monopoly ignored it.

My hon. Friend the Member for Devon, North (Mr. Speller) spoke elaborately about the opportunities that would arise for renewables if they can compete. They will be able to plug into the grid because it will be open. Combined heat and power production is being developed and much more will be developed. I understand that the Department of Energy is undertaking a study that is likely to reveal that the equivalent electricity production of three major power stations is waiting to be used from stand-by generators in hospitals, Government offices and even in this place. Those generators simply need a little conversion so that heat can be used and they will also produce surplus electricity far cheaper than the construction of a 1,000 MW power station.

Probably the most important source of new and cheaper electricity is industry itself. Industry will generate more of its own electricity. British industry is bottom of the European league for industry generating its own power. No wonder the Confederation of British Industry whinges about high energy prices. It has not had the opportunity to generate its own electricity in the way that German industry and industry elsewhere generates its own energy.

Mr. Morgan: Will the hon. Gentleman give way?

Mr. Rost: I hope that the hon. Gentleman will forgive me, but I have only a few minutes left.

Industry in other countries generates far more of its own energy. I have seen an interesting memoranda from ICI which proves this point. At the moment ICI uses about 650 MW of electricity. It produces half itself in co-operation producing processed heat and electricity. It must import the other half — in fact, about 350 MW are imported. It has carried out feasibility studies on its plants, which show that it could have converted them to co-generation and produced cheaper processed heat and electricity if it had been offered a fair price for the export of that electricity. It would have done that if the nationalised monopoly had not abused its powers by not offering a fair price for the surplus. The ICI study showed that it is likely to turn its present level of imports into exports of about 700 MW. In other words, one company could swing from being a major electricity importer to being a major electricity exporter. That electricity could be offered at a lower price than area boards now pay for electricity from the national grid.

Mr. Redwood: Does my hon. Friend agree that the Government should also take an interest in the terms and conditions of the sale of redundant power stations as there have been problems over the speed and conditions of sale and many more power stations could be used profitably?

Mr. Rost: My hon. Friend is absolutely right.

There are one or two other ways in which privatisation will allow the private sector to prove that it can generate electricity more cheaply. One of them is the use of municipal refuse as a fuel. We are bottom of the European league in using our refuse. We still dump it in holes.

Mr. Lambie: What about Scotland?

Mr. Rost: I wish the hon. Gentleman would belt up so that we can get on with the debate.

We are bottom of the league in using our municipal refuse. We prefer to dump it in holes rather than put it into power stations, produce electricity and heat cities with it. A very good scheme in Edmonton uses some of London's refuse to produce electricity. There is also a very good scheme in Nottingham to produce district heating and electricity. However, we have not tapped the huge potential that exists for producing cheaper electricity and heating, simply because the nationalised industry—the CEGB—has not wanted to develop the technology.

As my hon. Friend the Member for Exeter (Mr. Hannam) said, there is enormous potential for producing far more cheap electricity by developing city district heating. Electricity from city district heating is a by-product and is therefore much cheaper. The reason why Denmark, Sweden and Finland have the cheapest electricity in Europe—it is much cheaper than ours—is that much of their electricity is a by-product of heating. They have combined heat and power city district heating. Thanks to the enterprise of a private consortium and the East Midlands electricity board, a scheme is under way in Leicester. A similar scheme in Sheffield is supported by the Yorkshire board and the Eastern area board is also likely to develop schemes. Each of the schemes will produce only 100 or 200 MW of electricity but, as a by-product, that electricity will be very cheap—certainly cheaper than the electricity that the boards buy from the grid at present. If we develop more city district heating, we shall top up our electricity capacity as well as getting rid of our fuel poverty.

Other hon. Members may wish to contribute, and I therefore conclude by reminding the House that evidence is now coming forward to show that electricity can be produced more cheaply from all sorts of sources. We are now to give ourselves the opportunity to prove that by allowing competition. Because the area boards will now have the opportunity to shop around for their power supplies, instead of having to buy from one captive supplier, the CEGB, all sorts of exciting things will happen. Undoubtedly, the competition that will result will lead to a surge of new capacity, to lower-priced electricity and to a better deal for the consumer.

9.13 pm

Mr. Graham Allen (Nottingham, North): I agree with one thing that the Secretary of State has said today—that his announcement will be widely welcomed, and it will. In Poland, General Jaruzelski cracked open a bottle of vodka to celebrate when he realised that he would be able to export yet more coal to this country. No doubt, the Broederbond and president Botha started to jump up and down when they realised that the coal produced on slave labour wages in South Africa will soon have a market in this country. The child exploiters in South America will also be happy about the announcement made by the Secretary of State. I am sure that the Secretary of State can suggest even more people who will be delighted about this announcement, including those who run the French nuclear industry. Those nuclear power stations on the other side of the Channel sit like a row of Roman candles waiting for 5 November.

This announcement will be welcomed worldwide. The only place it will not be welcomed is in this country, and particularly in Scotland, which is acting as a guinea pig for something that will happen to the rest of us soon after. Not only is the Government's proposal morally wrong, but it does not work in terms of their own economics. No risk-taking or entrepreneurial thrust is necessary to make a success of this. It has been gifted. Our electricity industry is being handed over to friends of the Tories without the necessity for those people to take risks.

The Opposition's responsibility is to make sure that our people realise that they will be paying for privatisation. The taxpayers and all people who pay electricity bills have paid for previous investment. That investment is now to be confiscated for the Tories and their friends in the City. We shall pay further because tax revenue, which used to be relatively easy to come by, will no longer be milked from the CEGB. That revenue will have to come from other sources.

A 15 per cent. increase in the price of electricity is in the pipeline, and people will have to pay that as well. There will be the usual debt write-off that we see before any privatisation to make sure that people are prepared to take on the new company. People will have to pay further so that the Tories can make a better job of floating this company than they have with others for which the price has been so low that a massive killing has been made by the City rather than by the taxpayer and the Treasury.

Every way we look at it, taxpayers and individuals will pay. I hope that the Secretary of State will come clean and say how much money the Government will be asking for the electricity industry when they put it on the market. Perhaps he will again leave it to his permanent secretary to explain the matter to the Public Accounts Committee, where he will certainly be cross-examined when this matter comes before it.

Furthermore, there are balance of payments implications. If we import cheap coal, another £1 billion will be added to the £14 billion deficit that we are now running. The heaviest price will be paid by those who make a direct living from the coalfields, not least those in Nottinghamshire. Again, I ask for an absolute guarantee that the planned coal-fired power stations will go ahead. That must include the West Burton coal-fired station.

The economic theory that all this demand can be met from the international coal market flies out of the window, because stock market prices will be changed as soon as demand from this side of the water increases. The major problem will be that the social effects of this proposal will be met by miners, by their families and by people who depend upon the mining industry. Privatisation has come about partly because of the Government's obsession with the mining industry and in particular with breaking the National Union of Mineworkers.

The Secretary of State said that one of the reasons for diversity of supply is the abuse of monopoly power that certain elements of the coal industry have demonstrated that they enjoy using. Those are the politics of personality. Arthur Scargill is the butt of this privatisation proposal. It is not governed by economic or social sense; it is merely a desire to get back at the miners and break their power.

[Mr. Graham Allen]

That is evident from the leaked Cabinet minutes of 1979. The long-term planning of this Government is a lesson for my right hon. and hon. Friends when we are returned to power.

The Opposition need to say to the people of Britain that they will have to pay for the City's bonanza, but that we shall return the industry to public ownership, though not in the old form and not with the old faces, as when we first nationalised the coal industry. Nevertheless, the Opposition will ensure that the people of this country are never again robbed of assets that are theirs.

9.20 pm

Mr. Donald Dewar (Glasgow, Garscadden): When the Secretary of State for Scotland introduced his White Paper on privatisation he proclaimed that the electricity industry was efficient, well managed and successful. I do not dissent from that statement, but the question arises as to why we are about to plunge it into a period of unprecedented uncertainty because of the Government's crazy scheme. I can think of a number of reasons, none of which is entirely honourable.

There is the possibility of political calculation—the rather insulting suggestion that anybody who owns shares automatically votes Tory. There is also the cash temptation. It has been said that £27 billion may be raised by the sale of these assets. However, the nation will be flogging off its future to finance tax cuts. There is also the argument that the sale will earn brownie points for the Secretary of State for Scotland who has been trying of late —with some success, I am afraid—to live down his past. None of these arguments holds water in terms of the industry, the consumer and the national interest.

The Opposition are opposed to privatisation. There is no case for replacing a public utility with private monopolies. The Secretary of State for Energy told us in his statement that it is unacceptable to create a single monopoly, but I do not follow the logic of the argument that it is all right to create two monopolies that are harnessed in tandem. We in Scotland do not even have the split between generation and distribution that perhaps gives a figment of respectability to the competition argument south of the border. In Scotland, not even that argument, for what it is worth, stands up. Each board in Scotland will be a monopoly for the vast majority of consumers in its area. To talk about competition by comparison is a mockery. The argument was greeted with derision in the House and in the country; nobody takes it seriously.

The consumer is entitled to be very sceptical about this scheme, which appears to be founded on the market principle. It hands over a basic utility to profit-driven companies whose legal duty is to maximise the return on their capital for their shareholders. Then, desperately, the Government try to regulate the process and prevent companies from acting according to the logic of the scheme. It is an unhappy marriage; it is not in the public interest; and I do not believe that it will work.

There is a cautionary tale to which I shall draw the attention of the Secretary of State for Energy. An analysis of gas disconnections was carried out recently by the Gas Consumers Council. I do not have time to go into it at great length, but the simple tale is that disconnections of gas consumers increased by 35 per cent. in the first nine months of 1987. It reminds us that there is very little room for social conscience when a company with commercial priorities looks at bad debt control and the need to encourage its cash flow.

People are entitled to say that they do not want the same painful experience with electricity. It is because we are conscious of that fact that I have a great deal of sympathy for and will support the proposal that we should retain the traditions of the hydro-electric board and, if necessary, on the basis of a separate and distinct company. I want to stress that our opposition to the whole scheme is total, and that we are merely commenting on what seems the best way of minimising the damage that will result from a very bad option.

Even if the hydro-electric board survives, it is important that it survives in a workable framework. The Opposition are not yet convinced that all the details have been worked out in a way that establishes the practicality test. After all, we heard talk about population transfers in the Secretary of State's statement, and there is also talk of the possibility of plants being transferred. There is a rumour, for example, that Kincardine will go, to the North board to give it some share of the coalburn—although that seems almost a fanciful suggestion, in view of the scenario now developing in Scotland.

We must also consider the question of the joint nuclear capacity. We do not know whether this will be a wholly-owned company, shared by the two boards. We know, however, that the Secretary of State, for reasons that are not yet clear, has decided to go to considerable lengths to avoid what has happened in England, where, on the generating side, there is a "green option". Of course, at present there is a pooling of costs between the SSEB and the hydro-electric board on roughly a 25:75 per cent. basis. That kind of co-operation can work well in the public sector, but in my judgment—which I am sure is widely shared—there will be problems when the commercial interests of two separate companies begin to diverge.

For instance, there are the decommissioning costs and the problem of the accumulated capital debts—over £2·5 billion between the two companies. We shall want to hear what the Secretary of State proposes in that regard. There is also the potential problem, probably towards the end of the century, of new plant. There may be disagreement, for instance, about whether it uses PWR or AGR. The elements of conflict when there are different priorities, different needs and two independent commercial companies are self-evident.

The solution begins to look curiouser and curiouser. It is a mish-mash of prejudice and expediency, and I do not believe that it is good for anyone. It is interesting to note that even the Government, looking at what they are creating, have begun to have doubts about the market theory. We know that the Secretary of State has decided that there should be special protection for the nuclear industry south of the border. That, I should have thought, is an implicit recognition that commercial judgment might well kill the nuclear dream if given an unfettered opportunity. But, although the dangers are now all too evident, there has been no such consideration for the coal industry in Scotland.

The Scottish coalfield is fighting for its very life, but decisions are now being taken that threaten thousands of jobs and the future of entire communities. The substitution of imported coal has far-reaching implications for national

policy, and for security of supply in the electricity industry. It is extraordinary that the Scottish Office has remained a passive spectator as the drama has unfolded.

Judging by press speculation, heavily trailed over the weekend, the Secretary of State for Scotland is to break his silence in a few minutes' time. The Secretary of State smiles. I hope that my optimism is not unfounded. The reports speak of the Minister's grave concern and of his reluctance to go down in history as the man who supervised the demise of the coal industry in Scotland. The Secretary of State, it is said, is intervening to urge the parties to get round the negotiating table and thrash out a solution. We shall know in a minute or two exactly what the right hon. and learned Gentleman is going to propose. I must tell him that any sign of conscience in Dover house is welcome, but pious hopes of resumed negotiations are not enough.

It is clear that, sadly, there has been a total breakdown of trust between British Coal and the SSEB. The SSEB has abided by the letter of the Court of Session judgment and the interdict, but it seems to have set out to breach it in spirit. The board will not buy foreign coal for Cockenzie and Longannet, but neither will it burn Scottish coal. The trick seems to be to substitute oil and to use coal imports in other plants such as Kincardine. As reported in the daily press, Lord Prosser has talked in his judgment of the catastrophic and irreversible effects of buying foreign coal, but the SSEB is clearly not paying any attention to that. In those circumstances the Secretary of State for Scotland must do more than eloquently mouth expressions of concern.

The key issue is the SSEB's claim that imported foreign coal will result in savings of £50 million or a 5 per cent. cut in electricity tariffs. It is a calculation that British Coal regards as incredible, in the full meaning of the word. It is something that simply cannot be believed. The Scottish Office has a duty to examine and evaluate those competing claims.

We know that the price of coal has come down by 25 per cent. in real terms since 1985. We know that a deal has been offered through to the year 2000 which will mean further cuts in prices over the next one or two years. I am told that the cuts will be 5 or 6 per cent. in cash terms and close on 10 per cent. in real terms. We recognise that there are enormous arguments about security of supply and the likely impact of shopping around for temporary advantage in the spot market to find the cheapest form of coal. Spot markets, by definition, can come under pressure and price rises will appear with demand. Recent history is littered with miscalculations and misjudgments by management about energy prices. Calculations of temporary advantage are no sure or sensible foundation for long-term strategy.

If the SSEB's figures do not stand up to careful and impartial scrutiny by the Scottish Office, the case for saving Scottish coal is immeasurably strengthened. If the Secretary of State evaluates the figures and finds that there are savings of the sort about which the SSEB has spoken, presumably he will be able to give us assurances that the equivalent of the 5 per cent. saving in tariff will be passed on in price cuts to the consumers. If he accepts the figures, he owes us that at least.

The important thing is that the impression left with us by the Minister of State at our recent meeting was that the Scottish Office was a spectator and was not involving itself in the argument. It is essential that we get from the Secretary of State a retreat from that hands-off position and an agreement that he will at least look at the figures and decide what is in the public interest.

I understand that the Secretary of State for Scotland said on Radio Forth this morning that he could not interfere with the price to be paid for coal.

Mr. Neil Hamilton *rose*——

Mr. Dewar: I will not give way. Some Conservative Members might have a valuable contribution to make to the debate.

As I have said, the Secretary of State argued on Radio Forth that he could not interfere with the price to be paid for coal. He suggested that the Government have no more right to oblige the SSEB to buy Scottish coal than they have to force individuals to buy a British car if it is more expensive than one made abroad. It is quite wrong to liken a private citizen's right to consumer choice when buying one unit in a mass market with a Government decision, or non-decision, that may decide the fate of a strategic industry.

Unless moderated, the SSEB's policy will, in effect, sack 3,500 Coal Board employees at a cost of nearly £60 million in redundancy payments. In effect, it will write off the £60 million spent in the past two or three years at Castlebridge, which was referred to by my hon. Friend the Member for Dunfermline, West (Mr. Douglas). It will write off the £60 million development planned for Bilston Glen and, despite what the Secretary of State for Energy said in his opening remarks, it will greatly restrict the activities of private sector contractors in opencast mining. My hon. Friend the Member for East Lothian (Mr. Home Robertson) knows that from his constituency experience. The stakes are high and the Secretary of State cannot walk away from his responsibilities.

In 1987 the SSEB, in reply to the Monopolies and Mergers Commission report, argued that the purchase of foreign coal was not in the interests of its consumers. I have its reply with me. It said:

> "Although the Board will continue to monitor the price of imported coal it is not considered to be in the long term interests of the Board's customers to import foreign coals in present circumstances."

That was only one year ago. The single decisive change is the advance of privatisation, which inevitably invites the board to put profit before public interest. The Secretary of State and his policy are responsible for that position.

On 25 February, the Secretary of State for Energy told the House that a principal condition for maintaining security of supply in the electricity supply industry was use of a diversity of fuels to generate electricity. He gave an assurance that coal will still be the biggest single source of power south of the border. He boasted—that is not too strong a word—that this safeguard was "built into the system". If that is so, why should the Scottish Office allow the coal industry in Scotland to be murdered? Do not the same sensible priorities apply? The Secretary of State will not be forgiven if he ducks his self-evident responsibilities. His policies have done much to create the present problem. His duty is to act now before imminent catastrophe becomes reality and social and economic damage are made irreversible.

It is ludicrous to pretend that these events are unconnected with privatisation. The South of Scotland electricity board has a profit margin that is eaten by interest charges. It has a substantial debt as a result of

[Mr. Dewar]

building Torness. If it is to be successfully fattened for the market, the kind of policies which we are now seeing are, no doubt, thought to be essential, but they are not in the public interest.

The right hon. Member for Kincardine and Deeside (Mr. Buchanan-Smith), in what was in many ways a courageous and persuasive speech, talked about the "hysterical and emotional" approach—I think that those were his words, although I did not write them down exactly — in relation to the policies of the South of Scotland electricity board. I beg to differ. I wish that I could agree, but I do not think that they are hysterical and emotional. They are probably totally defensible if the chairman of a public board decides to act as the chief executive of a private company with the new priorities—profit oriented and profit driven — which are then involved. Because that will happen increasingly, the story of Scottish coal over the past few months is a cauutionary one, a tale for our times, and a powerful case against the White Paper and all that it stands for.

There are many unanswered questions. I do not apologise to the House for the amount of time that I have spent on talking about the coal crisis because it is central to the concerns of all of us in Scotland. There are many unanswered questions. Doubtful half-truths litter the Government's case. I mention only two. One is the problem of nuclear safety. Of course I understand the case that the Government argue — that the Nuclear Installations Inspectorate will still be in place—but we must think about the public reaction. Even those who are totally committed to the proliferating family of PWRs must be concerned about the public's deep anxiety over nuclear safety and what is likely to happen if it becomes the charge of a group of directors of private companies who have forgotten the priorities that I have discussed. It is fundamentally misconceived to move in that direction, and that is a major argument against the proposals.

There is also the point, which was made most recently by the hon. Member for Banff and Buchan (Mr. Salmond), about the independence of these companies, and again I think especially in Scottish terms. The Secretary of State for Scotland shook his head vigorously when that point was made. It is true, and there is no denying it, that the independence will be hard to defend when privatisation comes. I am not clear how we can withstand a determined predator, what guarantees can be given and what those guarantees would be worth after the Britoil fiasco. On 25 February, the Secretary of State for Energy said:

"Yes, Britoil has shown that there are weaknesses in that arrangement"—

the golden share—

"but there are other versions that can be put in place just as easily."—[*Official Report*, 25 February 1988; Vol. 128, c. 459.]

I hope that the Secretary of State will give us an insight into what those other arrangements

"that can be put in place just as easily"

are likely to be. I hope that he will fill the startling void to which the hon. Member for Banff and Buchan referred. There is no assurance from the Secretary of State for Scotland of action in this way.

This is a fundamental debate, and I return to the point made by the right hon. Member for Kincardine and Deeside. He complained about political interference and said that he was surprised that senior executives in the electricity industry put up with it. I suppose that they are one group that is likely to benefit from the Government's plans. Indeed, I do not think that there is any doubt about it. However, they are a narrow group and do not command my sympathy.

The important thing—the right hon. Gentleman drew attention to this by implication — is that Government after Government have accepted that there is a public interest in the supply of energy and in the fuels that our generating capacity burns. Whether by the gas levy—a tax to depress the demand for that particular form of heating — or the regulatory machinery built into this White Paper, successive Governments have accepted the need for security of supply on a broad base of fuel consumption, which is an essential prerequisite of that security of supply.

There is growing resentment and fury, mixed at times with dismay and despair, about the way in which the coal industry in Scotland has been dealt with and the likely hazards and dangers that lie ahead because of privatisation. Those points were made by my right hon. Friend the Member for Glasgow, Govan (Mr. Millan) and by my hon. Friend the Member for Dunfermline, West. There is an edge of anger to our rejection because this is not an academic matter. This is not a parliamentary or economic equivalent of war games at staff college; this is for real. This is about jobs and people, and the fate of communities. They should not be sacrificed to what I fear is no more than the dogma of this Government.

9.40 pm

The Secretary of State for Scotland (Mr. Malcolm Rifkind): This debate, as was perhaps inevitable in any debate on privatisation, has been conducted at two levels: at the level of principle — about the principle of privatisation — and at the level of the detailed and technical questions as they relate to the electricity industry.

So far as the principle is concerned, we have heard the traditional view from the Labour party, that industries —especially the great industries of this country—should be controlled by the state and that ultimately it is the Government who can best take the decisions on fundamental questions of investment and other matters that are relevant to the industries. Clearly, the Government's view—it has been the Government's view for many years—is that while Governments of whatever political complexion may be good at governing, they are rarely good at running industry. It is infinitely to the national interest, and to the interest of the general public as consumers, that an industry should be run and administered by those within the industry itself.

We have been asked to state what benefits will flow from privatisation. The first point that I should make to the hon. Members for Glasgow, Garscadden (Mr. Dewar) —it has been made by some of my hon. Friends already during the debate; indeed, my right hon. Friend the Member for Kincardine and Deeside (Mr. Buchanan-Smith) began his speech with this—is that inevitably any industry controlled by Government is subject to interference from Government. We know that the electricity industry, whether under this Government or the previous Labour Government, has had its major investment decisions changed on the basis of the general economic strategy of the Government of the day. Each year when public expenditure is being surveyed and when the public sector borrowing requirement is being

considered, the Chief Secretary of the day, whether Labour or Conservative, takes a detailed interest in matters that properly should be the affair of the industry.

I advise the hon. Member for Garscadden and his hon. Friends that it must be in the interest of the electricity industry, north and south of the border, that the crucial decisions affecting its investment and other such matters should be determined by the industry itself. If that is true of manufacturing industry and the rest of British industry, there is no good reason why it should not be true of the electricity industry as well.

Mr. Nigel Griffiths (Edinburgh, South) *rose*——

Mr. Rifkind: No, I shall not give way.

The second point that I should make to the hon. Member for Garscadden is that he and his hon. Friends have sought to make a mockery of the arguments used about competition. I must advise those hon. Members that they start from a false premise, so it is not surprising that they reach a wrong conclusion. They start from the false premise that the Government are somehow maintaining that it is possible to achieve classical standards of competition in the electricity industry. The Government have never maintained that. Indeed, my right hon. Friend the Secretary of State for Energy made it clear that, in transmission and distribution, we are dealing with natural monopolies.

Opposition Members fail to understand the real world because they seem to argue that, because it is not possible to achieve perfect competition, we should therefore make no attempt to introduce into the electricity industry such competition as is possible and attainable. *[Interruption.]* My hon. Friend pointed out that—*[Interruption.]*

Mr. Speaker: Order. The House heard the hon. Member for Glasgow, Garscadden (Mr. Dewar) in silence. I ask the House to give a fair hearing to the Secretary of State.

Mr. Rifkind: My hon. Friends the Members for Bedfordshire, North (Sir T. Skeet) and for Erewash (Mr. Rost) mentioned the extent to which we are already seeing the benefits of the Government's privatisation policy with regard to the sale of electricity to other areas of the country. When they said that, the hon. Member for Cunninghame, South (Mr. Lambie) said, "What about Scotland?" Such sales are relevant to Scotland because, only last week, BNFL reached an agreement with the Chapelcross power station in the constituency of my hon. Friend the Member for Dumfries (Sir H. Monro). In the past, that station supplied the SSEB, but it no longer has the same need for that power. Therefore, in future, that power will be sold to the North West authority in England. That is an excellent example of how the export of Scottish power to those parts of England that need it is in the interest of the consumer, the public and the industry.

It is significant that if I give a specific, concrete example to Opposition Members, they do not like it because it conflicts with their prejudices. *[Interruption.]*

Mr. Speaker: Order. It is intolerable that the Secretary of State is being shouted down in this fashion.

Mr. Rifkind *rose*——

Mr. Harry Ewing (Falkirk, East): On a point of order Mr. Speaker. *[Interruption.]*

Mr. Speaker: Order. I cannot even hear the point of order.

Mr. Ewing: The important point is that 4,000 mining jobs and another 10,000 ancillary jobs are at stake in Scotland, The Secretary of State for Scotland is simply refusing to acknowledge that some 14,000 jobs are at stake and is refusing to answer that charge.

Mr. Speaker: I ask the House to give the Secretary of State the opportunity to do so.

Mr. Rifkind: I shall come to that matter, but I shall come to it in my time and not in the hon. Gentleman's time.

The hon. Member for Garscadden, in his usual indirect way, complimented the Government on one decision. He and his hon. Friends have made it clear that if privatisation is to take place, they applaud the Government's proposal that, in Scotland, there should be two separate boards and that a single company representing the electricity industry in Scotland should not be created. We are delighted that, in addition to that support, the hon. Member for Garscadden and his hon. Friends have made it clear that when shares in the electricity industry are offered to the public in Scotland they will respond well. I thank the hon. Member for Garscadden for making that point.

Mr. Dewar: I did not say that.

Mr. Rifkind: Well, the hon. Gentleman may say that, but I had the benefit of listening to him when he was interviewed on Radio Scotland on Friday morning. *[Interruption.]* I could not believe my ears and so, to be certain, I got a transcript of what he said. When the hon. Member for Garscadden was asked about the privatisation, he replied:

> "Well, I think initially a lot of Scots will buy and if we're going down the privatisation road, then clearly I would prefer to see a widely spread share ownership very strongly based in Scotland".

Well, better a sinner that repenteth. I thank the hon. Gentleman for the endorsement that he has given.

Let us now consider the other matter which dominated the speech of the hon. Member for Garscadden, and which is, I accept, a matter of genuine concern in Scotland and throughout the country. First, let me deal with the question whether the current dispute between the SSEB and British Coal is a consequence of the Government's privatisation proposals. The hon. Gentleman and the House will be aware that the SSEB is under a statutory obligation to ensure the lowest tariffs for its consumers. It would have to face that responsibility even if the Government had no proposals for privatisation. The SSEB maintains that it must pay much more for the coal that it acquires from British Coal than it would for coal that it could obtain on the world market. Labour Members will appreciate that that creates problems that cannot be summed up in the somewhat emotional response that we have heard from some quarters.

The outcome of the dispute will determine the price of electricity that will have to be paid by Scottish consumers, including Scottish industry, during the next few years. The current gap between the price of British Coal's product and the prices obtainable on the world market is said to represent at least 4 per cent. on electricity tariffs. Scottish industry needs to pay as little as possible for its electricity if it is to enjoy growth, export potential and a continuing reduction in unemployment.

Of course, I acknowledge that there are implications for the deep pits and the jobs that they provide in the Scottish

[Mr. Rifkind]

coalfield. Those pits are important, although they do not represent the entire coal industry in Scotland, as is often suggested. Half the coal mined in Scotland is opencast, and there has been a major expansion of opencast coal production during the past 10 years.

In recent days, the SSEB and British Coal have expressed a willingness to resume negotiations to try to bridge their remaining differences. I encourage them to do so. Agreement is less likely to be reached if either side refuses to show any flexibility. However, if the SSEB and British Coal approach the matters in a genuine constructive desire to reach agreement, there is no reason to believe that agreement will not be achieved. The next stage is for the SSEB and British Coal to get round the table again and explore how much or how little they must move to realise a satisfactory outcome. I trust that they will do so.

Mr. Dewar: The Secretary of State appears to be saying that he hopes that negotiations will reach a successful conclusion, but that he will do nothing to achieve that result. Is he simply watching again from the sidelines? If so, is that not a shameless abdication of his responsibility?

Mr. Rifkind: If the hon. Gentleman is suggesting that the Government of the day should determine the price that an electricity board pays for the coal that it receives from British Coal, I must tell him that that standard is not applied in any other feature of our industrial structure; nor is it an approach that makes any sense.

Mr. Salmond: Given the contents of the letter from Donald Miller to British Coal rejecting its offer on the basis of credibility with his investors, does the Secretary of State seriously maintain that the breakdown between the SSEB and British Coal has nothing to do with the Government's privatisation policy?

Mr. Rifkind: The difference of view between the two boards is that, for understandable reasons, the SSEB wants to pay as little as possible and, for equally understandable reasons, British Coal wants to charge as much as possible for the coal that it supplies. If the boards would approach these matters constructively, there is no reason why agreement could not be reached.

Mr. Millan: The Opposition want to know what the Secretary of State is going to do about it. So far, he has done nothing and he has told us nothing this evening. We know that the SSEB is already placing orders for foreign coal. What is the Secretary of State going to do about the collapse of the Scottish coal mining industry?

Mr. Rifkind: The right hon. Gentleman appears to be more concerned about the deep pits in Scotland than he is about the health of the steel industry in Scotland. *[Interruption.]* As he rightly knows——

Mr. Dewar: Will the Secretary of State give way?

Mr. Rifkind: As the right hon. Gentleman knows——

Mr. Dewar *rose*——

Mr. Speaker: Order. If the Secretary of State does not give way, the hon. Gentleman must resume his seat.

Mr. Rifkind: The right hon. Member for Glasgow, Govan (Mr. Millan) knows—*[Interruption.]* Opposition Members do not like to listen. Barracking does not impress the people of Scotland any more than people in other parts of the United Kingdom. *[Interruption.]*

Mr. Speaker: Order. These are important matters of great concern to the country and the Secretary of State must have a chance to respond to the debate.

Mr. Rifkind: I shall try to answer the questions that have been asked if I am enabled to do so.

The right hon. Member for Govan knows that Ravenscraig is the largest individual purchaser of electricity from the SSEB. Is he seriously suggesting that the Government should intervene to ensure that Ravenscraig and other industrial users of Scottish electricity should pay more than can be properly negotiated between the SSEB and British Coal? We have a responsibility to the whole of Scottish industry, and we intend to adhere to it.

Mr. Dewar: I want to understand the Secretary of State's position. Anyone who has had contact with either side in the dispute knows that the chances of a settlement seem now to be remote. Is the right hon. and learned Gentleman saying that, even if his hopes are unfounded and no settlement is coming, he will see the pits close, the loss of about 4,000 jobs and all the social dislocation and problems to which that will give rise, and ignore his clear statutory responsibility under the 1979 legislation?

Mr. Rifkind: I repeat that, if there is flexibility on the part of both British Coal and the SSEB, I have every reason to believe that an agreement can be reached. If the hon. Gentleman and his hon. Friends spent as much of their time impressing upon the SSEB and British Coal the need for flexibility in the manner that I have just done, they would be making a constructive contribution.

This debate—*[Interruption.]*

Mr. Speaker: Order. The Secretary of State must be given a fair hearing.

Mr. Rifkind: This debate about the privatisation of the electricity industry has arisen because the Government firmly believe that throughout the United Kingdom there are enormous benefits to be achieved for the consumer, for industry and for all those who depend upon electricity for their prosperity. It is—*[Interruption.]*

Mr. Speaker: Order. It is intolerable for the Secretary of State—*[Interruption.]* Order!

Mr. Rifkind: I am well aware that the Opposition have a deep-seated hostility to any attempt to return the electricity industry to the British public. I am well aware also—*[Interruption.]* We see now a substitute for reason on the part of the Opposition. They resort to barracking —*[Interruption.]*

Mr. Speaker: Order. This is not the way to behave in the House of Commons.

Mr. Rifkind: It is the only way that they know how to behave, Mr. Speaker.

Mr. Harry Ewing: On a point of order, Mr. Speaker. It is understandable that you, Mr. Speaker, and the Secretary of State for Scotland — it is especially understandable that you should be in this state of mind, Mr. Speaker, because your job is reasonably secure— should be calm, but it would not be understandable if about 50,000—*[Interruption.]* The Secretary of State is deliberately betraying—*[Interruption.]*

Mr. Speaker: Order. This is a place in which we all give each other a fair hearing.

Mr. Rifkind: It is on this basis that I invite the House to give its verdict on the principle of privatisation and on the benefits of what we are doing for the Scottish people and the people of the United Kingdom as a whole.

Question put, That the amendment be made:—

The House divided: Ayes 219, Noes 329.

Division 203] **[10.00 pm**

AYES

Abbott, Ms Diane
Adams, Allen *(Paisley N)*
Allen, Graham
Anderson, Donald
Archer, Rt Hon Peter
Armstrong, Hilary
Ashdown, Paddy
Ashley, Rt Hon Jack
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Battle, John
Beckett, Margaret
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Brown, Ron *(Edinburgh Leith)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Campbell, Menzies *(Fife NE)*
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Cryer, Bob
Cummings, John
Cunningham, Dr John
Dalyell, Tam
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Doran, Frank
Douglas, Dick
Duffy, A. E. P.
Dunnachie, Jimmy
Eadie, Alexander
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Ewing, Mrs Margaret *(Moray)*
Fatchett, Derek
Faulds, Andrew
Fearn, Ronald
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Godman, Dr Norman A.
Golding, Mrs Llin
Gordon, Mildred
Graham, Thomas
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Doug
Hinchliffe, David
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Illsley, Eric
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Jones, Martyn *(Clwyd S W)*
Kennedy, Charles
Kilfedder, James
Kinnock, Rt Hon Neil
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Livsey, Richard
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
McCusker, Harold
Macdonald, Calum A.
McFall, John
McGrady, Eddie
McKelvey, William
McLeish, Henry
McNamara, Kevin
McTaggart, Bob
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Mallon, Seamus
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Prescott, John
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Spearing, Nigel
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thomas, Dr Dafydd Elis
Thompson, Jack *(Wansbeck)*
Turner, Dennis
Vaz, Keith
Wall, Pat
Wallace, James
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Wilson, Brian
Wise, Mrs Audrey
Worthington, Tony
Wray, Jimmy
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Allen McKay

NOES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Amery, Rt Hon Julian
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Barnes, Mrs Rosie *(Greenwich)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Biffen, Rt Hon John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Bruce, Ian *(Dorset South)*
Buchanan-Smith, Rt Hon Alick
Buck, Sir Antony
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cartwright, John
Cash, William
Chalker, Rt Hon Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Hon Alan *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*

Clark, Sir W. *(Croydon S)*
Colvin, Michael
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cope, John
Cormack, Patrick
Couchman, James
Cran, James
Critchley, Julian
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Eggar, Tim
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gale, Roger
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howe, Rt Hon Sir Geoffrey
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Kellett-Bowman, Dame Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Sir Nicholas
McCrindle, Robert
Macfarlane, Sir Neil
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Mayhew, Rt Hon Sir Patrick
Mellor, David
Miller, Hal
Mills, Iain
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, Rt Hon John
Morris, M *(N'hampton S)*
Morrison, Hon Sir Charles
Moss, Malcolm
Moynihan, Hon Colin
Neale, Gerrard
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Owen, Rt Hon Dr David
Page, Richard
Paice, James
Parkinson, Rt Hon Cecil
Patnick, Irvine
Patten, Chris *(Bath)*
Patten, John *(Oxford W)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Sayeed, Jonathan
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Soames, Hon Nicholas
Speed, Keith
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Allan *(Eastwood)*
Stewart, Andy *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stokes, John
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, John M *(Solihull)*
Tebbit, Rt Hon Norman
Thatcher, Rt Hon Margaret
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Tredinnick, David
Trippier, David
Vaughan, Sir Gerard
Viggers, Peter
Waddington, Rt Hon David
Wakeham, Rt Hon John
Walker, Bill *(T'side North)*
Walker, Rt Hon P. *(W'cester)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, Charles *(Bexhill)*
Wells, Bowen
Wheeler, John
Whitney, Ray
Widdecombe, Ann
Wiggin, Jerry
Wilkinson, John
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Mike
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Robert Boscawen and
Mr. Peter Lloyd.

Question accordingly negatived.
Main Question put:—
The House divided; Ayes 326, Noes 218.

Division No. 204] **[10.17 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Amery, Rt Hon Julian
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Bitten, Rt Hon John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John

Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Bruce, Ian *(Dorset South)*
Buchanan-Smith, Rt Hon Alick
Buck, Sir Antony
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Chalker, Rt Hon Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Churchill, Mr
Clark, Hon Alan *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cope, John
Couchman, James
Cran, James
Critchley, Julian
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Eggar, Tim
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gale, Roger
Gardiner, George
Gill, Christopher
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howe, Rt Hon Sir Geoffrey
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Kellett-Bowman, Dame Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
Kirkhope, Timothy
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lightbown, David
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Sir Nicholas
McCrindle, Robert
Macfarlane, Sir Neil
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Marshall, Michael *(Arundel)*
Martin, David *(Portsmouth S)*
Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Mayhew, Rt Hon Sir Patrick
Mellor, David
Miller, Hal
Mills, Iain
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, Rt Hon John
Morris, M *(N'hampton S)*
Morrison, Hon Sir Charles
Moss, Malcolm
Moynihan, Hon Colin
Neale, Gerrard
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Parkinson, Rt Hon Cecil
Patnick, Irvine
Patten, Chris *(Bath)*
Patten, John *(Oxford W)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Sayeed, Jonathan
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Soames, Hon Nicholas
Speed, Keith
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Allan *(Eastwood)*
Stewart, Andy *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stokes, John
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, John M *(Solihull)*
Tebbit, Rt Hon Norman
Thatcher, Rt Hon Margaret
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Tredinnick, David
Trippier, David
Vaughan, Sir Gerard
Viggers, Peter
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walker, Bill *(T'side North)*
Walker, Rt Hon P. *(W'cester)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, Charles *(Bexhill)*
Wells, Bowen
Wheeler, John
Whitney, Ray
Widdecombe, Ann
Wiggin, Jerry
Wilkinson, John
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Mike
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Robert Boscawen and
Mr. Tristan Garel-Jones.

NOES

Abbott, Ms Diane
Adams, Allen *(Paisley N)*
Allen, Graham
Anderson, Donald
Archer, Rt Hon Peter
Armstrong, Hilary
Ashdown, Paddy
Ashley, Rt Hon Jack
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Battle, John
Beckett, Margaret
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Blunkett, David
Boateng, Paul
Boyes, Roland

Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Brown, Ron *(Edinburgh Leith)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Campbell, Menzies *(Fife NE)*
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Cryer, Bob
Cummings, John
Cunningham, Dr John
Dalyell, Tam
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Doran, Frank
Douglas, Dick
Duffy, A. E. P.
Dunnachie, Jimmy
Eadie, Alexander
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Ewing, Mrs Margaret *(Moray)*
Fatchett, Derek
Faulds, Andrew
Fearn, Ronald
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
George, Bruce
Godman, Dr Norman A.
Golding, Mrs Llin
Gordon, Mildred
Graham, Thomas
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Doug
Hinchliffe, David
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Illsley, Eric
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Jones, Martyn *(Clwyd S W)*
Kennedy, Charles
Kilfedder, James
Kinnock, Rt Hon Neil
Lambie, David
Lamond, James
Leadbitter, Ted
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Livsey, Richard
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
McCusker, Harold
Macdonald, Calum A.
McFall, John
McGrady, Eddie
McKelvey, William
McLeish, Henry
McNamara, Kevin
McTaggart, Bob
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Mallon, Seamus
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Prescott, John
Quin, Ms Joyce
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Spearing, Nigel
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thomas, Dr Dafydd Elis
Thompson, Jack *(Wansbeck)*
Turner, Dennis
Vaz, Keith
Wall, Pat
Wallace, James
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Wise, Mrs Audrey
Worthington, Tony
Wray, Jimmy
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Frank Haynes and
Mr. Allen McKay.

Question accordingly agreed to.

Resolved,

That this House, recognising the importance of introducing competition into the electricity supply industry, the advantages of new rights for customers, and the benefits of privatisation, approves the proposals set out in the Government's White Paper on the privatisation of the electricity supply industry in England and Wales, and Scotland, Cm. 322 and 327.

Wages (Northern Ireland)

10.29 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Peter Viggers): I beg to move,

That the draft Wages (Northern Ireland) Order 1988, which was laid before this House on 10th December, be approved.

The Order, which was laid under the Northern Ireland Act 1974, sweeps away a mass of complex and outdated legislation and replaces it with modern provisions. If I may borrow a simile that the late Lord Diplock used in a different context, the present law is a maze, not a motorway. It emanates from the days when the terms "master" and "servant" were commonly used, and when horse and cart or hansom cab were the means of transport. Now that we are in the age of the motorway, it is surely time that our legislation was correspondingly modernised.

The order contains provisions analogous to those enacted in Great Britain by the Wages Act 1986, except that it does not deal with changes to redundancy rebates, where equivalent Northern Ireland legislation is already in place. The central purpose of the Wages Act and the order is to reduce burdens on business and to help to promote employment, especially for young people. The order will not only help employment prospects and encourage industrial efficiency, but will give all workers rights to ensure that they receive the wages due to them. It will also help to break down lingering barriers of status and conditions between manual and non-manual workers, and will contribute to a reduction in opportunities for crime.

Mr. Dave Nellist (Coventry, South-East): The Minister has just said that one of the prime aims of the order is to increase employment among young people. Does he recall the answer that he gave me two weeks ago, on 25 February, when I asked him what estimate he had made of the effect of the order on employment levels in the north? He told me that he was

"not aware of any studies which quantify the number of jobs which will arise from the specific reforms which are proposed".—[*Official Report*, 25 February 1988; Vol. 128, c. *321*.]

How can the Minister say tonight that there will be more jobs for young people if the under-21 rate is abolished, with the wages councils going, when two weeks ago in a written answer he said that he had no evidence for making that assertion?

Mr. Viggers: In Northern Ireland we took the view taken in Great Britain, which was that it would not be sensible or productive to carry out extensive studies of the promotion of job opportunities among younger people because of the abolition of the wages councils. Clearly, however, if young people under the age of 21 are restricted to a minimum requiring them to be paid the same as adults, removing that restriction and enabling them to be employed at lower rates can only improve their job prospects.

Northern Ireland has its own separate legislative and administrative framework for the regulation of wages, but in general we have followed closely the law of Great Britain. Currently, the legislation falls under two heads: the Truck Acts (Northern Ireland) 1831 to 1940, and the Wages Councils (Northern Ireland) Order 1982.

The main Truck Acts, those of 1831 and 1896, date back to the last century, but their antecedents are more ancient. The Truck Act 1831 was a general Act that repealed and replaced some 18 earlier Truck Acts dating back to 1465, relating to specific trades.

Mr. Eric S. Heffer (Liverpool, Walton): As so many Acts are being repealed by the order, and as it contains 27 articles and six schedules, can the Minister explain why not one sentence in it can be changed? Why was it not presented in the form of a Bill, so that we could discuss and amend it, and obtain opinions before reaching this stage?

Mr. Viggers: The hon. Gentleman knows perfectly well that the legislative procedures for Northern Ireland allow for orders to be placed before the House and debated for one and a half hours. The Government are scrupulous in ensuring that proper consultations take place before this stage is reached. The hon. Gentleman knows as well as I do that if Bills were placed before the House to replicate every order placed before it, that would impose an intolerable burden on the House. These matters have been — and frequently are — discussed whenever orders relating to Northern Ireland are placed before the House. The hon. Gentleman knows the answer as well as I do.

It is amazing that we still have in place legislation designed to deal with abuses that were prevalent not just in 1831, but four centuries earlier. Those abuses no longer exist, but the Truck Acts are still a barrier to the use of modern non-cash methods of payment.

Of course, there is the security aspect. In large factories there is the needless expense of arranging for a security vehicle to bring cash to the site. In smaller establishments the money has to be collected from the bank by someone from the wages office at some personal risk. Workers on their way home with large pay packets also run a risk. Exceptions to the 1831 Act consist of certain benefits for which deductions can be made by the employer. However, the 1831 Act did not forbid deductions from wages by way of fines or misconduct and bad workmanship. With the aim, therefore, of bringing order into the operation of deductions, the Act of 1896 was passed.

It is surely right, and many would say long overdue, that the order which we are considering should repeal the old provisions in the Truck Acts relating to deductions and introduce modern controls. The Truck Acts apply only to manual workers, apart from section 1 of the 1896 Act, which also applies to shop assistants. In contrast, the new provisions relating to deductions would apply to all employees and give special protection to those in retail employment such as supermarket till operators, petrol station forecourt attendants and others of that kind.

The order will also bring reforms to the wages council system. The Wages Councils (Northern Ireland) Order 1982, which was a consolidation of previous wages council legislation, provided for minimum wages, holidays and holiday pay in certain industries to be fixed by wages councils and enforced by a wages inspectorate. Again, until the reforms introduced in Great Britain by the Wages Act 1986, there were no significant differences between wages councils legislation in Great Britain and Northern Ireland.

However, the wages council legislation was also introduced in, and designed for, another era. For its origins I have to refer the House back to before the first world war, indeed to the House of Lords Select Committee

[Mr. Viggers]

of 1888-90. It reported on the "sweating system" and enumerated three outstanding features of the so-called "sweated trades"—unduly low rates of wages, excessive hours of labour and the insanitary state of the workplace.

However, it was not until trade boards, subsequently termed wages councils, were established by the Trade Boards Act 1909 that statutory relief was provided. The boards were empowered to fix minimum rates of wages, in selected trades, which became enforceable when ratified by the Minister. Separate boards were established for Ireland, but, following the Government of Ireland Act 1920, the legislation applied to and was administered from Northern Ireland. Thus, while Northern Ireland has its own separate body of legislation, it has followed closely Great Britain law in this transferred area of legislation.

Against that common background, it is not altogether surprising that the present draft order reflects the same consideration which informed the Wages Act and consequently has similar provisions. As is customary, and as I told the hon. Member for Liverpool, Walton (Mr. Heffer), we fully consulted interested parties in Northern Ireland.

Consultations in respect of truck legislation and its possible replacement by more modern provisions produced no local peculiarities warranting special consideration. The majority of those consulted welcomed the proposals, although the trade union movement expressed opposition to change. There was separate consultation on wages councils when the options of abolition or reform, in terms of a simplification of wages orders and the removal of young people from the scope of wages councils, were canvassed. The majority of respondents favoured retention, albeit with various suggestions for reform.

Having considered the views expressed, the Government are satisfied that parity in wages regulation should be preserved. Accordingly, part II of the draft order deals with the abrogation of the Truck Acts 1831 to 1940, and associated legislation, and its replacement by modern provisions for the protection of workers in relation to the payment of wages. Part III effects considerable reforms to the wages councils system and removes young people under 21 from the scope of their operation.

Part II will replace Truck Acts legislation, which requires manual workers to be paid in cash, with new provisions applying to all employees. It is the Government's belief that with a very limited exception the Truck Acts are archaic and obsolete. The exception is the control of deductions by employers from employees' wages. As I have mentioned, those Acts, which date back to 1831, were passed to protect manual workers from abuses which no longer exist and are unlikely to reappear. The legislation is not only outdated but a positive obstacle to desirable change towards cashless pay and runs counter to the well-established principle that terms and conditions of employment, including the mode of payment of wages, are essentially matters to be determined contractually rather than by legislation.

Cashless methods of paying wages, such as automated credit transfer and cheques, bring important benefits to employers, employees and the community as a whole. Employers gain directly from reduced costs and hence improved competitiveness, which in turn improves job prospects. Employees benefit through the reduced risk of theft or loss of the cash in pay packets, while the community benefits by a reduction in the scope for robbery and theft, which can often involve arms and other forms of violence.

In Northern Ireland this is an important dimension, given the risk of armed robbery by paramilitary organisations. A move towards greater use of wage systems based on non-cash payments would make an important contribution to reducing this risk. It is important, however, to emphasise here that this part of the order does not take away any existing contractual right to payment in cash; nor does it force an employer to change to non-cash payment systems if he does not wish to do so.

The Truck Acts also include statutory control of deductions from wages. The Government have concluded that this aspect should be brought up to date. The new system set out in the order contains three basic elements: first, deductions are unlawful unless provided for by statute, by the employment contract or by written agreement of the worker; secondly, there are special controls on deductions related to cash shortages and stock deficiencies; and, thirdly, a worker can appeal to an industrial tribunal if he or she thinks that an unlawful deduction has been made.

Consultations on the proposals revealed little evidence in Northern Ireland that deductions from wages are a cause of general difficulty. However, the order introduces a special provision to meet a particular problem—that is, where deductions are related to cash shortages and stock deficiencies experienced by certain workers in retail employment, such as petrol station forecourt attendants, where deductions must not exceed 10 per cent. of their wages.

Mr. Bob Cryer (Bradford, South): What protection exists for a worker who is safeguarded against unauthorised deductions only by his employment contract? An employee usually does not receive an employment contract until several weeks after he starts work. The employer may make deductions—statutory deductions being one of the three alternatives mentioned by the Minister—but they are not authorised in the contract. The worker may find out about that only when he gets the contract two or three months later. What can he do about it?

Mr. Viggers: I think it would be dangerous for a Minister standing at the Dispatch Box to speculate on the exact legal circumstances that apply in an individual case. I suspect that if the worker had reason to know the terms on which his contract would be awarded, if it were the same for other workers in exactly the same circumstances, the conditions applying generally in that firm would apply. However, the hon. Gentleman raises a specific point and I shall seek to get him a specific answer during the debate.

Part III effects reforms to the wages council system. Northern Ireland has less distance to go to limit the bureaucratic impact of wages councils than had Great Britain prior to the enactment of the Wages Act 1986. The number of wages councils in Northern Ireland is more restricted, with only nine wages councils, compared to 26 in Great Britain. Their coverage extends to only 7 per cent. of the labour force, compared to the 11 per cent. then applying in Great Britain. The reforms which will be effected by part III are aimed at simplifying the

requirements that wages councils impose on industry and are consistent with the Government's policy of deregulation which we think will be of benefit to the industry as a whole and to jobs.

Part III will exclude young people under 21 from the scope of the wages councils; here I come to the point raised by the hon. Member for Coventry, South-East (Mr. Nellist).

Mr. James Kilfedder (North Down): What industrialised countries in the Western world have removed the legal minimum wages for persons under 21?

Mr. Viggers: Again, I would rather give the hon. Gentleman a detailed reply, which I shall certainly do.

Mr. Nellist *rose*——

Mr. Kilfedder *rose*——

Mr. Viggers: I give way to the hon. Member for North Down (Mr. Kilfedder).

Mr. Kilfedder: I am grateful to the Minister for giving way again. I and my colleagues are in an extremely difficult position. We have a very limited amount of time in which to debate the order and expect the Minister to give answers. He must have arrived at his decision on the basis of arguments before he produced the order. If he does not know the answer to that important question, I ask him to take the order away and let us debate it on another occasion.

Mr. Nellist *rose*——

Mr. Viggers: The hon. Gentleman knows that there were wide consultations before this order and before the Bill which became the Wages Act were placed before the House of Commons.

Mr. Nellist *rose*——

Mr. Michael Foot (Blaenau Gwent) *rose*——

Mr. Viggers: I give way to the right hon. Gentleman.

Mr. Foot: The answers that the Minister has given illustrate that this is a hopeless way in which to put through an order of this kind. This is an elaborate piece of legislation and it is unfair of the Minister to say that he had consultations with particular bodies and that that is a substitute for a proper examination of a major piece of legislation.

Surely the fact that the hon. Gentleman, perhaps through no fault of his own, is incapable of answering any questions means that the only way to deal with the order is for him to take it away and for the Government to consider how they should properly bring major legislation on Northern Ireland before the House, so that all Members of the House can debate and discuss the way in which it will operate in Northern Ireland and how it will affect this country.

Mr. Viggers: The right hon. Gentleman is known to all hon. Members as a great parliamentarian, a man to whom one is delighted to listen, but the tune that he sings when sitting on the Government Benches is different from the tune he sings when sitting on the Opposition Benches. After all, the right hon. Gentleman is the great parliamentarian who although when in opposition opposes guillotine measures, came to the House of Commons and put five guillotine motions before the House in one day——

Mr. Nellist *rose*——

Mr. Foot *rose*——

Mr. Viggers: If I may complete my point, I put it to the right hon. Gentleman that he and other right hon. and hon. Members know that for many years the way in which Northern Ireland business has been carried through the House has been by way of order. One takes care to consult in advance of the order, and the manner in which the orders are carried through is well known to the right hon. Gentleman and other hon. Members.

Mr. Nellist *rose*——

Mr. Foot *rose*——

Mr. Viggers: I give way to the right hon. Gentleman.

Mr. Foot: I thank the Minister for giving way again, I should like to illustrate the point that I put to him. I am fully aware of the way in which Northern Ireland legislation and business is dealt with, but I also know that hon. Members representing Northern Ireland constituencies complain about it all the time, saying that it should be dealt with in a different way.

I defy the hon. Gentleman to produce any measure of such an elaborate character as this being put through as one order, because it is a major piece of legislation, affecting a whole range of people in Northern Ireland. It is an order to which it is necessary to table amendments. The hon. Gentleman cannot produce any precedent for trying to push through a measure of this elaborate nature that will affect so many people in Northern Ireland. If he could produce such a precedent, he might have an excuse, but he cannot do so.

Mr. Viggers: As to the enormous number of individuals who are affected, I am totally unrepentant about the Truck Acts, because I believe that we are sweeping away archaic legislation that well deserved to be put into the knackers' yard of parliamentary archives.

With regard to the wages councils—we were talking specifically about the wages councils when the right hon. Gentleman intervened—we are talking about 7 per cent. of workers in Northern Ireland, comprising about 37,000 workers, and one fifth of those would be a comparatively small number. I do not believe that this is sweeping legislation that would justify a Bill.

Mr. Nellist *rose*——

Mr. Viggers: With respect to the hon. Gentleman, I have given way to him already, and to all other hon. Members who have sought to intervene, and it might be more appropriate if the hon. Gentleman seeks to make his point later in the debate.

Mr. Nellist: Of 94 countries, none, except the United Kingdom, have withdrawn from ILO convention 26.

Mr. Viggers: The hon. Gentleman chooses to ignore parliamentary convention and make his contribution from a sedentary position.

Mr. Nellist: I have tried to make it from a standing position, but the hon. Gentleman will not give way.

Mr. Viggers: I am advised that a number of countries are contemplating such a measure, and that would, indeed, be consistent with the way in which legislation and proposals for privatisation in the United Kingdom have been taken as a model throughout the world as the way in which to develop industry.

[Mr. Viggers]

Part III will exclude young people under the age of 21 from the scope of wages councils. The high minimum rates set by councils for young people in relation to often more experienced adult workers prejudice their employment prospects. This reform will assist young people in getting their first foothold in employment. This is important, in that it will enable employers to offer employment at rates that they can afford. Employers should not be expected to offer employment at wages unrelated to the economic value that the young worker can contribute to the business.

This part of the order also reforms and simplifies the wages council system, requires wages councils to take into account the employment consequences of decisions they take, and streamlines the procedures for abolishing a council or for varying its scope. This will provide a more flexible system capable of adapting more readily to changes in the industries affected, as the need arises.

The reforms introduced by this order are a further step in this Government's well-established policy of deregulation and the stimulation of enterprise and employment. It is our intention to help young people find their first employment, thus enabling them to gain the experience and skills required to become productive and valued members of the workplace. This order will help to realise this objective. It will also reduce rigidities and red tape in the labour market and thus help to promote employment for people of all ages. It provides new protections against deductions from pay where there is known abuse, to ensure that workers receive what is rightly due to them without a large proportion of their pay packets disappearing in deductions.

The order affords an excellent vehicle for employers to agree with their workers a system of wage payments that suits everyone. This is good legislation for employment, especially for young people seeking work. It is particularly good for small businesses, which are so vital to the Northern Ireland economy.

10.51 pm

Mr. Kevin McNamara (Kingston upon Hull, North): The proposals in the order are not new. They have been the subject of some, and in our view inadequate, consultation by the Government and they follow similar legislation dealt with in the House in relation to this island. They are not new in what they reveal about the Government and their philosophy: to screw out of the desperately poor greater wealth for the already rich.

We opposed the Wages Act 1986 in the strongest terms. Having seen the Act in operation, we feel justified in that opposition and we can only oppose, equally strongly, the proposed legislation before us tonight.

The draft order has two main objectives: the repeal of the Northern Ireland Truck Acts, which have governed the payment of wages since 1831, and the restriction of the operation of wages councils in Northern Ireland. The measures expose — again not for the first time — the hypocrisy that has characterised Conservative rule since 1979. The Government claim to support the family and call for a return to Victorian values. The legislation will force young people in Northern Ireland back into sweated labour, poverty wages and unsafe and unhealthy working conditions.

The Opposition refuse to recognise the dream world of the Victorian era as set out by the Government. However, we recognise that one of the great achievements of the Victorians was to begin to control the unbridled capitalism of their time — a capitalism that regarded workers as commodities, as beasts of burden, out of which life, energy and health were squeezed before being tossed aside on to the industrial scrap heap.

Tonight the Government seek to take another piece out of the framework of our laws, so carefully constructed by the Victorians to protect working people and, in the end, capitalists too, from the results of unbridled exploitation. This Government of Victorian values want to take one more step towards toppling one of the most valuable of all the edifices that we inherited from our Victorian forebears.

The Government would have us believe that they care about equality of opportunity and are opposed to the unequal treatment of and discrimination against women. However, after young working people, it is working women who will suffer most if the draft order becomes law. Some 62 per cent. of workers currently protected by wages councils in Northern Ireland are women. Women in Northern Ireland are already more likely to be found in the lowest paid, least organised and most stressful sectors of employment. Quite how reducing incomes, increasing stress and worsening conditions for women workers in Northern Ireland will help the family is beyond us.

The restriction of wages councils is the most controversial part of the draft order, but the abolition of the Truck Acts will contribute to the further impoverishment and reduced protection from ruthless employers of the most vulnerable workers in Northern Ireland. Under the guise of removing supposedly unnecessary restrictions on capital and building a free market, the Government are shifting the expense and dangers associated with pay day on to workers instead of employers. Workers will now pay bank charges instead of employers paying them, and none of this has been done as a result of any great outcry by employers. My hon. Friend the Member for Leicester, South (Mr. Marshall) will deal with those matters in more detail later, Mr. Deputy Speaker, if he catches your eye. Our general proposition is that we deplore what is happening.

The Government have used the weapon of deflation to squeeze unprecedented numbers of people out of jobs. Now, under the guise of recreating some of the jobs that they destroyed, they propose to use unemployment to force down the already inadequate incomes of those at the bottom of the incomes league. That is the purpose of part III of the draft order.

Before I deal with that, I wish to make some general points about the way in which the Government have introduced this legislation. They have done no more than go through the forms of consultation. It is wrong for the Minister to say that they have consulted in any meaningful way in Northern Ireland. Consultation on the two substantive parts of the order was carried out separately, and the Northern Ireland Committee of the Irish Congress of Trade Unions was highly critical, in both cases, of the half-hearted way in which the Department of Economic Development carried out the process.

I shall quote what the Northern Ireland committee had to say about the so-called consultation on the wages system:

"The Department of Economic Development have circulated for comment a copy of the consultative paper on

Wages Councils prepared by the Department of Employment in Britain, together with a brief covering note. The latter note fails to provide the relevant detailed information in respect of Northern Ireland which is available in the Department of Employment document as regards the situation in Britain. A few examples will serve to illustrate the point.

The Northern Ireland document does not give a breakdown between full-time and part-time employees, whereas the Department of Employment document indicates that two-thirds of the Wages Councils' labour force are part-time workers compared with one fifth of the economy generally.

The appendix to the GB document lists the number of establishments and the number of workers covered by each of the Wages Councils, whereas this information is not given for Northern Ireland.

The arrangements for monitoring and enforcement are spelt out for Britain, whereas the DED's paper merely summarises this information in a mere couple of sentences.

Even where the information is provided, which shows that there are significant differences between the situation in Northern Ireland and that in Britain, no comment is made nor any explanation offered."

So much for consultation.

The committee went on:

"In Britain, the Trades Union Congress are critical of the Department of Employment's paper. It is their view, and that of the Northern Ireland Committee, that the Department's main intention is to go through the motions of consultation so that it will then be procedurally in order to denounce ILO Convention No. 26."

That was the point made by my hon. Friend the Member for Coventry, South-East (Mr. Nellist).

"The fact the DED have not made any serious attempt in their paper to analyse the situation in Northern Ireland strongly reinforces the view of the consultative paper."

So much for consultation by the Minister and his Department.

Some months ago, I questioned the commitment of the Department of Economic Development in Northern Ireland to religious equality of opportunity. I was roundly told off by the Secretary of State and the Minister concerned, who stood by their civil servants, as they should. I said that I looked forward to be proven wrong. I still do so. But, as that quotation shows, I am not alone in having queried the bona fides of the Department of Economic Development.

It is time that Ministers responsible for the Department began working to persuade people that when they ask for views on legislative plans they genuinely want them and will genuinely take them into account instead of going through a charade. The solution to Northern Ireland's problems requires greater confidence in Government, not greater cynicism about it. The latter is what has happened in the trade union movement in Northern Ireland in relation to the Government and these proposals.

I shall now discuss some of the specific measures contained in part III of the draft order. Article 13, after repealing the Wages Council (Northern Ireland) Order 1982, provides that henceforth the functions of wages councils shall not be exercised in relation to workers under 21 years of age. The consultative paper termed this "pricing young people into jobs."

The paper admitted that even among employers a substantial number believed that deregulation could be harmful. How right they were. For small employers especially, wages councils have provided forums for wage negotiations, but, above all, they have provided protection against competitors seeking to undercut them by paying even lower wages.

It is clear that the wage levels that the Government seek to reduce to price young people into jobs are already at poverty level. In 1984, in the sectors covered by the nine wages councils in Northern Ireland, the minima set ranged from £62 a week for laundry workers to £85·81 a week for road haulage workers. Those are hardly princely sums.

Both the Northern Ireland committee of ICTU, and the Irish region of my union, the Amalgamated Transport and General Workers Union, challenged the Government's argument that lower wages would lead to more jobs in their response to the consultation document. As the submission of the Amalgamated Transport and General Workers Union observed, male and female manual rates in Northern Ireland were respectively 7 per cent. and 3 per cent. below prevailing rates in the next worse region on the mainland of the United Kingdom. Unemployment was the highest of any region in the United Kingdom. If there were any validity in the contention that lower wages automatically lead to more jobs, as the Northern Ireland committee of the ICTU said, Northern Ireland should have the lowest level of unemployment, not the highest.

For unemployment to increase in the non-export sectors covered by wages councils, there would have to be an increase in domestic demand. Would shoes need replacing sooner because there was a marginal decrease in the cost of cobbling? The likelihood is that there would be a slightly lower increase.

In 1985 the *Financial Times* reported that Department of Employment research showed that where wages councils had already been abolished there was no evidence of any increase in the total number of jobs in industry. At the same time, there was significant evidence of an extension of low pay. The studies of the independent Low Pay Unit as long ago as 1983 convincingly refuted the correction between low pay and an increase in unemployment. A more specific study cited in my union's response found that the relative earnings of young people had little to do with variations in young unemployment.

Between 1979 and 1984, when wages for the under-18s decreased from 39·7 per cent. to 34·9 per cent. of adult wages for men, and from 56 per cent. to 48·3 per cent. for women, we saw the most dramatic rise ever in youth unemployment in Northern Ireland. According to the Government's arguments, we should have seen increases in employment, not in unemployment.

Article 14 of the draft order gives the Department of Economic Development the power to abolish or vary the scope of wages councils. Article 24 provides for this to be done by negative resolution, except where a wages council is abolished and none of the workers previously within its scope is transferred to another council, in which case an affirmative resolution is required in both Houses. We do not think that this is adequate. We regard as highly contentious the present proposal to remove workers under 21 years of age from the provisions of the legislation, and would regard as equally contentious any further restrictions on wages councils.

Only where a wages council is abolished altogether are the Government prepared to have the affirmative order procedure. Wages councils in Northern Ireland cover nine sectors and 31,000 workers — 7 per cent. of the work force — compared with 26 sectors and 2·75 million workers in Britain. Trade unions in Northern Ireland have been calling for the extension rather than the curtailment of the wages council system to cover further low-wage sectors. They want to see more councils, as do many employers, such as hairdressers.

[Mr. Kevin McNamara]

It is interesting that the most recent edition of *Industrial Relations Review and Report* states that where wages councils have been abolished in the United Kingdom, the unions and employers have come together to replace them. They recognise the necessity of them.

Among the Government's original proposals for Northern Ireland was one for the complete abolition of wages councils. We are pleased that, in the face of strong opposition, it was not pursued directly. However, we believe that there will be creeping abolition.

We are suspicious of the powers contained in articles 14 and 24 for the further curtailment of wages councils. Article 14 provides for abolition and the restriction or variation of the scope of existing councils. It does not confer powers for the extension of the wages council system as called for by the trade unions. We are suspicious that, having concluded that it would be too contentious merely to sweep away the councils in one piece of legislation, the Government intend a process of creeping abolition through a series of negative orders which they hope will either not be noticed or not be sufficiently broad in scope to attract great opposition.

I have drawn the attention of right hon. and hon. Members to the likely effect of this draft order on workers generally, and on young workers in particular. But there are other groups on whom it would have a disproportionate impact. Women constitute 62 per cent. of the 31,000 workers covered by wages orders in Northern Ireland and are already, as I have said, over-represented in the worst jobs. In some industries covered by wages councils, almost all employees are female; 93·6 per cent. of shirt makers, for instance, are women.

What is the point of having equal opportunities legislation if what the Government give with one hand they take away with the other? The proposed Sex Discrimination (Northern Ireland) Order 1988 would seriously undermine the position of many women workers, removing a range of statutory protections. If, in addition to that, the Government weaken the wages councils, that will constitute a double blow to the position of the most vulnerable women in the worst-paid jobs.

In the light of the likely impact of the draft order on women, the Equal Opportunities Commission (Northern Ireland) has made known its views on what would be most in the interests of women in Northern Ireland. They are remarkably close to those of the trade unions. It calls for the extension of the numbers and scope of wages councils, rather than their restriction, to protect women. It rejects the exclusion of the under-21s, particularly to protect women. It calls for increased protection for the largely non-unionised home workers and for most part-time workers—again, mostly women. It expresses a particular concern about article 15(6)(a) and (b), which it fears could be interpreted in such a way that women employees end up being paid less than men. That would, of course, be in conflict with the Equal Pay Act 1970.

Exclusion of under-21s from the wages set by wages orders, in so far as that had any impact on youth unemployment, would do so at the cost of increased adult unemployment. The Department of Employment calculated that in Britain eight out of 10 new jobs created for young people were at the expense of older workers.

Finally, the Government have argued that wages councils are unnecessary because

> "there is extensive legislation to protect the rights of individual employees."

That is incorrect and misleading. Eighty per cent. of employers covered by wages orders in Northern Ireland run small enterprises to which such employment protection legislation does not apply. Four thousand establishments, for instance, have fewer than 10 employees, the cut-off point proposed for the Government's new measures on religious equality of opportunity in employment.

Both NIC-ICTU and the ATGWU have accused the Government of seeking to denounce ILO convention 26, and have pointed out that by doing so they are moving against the trend in Europe and the world. It was interesting that, when challenged, the Minister could not mention one Government proposing to follow the same route as ours. The vast majority of Western Governments are among the 95 which had ratified the convention by 1985. Eight member states of the European Community had done so. The Government cannot argue that they need to renege on the convention because their competitors have done so. There is no excuse for their attempts to remove protections which have been enjoyed by workers for generations.

Instead of this punitive order, designed to penalise young people, women and, in the end, all of the most vulnerable workers in Northern Ireland, the Government should heed the calls for the extension of the wages council system in Northern Ireland and for the establishment of minimum wage legislation. As NIC-ICTU has argued, existing councils should be retained to protect those low-paid workers, including the under-21s, who are currently covered. New councils should be created to cover those low-wage sectors that are currently excluded in Northern Ireland. The powers and scope should be increased to bring them in line with best practices outside Northern Ireland. The available resources and staffing for the wages inspectorate should be increased. There should be vigorous enforcement of the law, and stiffer penalties for employers who break it.

On Second Reading of the 1986 Wages Bill, my hon. Friend, and neighbour, the Member for Kingston upon Hull, East (Mr. Prescott), on behalf of her Majesty's Opposition, said:

> "We will oppose this Bill without hesitation. It is a piece of Tory legislation which talks about the rhetoric of rights and the increase of jobs. It is concerned with reducing those rights and reducing employment opportunities . . . The Bill will reduce the rights of employees and tilt the balance in favour of the employer."—[*Official Report*, 11 February 1986; Vol. 91, c. 807.]

The operation of the Wages Act 1986, as we have seen it, has upheld the assessment made by my hon. Friend two years ago. It is argued that the order will produce a moonlighting, risk-taking, health-damaging and poverty-enhancing economy. Those who suffer will be the most poorly paid and the most vulnerable in Northern Ireland society. The profit margins of the very small employer will be further reduced and overall demand curtailed.

The Draft Wages (Northern Ireland) Order 1988 will lead to worse conditions for all workers in Northern Ireland. It will damage particularly the interests of young people and of women. It will lead to lower wages and will not create a significant number of new jobs. It will penalise people in Northern Ireland simply to gratify the appetite

of the Government for further deregulation. It is an iniquitous piece of legislation to which we are utterly opposed. That is why we have applied a three-line Whip.

11.10 pm

Mr. Harold McCusker (Upper Bann): There is now much less than an hour for hon. Members to comment on the order. That is itself is a serious commentary on the way in which Northern Ireland is governed. This is a lengthy and complex order. The two Front-Bench spokesmen will sum up and other hon. Members will have 30 or 40 minutes to comment on the order. Therefore, I shall not take too long.

My time for participating in this charade is over. In a few days it will be 16 years since this House accepted the responsibility for governing Northern Ireland. Under the Northern Ireland Act 1974 the House consolidated this procedure for governing Northern Ireland. For many of the years since then, my colleagues and I have done our best to improve the system. We have discussed orders such as this for two and half hours in Committee and then discussed them in the House for an hour and a half. We have convinced the Government to produce a step before the draft order—proposals for a draft order. We have discussed the proposals and then discussed the order for an hour and a half on the Floor of the House.

In all that time, we seldom changed one dot or comma in the orders, let alone any of the intentions. All we did was pull the wool over the eyes of the people and somehow convince them that was a democratic way to deal with their affairs in the House. Therefore, we are guilty of perpetuating this fraud on our supporters. It would not be so bad if the Minister or his colleagues had sought a mandate from the people of Northern Ireland for governing in this fashion or for introducing legislation such as this. However, I cannot make too much of that, because an Englishman is now governing Wales. At least his party sought a mandate there to govern the Welsh people in the way that the Government are doing. The Conservatives did not seek a mandate in Northern Ireland for what they are doing.

Let no one accuse me of being an integrationist or someone who wants to cast his lot totally with this House. I have learnt enough in the past 14 years to know that the only place that I or the people that I represent will get a fair deal is in a Parliament of our own in Northern Ireland. I am in favour of having a Parliament back in Northern Ireland, but until that day comes I am in favour of a democratic process for dealing with Northern Ireland affairs.

So successful have we been in working this system that when the Minister is challenged on the essentially undemocratic nature of the order and the procedure in Council, he says that that is the way that it has always been done—as if the way in which it has always been done somehow or other justifies it. Of course, he might have used the other excuse, that we must maintain the integrity of the Northern Ireland statute book. It contains statutes from before 1920, statutes that were passed in the Northern Ireland Parliament between 1920 and 1972 and statutes passed in this Parliament between 1920 and 1972. It contains orders, Orders in Council and Acts passed in the House since 1972.

I notice that the Opposition spokesman, the hon. Member for Kingston upon Hull, North (Mr. McNamara) is not totally opposed to Bills for dealing with Northern Ireland business, because when we dealt with the new fair employment legislation, I think that the hon. Gentleman went on record as demanding a Bill to deal with that very important legislation. If he were consistent, he would demand Bills to deal with all the legislation of this type.

As I have said, my days of perpetuating this fraud are finished. When the Minister began, he said that the order swept away legislation that came from an age when "master" and "servant" were terms in daily use. There is a part of this kingdom where those terms are still in daily use. The Minister and his Front Bench colleagues are the "masters" and my colleagues and I and the people whom we represent are still the "servants". The Minister was most offensive when he chastised the hon. Member for Coventry, South-East (Mr. Nellist). He accused the hon. Gentleman of abusing parliamentary convention. How in the name of heaven could anyone defend the order as being parliamentary convention?

We are here to con and fool the people of Northern Ireland. The Minister's press statement has already been issued to the Northern Ireland media. There will be telling reports in the press tomorrow morning and afternoon about what happened in the Chamber. The Minister's actions will be publicised as if they are right. That is no longer right for me; it is no longer right for my colleagues, and I hope that it is no longer right for the people of Northern Ireland.

11.15 pm

Mr. Seamus Mallon (Newry and Armagh): I offer the hon. Member for Upper Bann (Mr. McCusker) the opportunity of not having to endure the kind of humiliation to which he referred. He rightly gave vent to his anger. I want to offer him the opportunity to shake the dust of this place off his feet and ours. After the events of the past month and of today, I find it difficult to restrain my frustration and anger. I look forward to the day when the traditional enemies, those hon. Members who occupy the Official Unionist Bench in the House, and myself will be able to show the confidence and courage to walk out of this place and build a new future for ourselves.

I agree with the hon. Member for Upper Bann that there is no future for the North of Ireland on the Floor of the House of Commons. We will remain optional extras, no matter which party is in government, and whatever the political complexion of the House. Listening to the hon. Member for Upper Bann, I felt for the first time the stirrings within Unionism for the kind of wish that is deeply held by my constituents and the people my party represents — to take ourselves with dignity from this place and rule and organise our lives in such a way that we can make our own mistakes and go through the teething pains. At least Unionists and Nationalists would not have to live with the humiliating circumstances that the British connection gives us on a constant, almost daily, basis.

It is impossible to discuss this order unless it is placed in the Northern Ireland context. We have the highest level of unemployment in Great Britain, if not within Europe. We certainly have the lowest wages in Great Britain. Without a doubt we have the highest cost of living; we pay more for food, coal and electricity, and we have no gas left. We have the highest social security dependence of any region in Great Britain and, significantly in terms of the

[Mr. Seamus Mallon]

order, we have the highest number of young people in Europe. We must consider the enormity of this terrible piece of legislation.

This is part of a twin-track approach. The order should be considered only in conjunction with the Social Security Bill. The twin-track approach involves a terribly flawed premise — that if we can force people into work by reducing social security benefits and then reduce wages to such an extent that more jobs are created, somehow or other the employment position will be improved.

That is brutal nonsense. As the hon. Member for Kingston upon Hull, North (Mr. McNamara) pointed out, we have disproved that theory. We have had low social security payments and the lowest spending power imaginable and we have the lowest wages. Has that done anything to ease unemployment? Of course not. Once created by artificial means, such as this, unemployment will simply snowball, and the order will not have the desired effect.

I shall not call this a policy, because it is not a policy. It is not even a strategy. It is a cynical and brutal attempt to recycle poverty — to take people out of one poverty trap and put them into another. It will take away the lowest social security benefit and give people instead the lowest form of employment with the lowest wages.

The order is an attempt at job creation by social oppression. As I said, the Northern Ireland experience has proved conclusively that such tactics do not work. We have experienced low benefits, low spending power and low wages, and we still have the highest unemployment in Great Britain.

The effects of the order will be felt deeply. As has been clearly pointed out, it will affect mainly young people and married women, who are often the only breadwinners in their families — I should amend that to crust-winners, which is what they will be if the order is passed. Those are the people that the order will hurt — the most vulnerable, those least able to help themselves. Look at the scandal of the wages that are already being paid to young people in the catering industry and in the retail industry. The situation has already been abused. Look at the way in which young people in part-time and full-time employment are treated. Look at how vulnerable the married woman — the part-time worker — becomes when legislation such as this prevents any protection of her wage structure.

Can the House imagine what will happen in areas where the area boards are being told by the Government to cut social services and education? Where will the boards start? It will not be with higher, middle or lower management but with part-time school cleaners and the ladies working in the school kitchens. That is where the Government's policy will hurt. The order represents a flawed tactic based on a flawed philosophy.

Inherent in the order, too, is a cruel paradox. There is a complete contradiction in the Government's approach. Incentive after incentive — in taxes and in grants — is provided for wealth creation, but no such incentives are to be provided for poorly paid workers. By contrast they are offered low benefits, low wages and a low quality of life.

Surely the Government will eventually understand that their position is contradictory and realise that, especially in the Northern Irish context, the order cannot be considered an experiment; it is something for which the people of Northern Ireland will pay dearly. We have already watched the cruel paradox working in Great Britain. During the last Session of Parliament we had a debate on the divided nation. I remarked then that it was not a divided but an ill-divided nation. That is just as appropriate to this legislation, which will affect a Northern Ireland already affected by depression.

What will this legislation do to young people and women in part-time jobs? It will force them into the new poverty trap of the lace-curtain poor, even though they may be in employment. It may artificially create a few more jobs, which I doubt. Once they get into that trap, they will not benefit from social security or from the wages they are paid, because the legislation opens the door to a low-wage structure.

The legislation is an attempt to divide the spoils. Instead of one poor person, there will be two poor people. In my constituency, £21 million was allocated under the social fund for an area where, in 1986, £38 million was required even to get by. In Newry, in 1988-89, we shall have 58 per cent. of what was required in 1986. In Armagh, we shall have 54 per cent. Strabane, with the highest unemployment in the whole of Europe, will have 38 per cent. of what was required to keep bread on the table in 1986.

This tactic, when allied to the new social security arrangements, is a blueprint for emigration, because young people will not stay under these circumstances. It is a blueprint for exploitation, because young people and the vulnerable will be exploited. It is a blueprint for the cynical recycling of poverty, for the creation of poorly paid jobs by social and economic depression at a time, during the latter part of this century, when one would have hoped that there was some hope and visionary thinking, rather than going back to the practices of the past. I regret this legislation. The Government, and those who support them, will come to regret it too.

11.27 pm

Mr. James Kilfedder (North Down): I do not intend to take very long, because I know that the hon. Member for Coventry, South-East (Mr. Nellist), who has a special grasp of this subject, wishes to speak, and I am anxious that he should have a say.

The Minister said that there had been consultation in this matter, but it has been limited consultation, as was pointed out by the hon. Member for Kingston upon Hull, North (Mr. McNamara). I do not accept the Minister's suggestion that that limited consultation was in any way an alternative to full and close examination of the order by Parliament.

We live in a parliamentary democracy, but what democracy is being offered to the people of Northern Ireland? This is complex legislation, and it would probably take an hour and a half to read it. Yet we are limited to one and a half hour's debate. The right hon. Member for Blaenau Gwent (Mr. Foot) has been described by the Minister, and is accepted by everyone, as a distinguished parliamentarian. As he said, Parliament cannot amend the order. That is an affront to democracy. It is no use the Minister saying that this is the way that we have been doing these things for years. On that basis, the Truck Acts would be maintained. We do not accept the present system. We want a full and proper parliamentary system for all legislation that affects Northern Ireland.

When I intervened during the Minister's speech, I asked him to take away the order to enable us to have a further debate and close and proper examination of the legislation. I repeat that request to him. This order is being introduced against the background in Northern Ireland of ever-increasing unemployment among school leavers and other young persons. That creates great frustration among the young. Wherever there is frustration there is always the danger that young people will go astray in one way or another.

If the Minister is right, the order may create more jobs, but at what cost to the young persons involved? It may provide more part-time jobs, or jobs at wage levels that create great difficulties for young employees. When the Minister replies to the debate, I should like him to tell the House how rates of pay for young people in Northern Ireland compare with those of young people in other countries in the Western world.

This order will have an adverse effect on many women workers who may be further exploited by their employers. I am worried about the effect that the order will have on those who work in the catering industry and in the licensed and hotel trades. It may put greater pressure on workers, with lower rates of pay and worse conditions for young workers. That would run counter to the need to improve living and working standards in Northern Ireland and throughout the United Kingdom as a whole.

The order will limit the activities of those wages councils that survive to the setting of a single minimum hourly rate in respect of basic hours and a single overtime rate. That simplistic approach is extraordinary at a time of complexity in wage negotiations.

I fear that the order, which the House has had no opportunity to digest, will drive down wages for women and young people. The wages of school leavers have dropped in real terms over the past few years while youth unemployment in the Province has increased. The order will result in more young people being forced to leave Northern Ireland to seek work and a life elsewhere, perhaps in the United Kingdom or abroad. The hon. Member for Newry and Armagh (Mr. Mallon) said that Unionists should shun London, but more than half the young unemployed from the Irish Republic, where conditions are terrible, have sought sanctuary in London.

I fear that the order will have an adverse effect on the living standards of the poorest workers in Northern Ireland. I cannot support it, and I intend to vote against it.

11.33 pm

Mr. Dave Nellist (Coventry, South-East): Other hon. Members have mentioned that for the Government to allocate one and half hours to this order, which will have such a great impact on young workers in Northern Ireland, shows their contempt for democratic values and democratic discussion.

I was a member of the Standing Committee that considered the Wages Bill in 1986. That Bill covered England, Scotland and Wales. We could not discuss Northern Ireland because the Bill did not extend to Northern Ireland. For the last three months I have been a member of the Standing Committee discussing the Social Security Bill, which does not extend to Northern Ireland. Clause 17 precludes any discussion of Northern Ireland. However, in the weeks and months ahead, the Minister will no doubt bring before the House orders under what will become the the Social Security Act that can be discussed for only one and a half hours, in just the same way as he has moved this order.

I have no time to deal with parts I, II or IV, except to say that the Minister has been extremely glib in passing off the impact of the abolition of the Truck Acts and the deduction from workers' wages. Nor have I time to deal with the effect of part III on adult workers, although it extends beyond the single hourly rate that will be left after the order is passed and abolishes all rights to minimum holidays, shift pay, weekend pay, premium rates and so on. Time allows me to comment only on how it will affect young workers.

The principle of the legislation has nothing to do with the Minister's arguments about increasing jobs, helping young people into work and the rest of the claptrap that he came out with half an hour ago. It is about cutting the wages of 6,000 young people so that the benchmark drops in Northern Ireland and forces down the wages of other young workers in sectors not now covered by wages council orders.

I asked the Minister in an intervention for the evidence that new jobs would come. He had no answer. There are two possibilities: either he does not know, or he does not care. A third possibility is a combination of the first two. When I asked him a parliamentary question two weeks ago, he admitted that there was no evidence, and that, of course, is the case.

We have heard a good deal about the matter in the past three years. The present Secretary of State for Northern Ireland, when he was Secretary of State for Employment in 1985, spoke of 50,000 to 100,000 jobs being created in Britain and Ireland by measures such as this. Three years before that, in 1982, he said — it was quoted in the Lords — that the abolition of wages council rates for young people would only result in

"a very marginal increase in jobs . . . largely at the expense of full-time adult jobs."—[*Official Report, House of Lords*, 6 June 1986; Vol. 475, c. 1212.]

That is where the change will come. It will not be in the increase in net new jobs for young people. Even the Department of Employment's own research paper No. 42, by Mr. Wells, admitted that, according to the Department's research, eight out of every 10 jobs that stand a chance of being affected by the legislation will be substitutions — older workers losing their jobs, and younger people coming in because they are cheaper labour.

Even if 300 new jobs are created in Northern Ireland and even if every statistic produced by the Treasury and the Department of Employment comes true—there is no evidence that that has happened in Britain so far — it will be at the expense of workers. Workers of 55 and older will be told, "The age spectrum for unemployment is being shifted. To buy a bit of social peace among the youth, we are chucking out some of the older workers." That will be the effect of the order, if it has any effect on the number of jobs in Northern Ireland.

According to the Minister, youth wages in the wages councils sector are too high—£55 for a 16-year-old, and £62 for a 17-year-old. If the order goes through, there will still be a legal minimum wage in Northern Ireland — £28·50, under the youth training programme. By freezing that allowance and not properly increasing it in nine years, the Government have prevented it reaching the level that it would have reached if the Labour Government's

[Mr. Dave Nellist]

introductory rate of 1978 had kept pace with earnings or inflation. It should be over £50 today. The Government are robbing youngsters in Northern Ireland of £21·50 a week. Of course, this is the same Government who intend to cut the top rate of tax for the top 5 per cent., probably from 60 to 40 per cent.

I shall make a prediction. In a week's time the Minister will see a response from the youth of Northern Ireland, as in the streets of this country, against these plans and the cuts in supplementary benefit to all 16 to 17-year-olds in Britain. My hon. Friend the Member for Bradford, South (Mr. Cryer) mentioned a recruiting ground for sectarianism and paramilitaries in the North. This will emerge from the twin tracks of repression and the poverty that is exacerbated by the present Government.

What will also be seen in the weeks ahead, particularly around Monday 14 March, is a recognition by young people in this country and Northern Ireland that what really divides working people in a capitalist society under a Tory Government is not so much race or religion, as poverty and wealth. A Government who have created 17,000 new millionaires since 1979 are telling youngsters on £50 and £60 a week that they are pricing themselves out of work.

We should expect that from a Minister who is Commodore of the House of Commons yacht club. He knows a lot about living on fifty quid a week. This is a man who cannot live on one job: he has had about 12 in the past five years. He is an underwriter at Lloyd's. People need £60 a week for the fees to get into Lloyd's, and £100,000 liquid assets in the bank before they can be let through the door. Obviously, the Minister is an expert on what it is like on £50 or £60 a week as a youngster, or £80 or £90 a week as an adult worker.

The DHSS admits that the single most common cause of poverty among non-pensioner households in this country is low pay. That is doubly true in Northern Ireland. The order exacerbates those conditions of poverty. To answer the Minister, no country but Britain pulled out of International Labour Organisation convention 26, which was signed by 95 countries. That is how extreme the Tory Government are. They talk about extremism in Northern Ireland, but when it comes to economic measures, poverty and repression, many lessone can be learnt from the extremism of the Tory Government.

The order cannot be taken in isolation. Young people in Northern Ireland already have to undergo two years on youth training programmes. If the order is passed there will be a further three years, with no legal minimum wage. A conveyor belt of young people in the north are being given no future by the Government. There will be no net new jobs for the youth of the north as a result of the order. There will be an increase in the exploitation of the young by unscrupulous employers the day after the order is passed. We have seen it in Britain in pubs, clubs, bars, restaurants and in clothing and catering establishments where, after the Wages Act 1986, employer after employer told workers that their £2 an hour was no longer a legal requirement and put their wages down to £1·50 or £1·25 an hour. That is what will happen in Northern Ireland.

The Minister and his Government will reap the harvest of the seeds that they are sowing tonight among the young. It will not be only the paramilitaries who will go to the disaffected young and try to argue their poison case about taking a certain form of action. The labour and trade union movement will do what Winston Churchill feared in the pre-war days when the wages councils were set up in this country. He said that unless we had wages councils the unions would argue for national minimum wages and the unions would organise workers.

The Irish Congress of Trade Unions in Northern Ireland has a great task on its hands. When the order is passed, 37,000 workers will no longer have the full legal protection of wages councils. There should be a major recruitment campaign, aimed particularly at the young. Instead of letting the paramilitaries get hold of the young, the labour and trade union movement should get hold of what will undoubtedly be a new generation of class fighters in Northern Ireland when they see the extremes to which the Tory Government are prepared to go.

11.42 pm

Mr. Eddie McGrady (South Down): I rise to add my voice in protest against the manner in which such complex legislation is put before us. The time of day and the limited amount of time for speeches does not allow one to make any real in-depth comment on such a complex Order in Council.

Part II of the order is entitled "Protection of Workers", but that is a misnomer. In fact, it is an employers' charter in whatever sector one cares to look. It speaks of employees' rights when shortages have been deducted in either cash or kind. How many employees in Northern Ireland will ever know of those rights? Every employer will be fully aware of what is in the legislation, and it will be a non-starter in terms of the protection of workers.

On the matter of wages for young people, I do not think that anyone here really knows what happens in Northern Ireland among our young people or about the abuses that already exist on many Government-sponsored schemes. For young people the wages are well below an average living wage. Young people are being exploited, even when training under Government sponsorship. We should consider how great that exploitation will be when the employers are not under any control. This is a policy for creating a low wage structure in Northern Ireland and that policy is starting from a point of low wages anyway.

There is the "magnanimous" section dealing with the fact that an employer may not deduct more than 10 per cent. from an employee's wages to cover cash or stock shortages. A 10 per cent. deduction would mean a difference between being able to live and not being able to live. There is no chapter asking the employer to prove that the employee is responsible for cash or stock shortages. This is a charter for employers. It in no way protects Northern Ireland's young employees, as has been mentioned by many more prominent and eloquent speakers than me, or women and others in low-paid jobs. It is they who will suffer.

The timing of the legislation is significant. It must be on the Northern Ireland statute book before 1 April, before the new Social Security Bill comes into operation. If it is not, the actions of the right hand will make nonsense of the actions of the left hand. Between the social security depression and the low-wage depresion which will occur if this legislation is passed, people will be living well below poverty level. The conditions in Northern Ireland will deteriorate further. Young people will not be able to emigrate, because there will be nowhere for them to go. They will be unemployed or, if they are lucky enough to

be employed, they will bring home a derisory wage. They will be at the mercy of the various paramilitaries, who can put an extra tax-free tenner or £30 in their hands at the end of the week for doing a deed that is illegal and that will bring them into conflict with the criminal law. This is the legislation that will put more of our young people into the already bursting gaols of Northern Ireland.

11.46 pm

Mr. Jim Marshall (Leicester, South): Although this has been only a one-and-a-half-hour debate, no one can deny that, given its constraints, it has been wide-ranging. The unanimity on both sides of the House on the uselessness of the order for the Northern Ireland economy has been significant. The hon. Member for South Down (Mr. McGrady) summed up the order correctly by referring to it as an employer's charter which shows the desire to have even lower wages in the Province. That point was made also by my hon. Friend the Member for Coventry, South-East (Mr. Nellist).

There is a danger for youngsters on both sides of the divide in the Province. As my hon. Friend the Member for Coventry, South-East pointed out, the order offers no hope to young people. It diminishes their hope by the pursuit of some miracle concept of economics called Thatcherism—a concept which has patently not worked in curing the problem of low pay in Great Britain and is obviously doomed to failure in the north of Ireland.

The hon. Member for Newry and Armagh (Mr. Mallon) painted a picture of the background in Northern Ireland — the highest unemployment, the greatest poverty and the lowest wages in the United Kingdom. The Government's only answer to the declining economy is to seek to drive wages even lower in the pursuit of further employment. The Opposition believe that that is a recipe for further economic decline in the north of Ireland and further disappointment and lack of hope among all people seeking a job.

The hon. Members for Upper Bann (Mr. McCusker), who is no longer present, for South Down and for North Down (Mr. Kilfedder) referred to the lack of time in which to debate these complex pieces of legislation. We share that concern, but remind them that the remedy lies in their own hands. If they were prepared to accept a consensus over a devolved assembly in the north of Ireland, sufficient and adequate time could be found in the Province to discuss such legislation. That is the course of action that we would urge on the hon. Members for North Down, for South Down and for Upper Bann.

Mr. Mallon *rose*——

Mr. Marshall: I am sure that the hon. Gentleman will agree that, as I have only two or three more minutes left, and both he and his hon. Friend the Member for South Down have had a decent innings this evening, I should continue.

I should like to refer briefly to the Minister's opening remarks. I found it patronising when he referred to replacing complex and outdated legislation, which he says needs to be updated. It is patronising because he is talking about a euphemism for removing existing workers' rights in the north of Ireland. He referred in passing to the Truck Acts. However, what he forgot to mention is that 40 per cent. of the work force in the north of Ireland is still paid in cash.

The order seeks to impose on that work force a unilateral decision, made by management, to replace the present cash payment system with a cashless system. In a society in which there is a trend towards more bank accounts and where, inevitably, with the passage of time, more and more people will accept a cashless payment, such changes should be brought about by negotiation, not by the unilateral action of managers of industry.

The Minister also referred to the wages councils. However, he failed to mention that low pay is endemic in the north of Ireland, and the order is likely to make that situation worse.

We shall vote against the order because, in our view, the Government have failed to advance any convincing arguments for the need for this draft order. It is a continuation of the Government's policy of undermining the existing rights of workers. Part III, which deals with wages councils, is an attempt to cut further the wages of the poorest workers in the north of Ireland, who also happen to be the poorest workers in the United Kingdom. It will not create more jobs; it will simply create more poverty. It is a mean-minded measure that is based on dogma. For those reasons, and for the reasons outlined by all my hon. Friends, we shall oppose the order in the Lobby this evening.

11.52 pm

Mr. Viggers: With your leave, Mr. Deputy Speaker, I shall seek to deal with as many as possible of the points that have been raised during the debate. This is the kind of debate in which there is a clear philosophical divide and on which the House will not agree. On the one hand, there have been several speeches — no doubt deeply felt — urging controls which hon. Members feel will assist workers. On the other hand, the Government are urging deregulation, flexibility and competition leading to growth, prosperity and, we believe, more jobs.

One constitutional point with which I should like to deal has been raised by several hon. Members, notably by the hon. Member for Upper Barn (Mr. McCusker). Of course we recognise the concerns expressed in the debate from hon. Members of different parties, that legislation for Northern Ireland by Order in Council is unsatisfactory.

We do not pretend that that method of legislation is perfect, and it is for that reason that our existing procedures provide for extensive consultation in Northern Ireland, which has taken place on this occasion. We appreciate the difficulties posed by unamendable Orders in Council. I totally agree with the hon. Member for Leicester, South (Mr. Marshall) that the problem may best be addressed in the context of discussions about the future government of Northern Ireland. We are willing to talk about the issues to all interested parties, and to consider constructive suggestions.

The hon. Member for Bradford, South (Mr. Cryer) raised a particular point about a worker who joins a company but fails to receive a contract of employment. The answer to his question is that, when such a worker learns of the deductions from his pay, he can appeal to an industrial tribunal. It is obviously important for workers to know their conditions. The right that is now introduced is a new right for employees, in that all workers, not just manual workers, can now appeal to an industrial tribunal, instead of having to take civil action in tort.

The hon. Member for Kingston upon Hull, North (Mr. McNamara) asked about the protection of female

[Mr. Viggers]

workers. We refute any suggestion that the proposed reform of wages councils could indirectly discriminate against women, who constitute the majority of wages council workers. If wages council protection currently favours women in preference to men, any reduction in that inequality of protection cannot possibly be discrimination. There will also be separate legislation dealing with sex discrimination. The Equal Opportunities Commission in Northern Ireland is funded proportionately higher than that in Britain.

The hon. Gentleman also asked about consultation on the order. There were preliminary consultations, which were followed by publication of a proposal for a draft order that set out the Government's plans in detail. The consultative document was fully considered and reported by the then Northern Ireland Assembly. The hon. Member for North Down (Mr. Kilfedder) asked about consultations. I am sure that he will remember that the consultations took place under his Speakership of the Northern Ireland Assembly.

There is clear evidence from studies in the United Kingdom and internationally that there is a link between pay and jobs, especially for the young. Several studies of the employment effect of the wages council system contain evidence that those councils inhibit employment.

The hon. Member for Newry and Armagh (Mr. Mallon) raised a number of points about social security legislation. The House must realise that the proposals in the wages order apply only to 7 per cent. of workers in employment and are quite distinct from the social security implications. Some 5,000 young workers will be taken out of the scope of the wages councils, compared with 40,000 employees under the age of 21 who are not subject to a statutory minimum wage and therefore will not be affected.

The hon. Member for Coventry, South-East (Mr. Nellist) asked about the recent studies. I refer him to a question that he asked in the debate in February 1986 when my right hon. and learned Friend the Chancellor of the Duchy of Lancaster pointed out that the effect of wages councils was to set a 16-year-old's wage rate at 65 per cent. or more of the adult rate and that that compared with about half of 16-year-olds who received in excess of the 60 per cent. of the adult rate where wages councils did not apply. That clearly suggested that wages councils set wages that tend to increase the wages of younger people, and that is why we believe that it is important that such a restriction should be removed.

Mr. Nellist: Will the Minister give way?

Mr. Viggers: The hon. Gentleman has made more than one intervention, and I have two minutes in which to answer a number of other points. I hope that the hon. Gentleman will forgive me, but I must continue.

The answer to the hon. Member for South Down (Mr. McGrady) is that there is not the slightest evidence that employers have seized on the reforms as a method of indulging in mass exploitation.

The order brings the law up to date. It recognises that we are now in the computer age and light years away from the tommy-shop and other abuses that necessitated the passing of the Truck Acts in the Victorian era to ensure that manual workers were paid in cash.

We need to accommodate the modern, electronic age and to encourage workers to receive their wages in cashless forms. We need to encourage the use of automated credit transfers and other methods of pay that are quite commonplace elsewhere in the United Kingdom and, indeed, on the continent. The hon. Member for Leicester, South was correct to point out that a high proportion of workers in Northern Ireland receive their pay in cash, and it is important that we do what we can to encourage them to move to cashless pay.

The legislation deals with the wages councils and the Truck Acts. It is a matter of great pride to me that, on 16 February 1983, I introduced a ten-minute Bill entitled the Truck Acts (Abolition) Bill. That Bill pointed out that the Acts were archaic and anachronistic and needed to be replaced.

Mr. Nellist *rose*——

Mr. Viggers: It is a source of great pride that I can now stand at the Dispatch Box and urge the House to do exactly that in Northern Ireland.

Question put:

The House divided: Ayes 258, Noes 195.

Division No. 205] **[11.59 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Allason, Rupert
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Biffen, Rt Hon John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl'Y's)*
Bruce, Ian *(Dorset South)*
Buck, Sir Antony
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Chalker, Rt Hon Mrs Lynda
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Clark, Hon Alan *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cope, John
Couchman, James
Cran, James
Currie, Mrs Edwina
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gale, Roger
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Goodhart, Sir Philip

Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gow, Ian
Gower, Sir Raymond
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Kellett-Bowman, Dame Elaine
Key, Robert
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knox, David
Lamont, Rt Hon Norman
Latham, Michael
Lennox-Boyd, Hon Mark
Lightbown, David
Lloyd, Peter *(Fareham)*
Lord, Michael
Maclean, David
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Major, Rt Hon John
Marshall, Michael *(Arundel)*
Mates, Michael
Mayhew, Rt Hon Sir Patrick
Miscampbell, Norman
Morris, M *(N'hampton S)*
Neale, Gerrard
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Irvine
Patten, Chris *(Bath)*
Patten, John *(Oxford W)*
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Redwood, John
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Riddick, Graham
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Sackville, Hon Tom
Sainsbury, Hon Tim
Sayeed, Jonathan
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Soames, Hon Nicholas
Speed, Keith
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Allan *(Eastwood)*
Stewart, Andy *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stokes, John
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, John M *(Solihull)*
Tebbit, Rt Hon Norman
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Tredinnick, David
Trippier, David
Vaughan, Sir Gerard
Viggers, Peter
Waddington, Rt Hon David
Waldegrave, Hon William
Walker, Bill *(T'side North)*
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Wells, Bowen
Wheeler, John
Whitney, Ray
Widdecombe, Ann
Wiggin, Jerry
Wilshire, David
Winterton, Mrs Ann
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Woodcock, Mike
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Richard Ryder and
Mr. Kenneth Carlisle.

NOES

Abbott, Ms Diane
Allen, Graham
Anderson, Donald
Archer, Rt Hon Peter
Armstrong, Hilary
Ashley, Rt Hon Jack
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Battle, John
Beckett, Margaret
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bermingham, Gerald
Bidwell, Sydney
Blunkett, David
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Brown, Ron *(Edinburgh Leith)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Campbell, Menzies *(Fife NE)*
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Clark, Dr David *(S Shields)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Coleman, Donald
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Cryer, Bob
Cummings, John
Cunningham, Dr John
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Doran, Frank
Duffy, A. E. P.
Dunnachie, Jimmy
Eadie, Alexander
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fyfe, Maria
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Godman, Dr Norman A.
Golding, Mrs Llin
Gordon, Mildred
Graham, Thomas
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Doug
Hinchliffe, David
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Illsley, Eric
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Martyn *(Clwyd S W)*
Kilfedder, James
Lamond, James
Leadbitter, Ted
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
McCusker, Harold
Macdonald, Calum A.
McFall, John
McGrady, Eddie
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
McNamara, Kevin
McTaggart, Bob
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Mallon, Seamus
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Maxton, John
Meacher, Michael
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
Parry, Robert
Patchett, Terry
Pendry, Tom

Pike, Peter L.
Powell, Ray *(Ogmore)*
Prescott, John
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Redmond, Martin
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rogers, Allan
Ross, Ernie *(Dundee W)*
Ross, William *(Londonderry E)*
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Spearing, Nigel
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Taylor, Mrs Ann *(Dewsbury)*
Thompson, Jack *(Wansbeck)*
Turner, Dennis
Wall, Pat
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Michael *(Doncaster N)*
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Wilson, Brian
Wise, Mrs Audrey
Worthington, Tony
Wray, Jimmy
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Don Dixon and
Mr. Allen Adams.

Question accordingly agreed to.

Resolved,

That the draft Wages (Northern Ireland) Order 1988, which was laid before this House on 10th December, be approved.

Customs Duties

12.9 am

The Minister for Trade (Mr. Alan Clark): I beg to move,

That the Customs Duties (ECSC) (Quota and Other Reliefs) (Amendment) Order 1988 (S.I., 1988, No. 185), dated 10th February 1988, a copy of which was laid before this House on 12th February, be approved.

The purpose of this order is to amend the Customs Duties (ECSC) (Quota and Other Reliefs) Order 1987, so that certain iron and steel products originating in the Republic of Korea will no longer benefit from exemption from customs duties. I propose briefly to review the background to this issue.

The decision by the European Community to suspend Korea's benefits under the generalised scheme of preferences came in response to the Korean Government's refusal to extend to member states concessions already given to the United States on intellectual property matters.

New Korean legislation took effect from 1 July 1987 which provided improved protection of intellectual property rights in copyright and patent protection. That, together with Korea's accession to international conventions such as the universal copyright convention and the Geneva phonogram convention, was welcomed by the United Kingdom and other member states. However, the Korean Government had already entered, in July 1986, a separate bilateral arrangement with the United States, which gave United States patent and copyright holders certain special concessions on retroactive protection, as well as allowing them to convert pending applications for process patents for chemical and pharmaceutical products to the more secure product patents.

When it became clear that the Korean Government had no intention of extending these same concessions to their other trading partners, the United Kingdom and the European Community made it clear that such discriminatory action, and the resultant material disadvantage to our firms, was wholly unacceptable. The matter was raised repeatedly with the Korean Government. At the high-level talks in April last year between the Community and the Korean Government, the Koreans declared that

"equal, if not identical, treatment"

to that accorded to the United States would be extended to the Community. Clarification of exactly what that meant was promised later in the year.

Following the Anglo-Korean trade talks held in London in September and a visit to Seoul by senior officials from the Commission in November, the Korean Government confirmed that, although they were prepared to extend to European firms the concessions on retroactive protection, they could offer no such equality on the conversion of pending process parients.

Continued discrimination in this area in favour of the United States will have a substantial adverse effect on Community exports of chemicals and pharmaceuticals. The United Kingdom industry estimates that it could cost it $100 million in terms of lost sales in the Korean market alone, and three to four times that amount in sales to third markets. Given such material disadvantage, as well as the fact that an important principle was being contravened, we were left with no option but to carry through the proposal, of which the Koreans were first warned in April 1987, to suspend Korea's benefits under GSP until a satisfactory conclusion was reached.

In our view, failure to take positive action at this stage would have undermined the credibility of the Community and left the door open for more bilateral arrangements of a similar kind, to our further disadvantage. The suspension was approved by the Council of Ministers on 18 December and came into effect from 1 January 1988. The Government's support for this measure took into account the likely effect of suspension both on British manufacturers and on British consumers, importers and distributors.

As the House is aware, the overall purpose of GSP is to help developing countries through promotion of their export earnings, industrialisation, and rate of economic growth. It is, however, a totally autonomous instrument, and we are fully entitled to withdraw privileges from a beneficiary country if that country is applying discriminatory treatment that runs counter to our and the Community's interests. Under the scheme, it is estimated that Korean goods to the value of £172 million per annum enter the United Kingdom duty free.

The current position is that we await an indication from the new Korean Government that they are prepared to return to the negotiating table in order to reach a satisfactory resolution of this issue. We hope that the removal of discrimination on intellectual property matters and the subsequent restoration of Korea's EC GSP benefits will be examined urgently by the new Administration. I am confident that the House will agree with the review, and I invite it to support the motion.

12.16 am

Mr. Austin Mitchell (Great Grimsby): When the Minister talks of suspending South Korea's benefits, he makes it sound as if we are dealing with some kind of international workfare. However, we are dealing with a basic matter of industrial policy; with an order which is unimportant in itself but which involves important principles. We have the full attention of this packed and tumultuous House, and the presence of a Minister who was a protectionist until he entered the Department of Trade and Industry and, therefore, went into the advertising industry. We still have hopes of the Minister, because when people in the Department ask to see the beef, they see the Minister. When they ask, "Where is the bull?" they are directed to his senior Minister, the noble Lord Young of Graffham, Saatchi and Saatchi and J. Walter Thompson and Co. Ltd. The Minister for Trade is the beef because he has a concern for all industry.

The problem is that South Korea has a rapidly growing steel industry that is a potential threat to our industry and to the industries of others. The figures are quite alarming. In contrast to the steel industries of most European countries, which have cut production in the last few years, South Korea has gone from the production of 8,558,000 tonnes in 1980 to 16,780,000 tonnes in 1987. That is an estimate, but the figures show an increase of 96 per cent. in steel output. That can be compared to a fall in production in Britain and, indeed, in every other country in the European Community. The South Korean steel industry is becoming extremely powerful.

The most important of the six major producers in South Korea is Pohang Iron and Steel, or Posco. It is Government-controlled and has 67 per cent. of the total crude steel output. It has plans for a rapid and substantial expansion, and its new plant on the south coast, which I visited, is alarmingly efficient. The ore in vessels comes in at one end of the plant, goes round the bay in a circular process and finished steel is taken out in vessels at the other end. It is an extremely efficient, integrated unit of production that added 2·7 million tonnes to the company's overall capacity. It has plans to take production to 20 million tonnes as early as 1993, and that in an industry whose wage rates are about one third less than the average rate in the EEC. It will be an extremely competitive industry.

We are now withdrawing developing country status from that industry because of what the Minister described as something that cannot help but seem a somewhat silly but fortuitous row. In other words, we are using the excuse of an argument over intellectual properties to do something that we should have done anyway to protect our steel industry and steel industries in the rest of Europe, where there is over-production of about 20 million tonnes.

The removal of a generalised system of preference status is a small bite. The cost to Korean exporters in extra duties will be only about £34 million in higher EEC customs duties. That is an extra cost on the deficit in trade with South Korea that is rising very rapidly. In 1986, there was a deficit of £815 million, and it is estimated that the 1987 figure will reach $2 billion. The deficit is big, and it is growing, and the order will not have much impact on that.

It is crucial that we stop the rapid drive to major steel production status. Korea's output is now only slightly smaller than that of the British steel industry. That is inevitable. A developing, newly industrialising country will build up a steel industry as the basis for its manufacturing sector. The steel industry, along with car manufacturing —the plants are close to each other—will be the basic drive motor of expansion in South Korea. This expansion is occurring at a time when there is world over-capacity in steel of nearly 100 million tonnes.

There will be a major challenge. It is unrealistic to argue, as some people do, that South Korean steel is of inferior quality. I have heard steel importers in this country say that Korean steel is cheap but the quality is not as consistent or as good as ours. That may have been true some years ago. It is true that Korea is weak in special steels, but the quality is improving all the time.

Why should the EEC not operate a concerted policy of denying hope to the expanding market? So long as there is the prospect of sending those exports to Europe or the United States — the United States is taking action through quotas and voluntary restrictions—the Koreans will continue to invest in their steel industry and expand it. They will continue to build up capacity in a world in which there is over-capacity.

We shall face a challenge unless we take action not to close the market, but to deny the easy prospect that our market has been offering the Koreans to continue to invest and build up their steel industry. I do not like restrictions, but we must think about British industry and jobs. I wish that the Government would think more seriously and more continually about British industry and the effects of this type of international agreement on jobs in this country.

Did our Government urge the withdrawal of the system of preferences from South Korea? We know that the French Government were strenuous in their attempts to urge the EEC to seize the opportunity of the argument over intellectual properties to withdraw GSP status. It is alarming that it took that row to achieve the necessary

[Mr. Austin Mitchell]

withdrawal that is an important protection for our industry and for Europe, where there is such over-capacity.

The one thing that characterises the EEC facing this type of threat from developing countries is that we must realise that today's developing country is tomorrow's newly industrialising country and the day after tomorrow's Japan. The rate of development is very rapid, nowhere more so than in South Korea.

In July 1986 Sir Robert Scholey reported to the Select Committee on Trade and Industry:

"It seems that the future is going to be very competitive still for steel. We were recently told by Mr. Narjes, Vice President, who is in charge, as you know, of industrial matters in the Commission, that we could not really look for much, if any, peripheral protection for European steelmakers from Third World penetration; whatever protection there might be afforded to it would have to be found under the Tokyo Round of the GATT negotiations. That, in a way, is rather cold comfort. He then goes along"—

Mr. Narjes, that is—

"and says, 'Well, of course, these Third World countries all are owing the Western wealthier countries a lot of money. How are you expecting them ever to pay off their debts if you don't help them to sell in your market whatever they're making?' Again, that is rather cold comfort."

It is cold comfort indeed for a European industry that has over-capacity.

A nation is building up a powerful industrial economy predicated on continued access to European market and growing competition with European steel producers, and we need a policy to deal with that. We need a measure of protection for basic industries such as steel. It is ludicrous not to be able to expand the European economies collectively because of the danger that imports will come pouring in. If the Government will not co-operate with industry—if their stance is "Hands off"—we need EEC protection even more, because it is right that jobs should come first.

The measure provides slight protection from a competitor that is growing more powerful and efficient all the time and will very shortly out-distance our steel industry in capacity. However, it is ludicrous that that has been arrived at by this back-door process. This happy accident is result of a somewhat trumped-up row rather than a matter of considered policy. It makes it look as though Europe staggers into change by accident — indeed, as though it staggers from accident to accident: some of them, including this one, benign but many of them malign.

We would like the Minister to declare in ringing terms that the Government will push for a policy of considered protection for basic industries such as steel, so that developing countries are not offered the prospect of limitless access to our markets to threaten our industry. We would like that to be a basic strategy, whereas we have arrived at this order by accident. If we had that, the Common Market would be doing something useful for Britain instead of bleeding this country white.

12.27 am

Mr. Ian Gow (Eastbourne): I hope that my hon. Friend the Minister will not think it presumptuous of me if I congratulate him on a characteristically lucid and excellent speech. This important debate takes place in the absence of a single member of the Social and Liberal Democrats —a fact that was noted by the hon. Member for Great Grimsby (Mr. Mitchell). I hope that my hon. Friend will be able to confirm in his reply that in this case—if not with other recent events in the European Economic Community — it remains for this House to decide whether to act on recommendations and decisions made in Brussels. It will come as a relief to many of my hon. Friends if my hon. Friend can assure the House that we are not acting under instruction from Lord Cockfield or anyone in the Commission.

I warmly welcome the order, because it is putting right what was a manifest injustice. We are debating the order because of the wrongdoing of the Government of the Republic of Korea. To put right something that is wrong is characteristic of my hon. Friend the Minister for Trade.

I have a couple of short points to put to my hon. Friend. Why is it that in the heading, although we are clearly talking about a single statutory instrument, the wording is in the plural? That will be misleading to those who are students of our proceedings.

Secondly, my hon. Friend and I are both deeply suspicious — and my right hon. Friend the Patronage Secretary will no doubt think that we are suspicious with good reason—of retrospective legislation. What do we find in the preamble of the order commended to the House? Is not today 8 March, and are we not told that it comes into force on 15 February? Is that not retrospective legislation, and have not my hon. Friend and I, in days gone by, spoken out strongly against such legislation?

Mr. Austin Mitchell: Vote against the order.

Mr. Gow: No. I have said that I approve of the order, and I have only a couple of modest points to make to my hon. Friend about the drafting of the document.

I have to confess to a sin on my part. Here we find the initials ECSC. I think that I can work out the first two, although my hon. Friend may say that I have got this wrong. I assume that they stand for European Community. I will give way if I have got this wrong.

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): I believe that the initials stand for European Coal and Steel Community, but I might be wrong.

Mr. Gow: I am grateful for that information. I just want to assist those who are students of the European Community. Would it not be easier for those who will be studying this document in every classroom and public library in the land, after it has been issued, no doubt with the Conservative briefing papers with our weekly issue on Thursday or Friday, if we had a full stop after each of the initials? I commend that thought to my hon. Friend for when he brings forward his next order.

This has been an illuminating debate. We have been enriched by the eloquence and elegance of my hon. Friend the Minister for Trade.

12.33 am

Mr. Alan Clark: I shall answer to the best of my ability the closely detailed questions raised by my hon. Friend the Member for Eastbourne (Mr. Gow). There was one point, before the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) came to my help, when I was reminded of a singularly disagreeable experience that I once had in a Committee, when I was challenged as to the identity of the initials in the acronym GMBATU, while we were debating some employment legislation. I made

several attempts to suggest what they might stand for, and made one or two slight errors. That will not be repeated this evening because the hon. Gentleman has already enlightened the House. "E" stands for European, "C" stands for Community.

Mr. David Harris (St. Ives): No, for coal.

Mr. Clark: No, I will brook no argument. "E" stands for Europe. "C" can stand for both Community and coal. My hon. Friend the Member for St. Ives (Mr. Harris) is arguing with me. Is my hon. Friend saying that "C" does not stand for Community? "C" can stand for both Community and coal, and "S" can stand for steel.

Mr. Foulkes: Is there not a common misunderstanding in the United Kingdom that there is one European Community, whereas there are a number of European Communities? One is the European Coal and Steel Community; another is Euratom; the third is the Economic Community. Together they are known as the European Community. If all hon. Members understood that fact, they would not fall into the trap into which the hon. Member for Eastbourne fell during this debate.

Mr. Clark: I do not think that my hon. Friend fell into a trap, because he, like me, is steadfastly convinced that the word Community begins with a "C"——

Mr. John Maxton (Glasgow, Cathcart): So does coal.

Mr. Clark: Yes, so does coal.

The dispute to which the hon. Member for Great Grimsby (Mr. Mitchell) referred was not trivial. It was a fundamental matter of principle and it led to the drafting of this order. The Koreans conducted a separate deal with the United States. Bilateral deals of that kind are deeply destructive of the General Agreement on Tariffs and Trade, and it was perfectly proper for the Community to respond as it did.

The hon. Gentleman's wider question regarding Korea's eligibility for the general scheme of preference, and the damage that that may continue to do to our economy, if it persists, is central to the GATT round that is under way. It is described as the integration and graduation of the newly industrialised countries, but many people believe that Korea has already reached the point, in terms of both its income per capita and its industrial development, at which it is no longer eligible for the GSP. Korea's eligibility for the GSP, as well as that of Taiwan and Singapore, has already been removed by the United States. It is also a strong candidate for removal during the current negotiations on the General Agreement on Tariffs and Trade.

The House appears to be very much of the same mind, and I am sure that it will approve the order.

Question put and agreed to.

Resolved,

That the Customs Duties (ECSC) (Quota and Other Reliefs) (Amendment) Order 1988 (S.I., 1988, No. 185), dated 10th February 1988, a copy of which was laid before this House on 12th February, be approved.

Bypasses (Ayrshire)

12.37 am

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Boscawen.]*

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): I am grateful for the opportunity to debate this matter. When I met the Under-Secretary of State for Scotland, the hon. Member for Edinburgh, West (Lord James Douglas-Hamilton) face to face, it was like coming up against a brick wall. I mean that in no personal pejorative sense, but that was his response to the points that were put to him. I hope that I shall receive a more constructive response from him tonight.

The start of this sorry saga was on 19 May 1987, when Tory fortunes were flagging in the general election campaign. The Secretary of State for Scotland was desperate to make one specific pledge which he hoped would hit the headlines and rescue those flagging fortunes. The scheme that he hit on was to upgrade the main highway to England, the A74. It certainly hit the headlines, but the general election result showed that his party's fortunes in Scotland were beyond saving. The number of Tory seats was reduced by half.

On 20 May, the *Glasgow Herald* recorded the pledge to upgrade the A74 without any qualification whatsoever and welcomed it in its leader column, as we all did. Such a commitment to additional public expenditure by the Conservatives is very rare and, when it comes, it must certainly be welcomed. Everybody assumed that the Secretary of State meant that additional money would be provided for the A74, otherwise why make a statement about this new, great project? Without the pledge of additional funds it would have been a very hollow pledge indeed if the rest of a vital trunk road programme had to suffer as a result.

It now looks as though there was double talk and deceit when that promise was made. I invite the Under-Secretary of State and his adviser, the other Under-Secretary of State for Scotland, the hon. Member for Stirling (Mr. Forsyth) —who has slunk in, as usual—to explain the position. It appears that no extra money had then been secured by the Secretary of State for the upgrading of the A74 and that, to say the least, the Secretary of State was being economical with the truth in his election promises. Alternatively, any hope or expectation that he had of extra money at the time was one of the main victims of subsequent cuts that the Scottish Office had to make.

Whatever the explanation, the sad truth began to become evident by December 1987, when officials of Strathclyde region were given details of postponements to a catalogue of road improvements. When I met the Under-Secretary of State we had one of the most barren dialogues that it has ever been my misfortune to experience. On that occasion, and in his subsequent statement, he contended that the A74 upgrading would not be achieved at the expense of other programmes.

The hon. Gentleman based that statement on one simple argument. He said in his letter of 3 February that they were never more than the earliest possible starting dates. I understand and accept why he said that, but according to my understanding and that of Cumnock and Doon Valley district council and its officers, of Kyle and Carrick district council, and councillors of both political persuasions and none — although they seem to be

[Mr. George Foulkes]

drifting back to one—and, above all, of the chairperson of the Strathclyde regional council roads committee and all the officers concerned in the region, the dates given for Auchinleck and Cumnock, New Cumnock and Maybole were definite. In the case of the Girvan bypass, it was understood that the start merely awaited the beginning of the detailed feasibility study—like the feasibility study that the Minister tells me is now under way for the A74.

The Minister should know better than anyone. On 18 February Mr. Howitt, the deputy chief executive of Strathclyde regional council, wrote to the secretary of the Scottish Development Department listing delays to no fewer than 34 road schemes within the region. I am sure that the Minister will confirm that. Mr. Howitt said in his letter:

"arising out of discussions in the Trunk Road Programme which officials of the Department of Roads had with your officials during December 1987, the enclosed list showing previously understood start dates compared with what the new start dates are likely to be"—

they are not provisional; there is no qualification; they are previously understood starting dates—

"was prepared and submitted to the Committee on 4 February."

Mr. Howitt continued:

"At that meeting the Committee expressed its concern about any delay to the schemes and agreed to seek a response as a matter of urgency".

In the list attached to the letter, which included the 34 schemes, the Cumnock-Auchinleck bypass was shown as due to start in May 1988—a definite start—and was then postponed until June 1991. The new Cumnock bypass is shown as delayed from August 1988 to May 1991, Maybole is shown as delayed from April 1990 to September 1992 and Girvan from September 1991 to September 1993. In addition, other vital schemes in south Ayrshire on the A77 south of Ballantrae and at Bennane Hill are also postponed for three and two years respectively.

One wonders what can cause such a wholesale postponement of road programmes, which were presumably carefully planned and designed to fit in with the cash available. What happened between June and December 1987? I know that in the case of the schemes in my constituency there have been no delays in statutory or other procedures. Indeed, Strathclyde region confirmed that the Cumnock-Auchinleck bypass was ready to go to tender. I hope that the Minister will confirm that that is the case. Therefore, that cannot be the reason for the delay. There is no delay in the statutory procedures in my constituency, and I suspect that that is the case with the other 34 schemes.

Has there been a sudden and unexpected reduction in the total money available for road construction? To get the answer I looked to the 1988 commentary on expenditure from 1990 to 1991. That confirms that, although the provision for 1988-89 for motorway and trunk roads was £129 million—about 6 per cent. below the previously planned level—the provision for 1989-90 and 1990-91 is planned to be £140 million in each year. That does not seem to warrant such a sudden and dramatic postponement of so many schemes already in the pipeline. Indeed, it should mean the reverse. That modest increase should allow one or two more schemes to go ahead, or it should allow an advancement of schemes rather than postponement.

Mr. Allan Stewart (Eastwood): Does the hon. Gentleman agree that, north of the schemes that have been mentioned, the A77 Ayr road route is crucial, not only to his constituents, but to mine and to the constituents of the hon. Members for Glasgow, Rutherglen (Mr. McAvoy) and for Glasgow, Cathcart (Mr. Maxton), who are in the Chamber? Would it not be helpful if the Minister gave the House an indication of the position on the A77?

Mr. Foulkes: I should welcome that statement from the Minister. The Strathclyde list shows that the A77 Ayr route has been postponed from February 1990 to January 1991. That is not as big a postponement as some of the other schemes, particularly the Ayrshire bypasses, but it is an unfortunate postponement. I agree with the hon. Member for Eastwood (Mr. Stewart) that the Ayr road route is important for access to Ayrshire, from Ayrshire to the motorway system, and for access to Prestwick airport. I know that the hon. Gentleman would want to do everything he can to improve access to that airport.

I have given two possible reasons for postponement, but neither seems to have any validity. Therefore, the inescapable conclusion is that the schemes are being delayed to prepare for the A74 upgrading so that that can be paid for out of the normal roads programme. If other schemes were to be started now, they would be in progress when the A74 upgrading is due to start. Those schemes would have taken up too much of the available funds to allow the A74 upgrading to go ahead.

We know that the A74 improvement will cost about £200 million over 10 years. If any credence is to be given to pledges by the current Secretary of State at the election which we know will be held about three years from now, the A74 upgrading will have to be under way by then. If it is not, people will say, "You promised and nothing has happened."

I should make it clear—I think that I am speaking on behalf of all my hon. Friends—that we do not oppose the improvements to the A74. Indeed, we all welcome the Secretary of State's promise. However, we welcome it on the understanding that extra funds will be provided to pay for it, and not that the existing roads programme will be slashed.

On 6 February, in its main leader, the *Glasgow Herald* said:

"Our welcome last year was predicated on the belief that the upgrading of the A74 would be funded by new money".

The leader added:

"Mr. Rifkind should come clean on his intentions. Will the M74 project attract additional funding or not?"

That is my key question to the Minister. We shall all study his answer carefully. As the same leader said:

"No one forced Mr. Rifkind to make his promise about the A74. He should redeem it without dipping into the rest of the roads budget. To do otherwise would devalue the currency in which politicians trade."

At my meeting with the Minister I advanced the argument for the Ayrshire bypasses on the ground of road safety. His answer showed that there were more serious accidents and deaths on the A77—which bears out the point made by the hon. Member for Eastwood (Mr. Stewart)—than on the so-called killer road, the A74.

I also advanced the argument for environmental improvements in the towns concerned. I recently received

additional evidence to support my case from Mr. Sievwright from Maybole. He has been corresponding with Strathclyde regional council about the juggernauts that go through the centre of Maybole. He has received confirmation that the recommended distance between the edge of a pavement and the wall of houses or shops should be at least 2 m to allow wheelchairs and prams to be pushed along. In one area of Maybole the pavement is 25 in wide, so people have to put prams and wheelchairs on the road to get up through the main street.

I also advanced the argument for the bypasses on the ground of improving the infrastructure of industrial development in an area which has the highest unemployment in Britain. I advanced all those arguments to support the need for the bypasses to be constructed on schedule, as promised. I understood from the Minister's comments that he readily accepted those arguments. Since then, the two district councils in my area—I include Conservative councillors—and the region have condemned the Minister for the delay. They all support me in the campaign to get him to stick to his promises. I have had letters and telephone calls from people in Girvan, Maybole, Cumnock, New Cumnock, and Auchinleck, including candidates in the district election, such as Helen Kelly and Ian Picken, in Girvan, who will be councillors after the next election. They have strongly argued for the Girvan bypass. Many people have asked me to press the Minister on this matter.

It is still not too late for the Minister and his boss to restore credibility to the Government. I sometimes wonder whether the boss is the Secretary of State or whether it is the wee Under-Secretary of State—the hon. Member for Stirling—who has been whispering in the ear of the hon. Member for Edinburgh, West. The interesting question is who runs matters in the Scottish Office. It is still not too late for a Scottish Office Minister to restore some credibility to the Government.

I understand that the 1988-89 programme is not yet finalised. I hope that tonight the Minister will take some responsibility into his hands and confirm that the Ayrshire bypasses will go ahead as planned. If that does not happen, the whole House, like the leader in the *Glasgow Herald*—I am sorry if I quote from it regularly; I know that some people do not like it, but it was an exceptionally good leader—will smell a rat scurrying across the tarmac for cover. I hope that the Minister has some guts and courage and that he will bring back some credibility to the Government by restoring their pledges and bringing the Ayrshire bypasses into their proper place in the roads programme.

12.54 am

The Parliamentary Under-Secretary of State for Scotland (Lord James Douglas-Hamilton): A public local inquiry into the A77 road project will be held, starting on 23 March, and progress will depend on the inquiry's outcome.

I congratulate the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) on securing this Adjournment debate and on the spirited way in which he has put forward the interests of his constituents. The hon. Gentleman's representations on behalf of his constituents will be kept in mind when we consider the possible scheme starts in each financial year.

Strathclyde regional council is the Secretary of State's agent authority for trunk roads in Ayrshire, and its officials must, as a matter of necessity, be given broad indications of timing of trunk road schemes to enable them to schedule the preparatory work. These dates change from time to time; for example, because of difficulties over statutory procedures or following the kind of periodical review carried out at the end of last year. Given that Strathclyde and its predecessor county councils have acted as agents for many years, they well understand the qualifications that apply to any dates quoted and the variety of factors which can cause delays.

Mr. Foulkes *rose*—

Lord James Douglas-Hamilton: If I may, I should like to continue because I have a great deal to answer in my speech.

As the hon. Gentleman has suggested, there may have been correspondence between professionals that did not mention all the conditions and caveats, but the fact that the dates were never more than the earliest possible dates is well understood.

Mr. Foulkes: Will the Minister confirm that there have been no delays in the statutory or other procedures so far as the four Ayrshire bypasses are concerned?

Lord James Douglas-Hamilton: I accept that those procedures have gone forward, but I should also make clear to the hon. Gentleman precisely what I have already said—that the dates were never more than the earliest possible dates.

I have listened carefully to what the hon. Gentleman said and have noted the points he has made in favour of advancing proposed trunk road bypasses in Ayrshire. The hon. Gentleman's problem is that he sees the trunk road programme in a very narrow context, whereas I, as the Minister responsible for trunk roads in Scotland, must of necessity consider the trunk road network in a wide national context. I do not for a moment criticise the hon. Gentleman for fighting for the interests of his constituents. Indeed, he would be derelict in his duty if he did not. What I do criticise is his refusal to get such matters in their proper perspective.

The hon. Gentleman well knows that the trunk road network is a network of national—I emphasise the word "national"—through routes. These are the routes for longer distance traffic and are therefore of more than regional importance. Important though local needs often are, there can be no argument that national interests must come first. Therefore, decisions on priorities for action on the trunk road network have to be taken on a wider than regional basis and it is beside the point to seek to make distinctions as to how well one region or sub-region compares with another in terms of the money spent on improving trunk roads.

Within the national context there is also the important matter of route priorities. Although the country has trunk roads traversing it in all directions, there is no doubt that some perform a more important function than others. Perhaps the most obvious of the various criteria which might together determine route priorities are traffic volumes. While I accept that some local sections of routes—for example, around large towns and cities—might be congested, again the situation must be seen in the context of the route as a whole rather than of a particular small part of it. The trunk routes through Ayrshire do not carry particularly high traffic volumes.

[Lord James Douglas-Hamilton]

The hon. Gentleman made the point that the A77 through his constituency has an unusually high accident record, but the fact is that when fatal and serious injury figures are broken down between north and south Ayrshire, it becomes clear that the concentration of accidents — some 70 per cent. or more of the total — occurs north of Ayr towards Glasgow, not in the area of the towns which the hon. Gentleman seeks to have bypassed. While it is true that accidents on the A77 are more numerous than might be expected from the traffic flows, there does not appear to be a great problem on the part of the road which runs through the hon. Gentleman's constituency. This is not to say that I am unconcerned about accidents. On the contrary, they are an important part of the equation in determining priorities.

As I have said earlier, the other criteria that go to determine route priority include, in terms of industrial and economic strategy, for example, the north-east of Scotland, to which assumed priority has been given in recent years, and that will continue to be so because of considerations relating to the oil and fishing industries. The A75 is given a measure of priority because it is a designated Euroroute, part of a national and international network of through routes, and links to Ireland.

Tonight and in the past the hon. Gentleman has mentioned — and has made great play about it — the proposed upgrading of the A74 to motorway standard. That will connect the motorway network of central Scotland to the English motorway network. There is no doubt that the A74 is a strategic route, and that is why the Government have attached priority to its upgrading.

Mr. Foulkes: Where is the money coming from?

Lord James Douglas-Hamilton: I will deal with that in a moment.

The hon. Gentleman will be aware that the A74 is the main trunk route between England and Scotland. The hon. Gentleman likes to appear to discredit the initiative of the Secretary of State, even when my right hon. and learned Friend has the strongest support of the Scottish travelling public. The hon. Gentleman seeks to suggest that the upgrading of the A74 is the reason for changes in "earliest possible start dates" — that is his suggestion — for other proposed trunk road schemes in Scotland. I can understand his disappointment that bypass schemes in south Ayrshire have been put back. However, I would strongly emphasise that that has nothing to do with the upgrading of the A74 to motorway standards.

Mr. Foulkes: Will the Minister give way?

Lord James Douglas-Hamilton: No. Let me answer the argument.

It will not be until I get the results of three major feasibility studies covering the 60 miles or so to be upgraded — I expect those results around the end of the year — that I shall be able to plan the upgrading. The onset of the M74 schemes and their consequences for the Scottish forward programmes will be assessed in the light of the circumstances pertaining at the appropriate time. The regular reviews of the forward programmes that will take place will provide adequate scope for such assessment. Whether there will be extra funds for the M74 is a consideration that will be taken in the context of the annual public expenditure surveys.

Mr. Foulkes: If the Minister is seriously wanting us to believe that it is not the result of money being diverted to the A74 that the other bypasses are postponed, could he give the House precise reasons why they have been postponed, given that the Minister was aware of the capital programme available earlier in the year?

Lord James Douglas-Hamilton: The capital programme for this year is given on page 57 of the Scottish public expenditure paper and the hon. Gentleman can look that up.

Mr. Foulkes: I know; I quoted it.

Lord James Douglas-Hamilton: The hon. Gentleman quoted it wrong. He should look up that page to learn the correct figures.

The hon. Gentleman has had protracted correspondence with Scottish Office Ministers for many years. The dates that were given for the timing of proposed schemes were never more than the earliest possible dates — I emphasise the word "possible". Those dates have always been subject to the availability of finance, to the satisfactory completion of statutory procedures, which must provide for public consultation, and to the relative priority of the particular schemes against competing claims from the rest of the Scottish trunk road network.

The recent date changes that have upset the hon. Gentleman do not emanate from the influence of the M74 schemes, which are no more than vague shapes on the horizon.

In his letter to my right hon. and learned Friend on 29 December, the hon. Gentleman said:

> "It is for Ministers to decide priorities within the overall programme."

Before departing from a meeting with me, the hon. Gentleman put it to me that our priorities had surely not changed between about six months ago and the present time. I acknowledge that, as regards overall route priorities, that is correct. However, I point out the difficulty that comes about when so many of the road schemes that have been proposed across the country turn out, on close appraisal, to be worth while on economic, environmental or road safety grounds — sometimes on all three. Quite simply, we had far more schemes in the programme than could be accommodated in a short period of time.

Schemes have been postponed in many other regions of Scotland, and the hon. Gentleman should not imagine that his constituency is the only one that has suffered. The effects are felt across the length and breadth of Scotland. Schemes have had to be adjusted in as fair a manner as possible.

Mr. Foulkes: Why?

Lord James Douglas-Hamilton: If the hon. Gentleman will allow me, I will answer him. I have only four minutes left.

Let us consider finance. The hon. Gentleman may not think that element of the equation important. I agree that it would be wonderful if we could wave a magic wand and bypass every trunk road community in the country. That would be Utopia. However, from time immemorial demand has outstripped capacity, so difficult choices have had to be made within the resources available.

It has been suggested that the postponement of schemes in Strathclyde results from cuts in Government funds

available for trunk roads. I am happy to have the opportunity to set the record straight tonight. It is a fact that, in this financial year, funds for trunk roads have grown to their highest level in real terms for many years. That has enabled a record number of new projects to start in this financial year, but the hon. Gentleman must remember that that creates an especially large commitment in forward years. I should still caution that trunk road funds are necessarily finite. More might have been available had it not been for the generous settlement last June on local authority current expenditure.

As the hon. Gentleman will have seen from our commentary, it has been necessary to hold trunk road spending for 1988-89 at its current level. That can be seen from page 57.

On south Ayrshire, I repeat the position stated in correspondence about the four bypasses. For New Cumnock and Cumnock-Auchinleck on the A76, draft line of road and side road orders have been published and the objections received have been resolved. Draft compulsory purchase orders for both schemes have yet to be published. The earliest possible start dates envisaged for both schemes is May 1991. As for the Maybole bypass, no draft orders have yet been published, but it is hoped to publish the draft road orders during the year. The earliest possible start date envisaged is August 1992. Finally, a feasibility study on a possible Girvan bypass is in preparation, and I do not wish to comment on it until it has been completed.

As the hon. Gentleman will be aware, the A77 Balsalloch to Balcreuchan scheme is seen as having priority in view of the slope stability problems adjacent to the A77. My Department has been making considerable efforts to resolve the sole outstanding objection to the scheme. It is hoped that the objection will be withdrawn shortly to allow the making of the statutory orders, negotiation of entry to land and preparation of the works contract, with a view to starting work by the autumn on this £4·2 million scheme.

With regard to the A76 Mauchline bypass, work on preliminary site investigation will start soon, and Strathclyde region, as agent, has been asked to prepare material for the draft statutory orders. Subject to the usual qualifications about availability of funds, completion of statutory procedures and relative priority in the network, the earliest possible start date envisaged is November 1992. In relation to the A77 Ayr road route, I have said that the inquiry will begin on 23 March.

In conclusion, I should report that, before this short debate, trunk road bypasses in Ayrshire have been the subject of prolonged exchanges with the hon. Member for Carrick, Cumnock and Doon Valley. I give him credit for being a persistent Member on behalf of his constituents. I echo his disappointment that the commencement dates have had to be put back, but I urge him to try to see the matter in national perspective. The needs of his constituents have not been forgotten. All the points that he has made about schemes in his constituency and about trunk roads generally will be fully borne in mind as we come to consider the possible scheme starts in each financial year.

But, of course, there are other schemes in Ayrshire. The Government have accepted the case for a bypass of Ardrossan, Saltcoats and Stevenston and included the project in the forward trunk road programme. It is proposed to provide 6·4 km of dual carriageway at an estimated cost of about £15 million to relieve traffic congestion and improve the flow of trunk road——

The Question having been proposed after Ten o'clock on Monday evening and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at seven minutes past One o'clock.

House of Commons

Tuesday 8 March 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

WHITCHURCH BRIDGE BILL

HASTINGS BOROUGH COUNCIL BILL
Lords amendments agreed to.

CORN EXCHANGE BILL [*Lords*]

LIVERPOOL EXCHANGE BILL [*Lords*]
Read the Third time and passed, without amendment.

BRITISH RAILWAYS (LONDON) BILL [*Lords*]
Order for Third Reading read.
To be read the Third time tomorrow.

Oral Answers to Questions

SOCIAL SERVICES

Contract Cleaning

1. **Mr. Jack:** To ask the Secretary of State for Social Services when he last met representatives of the contract cleaning industry.

The Secretary of State for Social Services (Mr. John Moore): I met representatives of the Contract Cleaning Maintenance Association on 9 November 1987.

Mr. Jack: I thank my right hon. Friend for that answer. Did he have the opportunity to discuss with the contract cleaners the amount of money saved as a result of competitive tendering in the north-west region and the impact of the savings on patient care? When existing contracts come up for renewal, will he ask regional health authorities to examine the different savings at different units to see what lessons can be learnt, in the interests of further savings and improvements in the quality of cleaning?

Mr. Moore: Yes, Sir. I discussed those issues with the CCMA, which drew my attention to the fact—my hon. Friend knows this—that about £9 million had been saved in the north-west region. I stress that about 85 per cent. of the contracts have been awarded in-house as a result of the excellent work of the NHS. The arrangements save money, which is put to good effect in patient care.

Mr. Fearn: Will the Minister allow health authorities to require performance bonds from those who contract? That system was withdrawn by his predecessor, and I hope that he will reintroduce it.

Mr. Moore: I shall be only too happy to consider anything that will ensure that quality work is done whoever does it—under the tendering arrangements

Mr. Andrew MacKay: Is my right hon. Friend aware that many of us are baffled at the opposition to competitive tendering for cleaning and other services, given that it works so well in industry and other organisations and that it will obviously benefit patient care because more funds will go direct to the sharp end?

Mr. Moore: I have to share my hon. Friend's bafflement. I find it difficult to believe that anyone can disagree that any money saved by the more efficient delivery of health care is to the benefit of the Health Service and of patients, which is what the Health Service is all about.

Mr. Robin Cook: When the Secretary of State met the contractors, did he remind them of the squalor and filth to which many of them have reduced our hospitals? Did he read last month's article in the *British Medical Journal*, which concluded that with privatisation

"Cheapness seems to have ousted quality"?

Did he read last week's report containing a survey of one hospital in which private contractors left uncleaned bloodstains for three weeks in the operating theatre? When he next meets the private contractors, will he tell them that he will give back to health authorities the right—without ministerial interference—to sack those cowboys who put their profits before the patients?

Mr. Moore: I saw the thoroughly misleading article from the Association of London Authorities, which, among other things, reported criticism of Westminster hospital from more than two years ago. The cause of that criticism has been corrected, as confirmed by a recent community health council visit to the hospital site. I would listen far more seriously to Opposition Members on this subject if one of them, at least, would join me in deploring the postponement in Scotland of 2,447 operations already because of the activities of the unions in relation to this issue.

Children and Women (NHS Services)

2. **Mr. Alton:** To ask the Secretary of State for Social Services if he will make a statement on the provision of children's and women's services by the National Health Service on Merseyside.

The Parliamentary Under-Secretary of State for Health and Social Security (Mrs. Edwina Currie): A comprehensive range of services is provided by the 10 local health authorities within the Mersey region, and the local family practitioner committees. Among them, the Liverpool health authority has plans to reorganise its paediatric and adult acute services.

Mr. Alton: Before the Minister approves those proposals, will she weigh carefully the grave anxieties felt by many people in the Greater Liverpool area about the future of the women's hospital and the Myrtle Street children's hospital? Does she accept that both those hospitals provide a much-needed community service? Is the Minister satisfied that cervical cancer screening is being undertaken satisfactorily on Merseyside?

Mrs. Currie: That sounds like about six different questions. The hon. Gentleman will know that we are at

different stages in the consultation process. The paediatric facilities have been referred for ministerial decision and I have agreed to meet the community health council to discuss them. Further consultation will take place later this year on services for women and other adults. The hon. Gentleman will know that we issued a new circular on the cervical smear system on 12 January which takes into account the findings in Liverpool.

Mr. Thurnham: Does my hon. Friend agree that, while investment is taking place at Alderhey and other children's facilities, it would be unwise to over-invest, because Liverpool has a declining population and over-investment would be at the expense of growth areas elsewhere in the north-west?

Mrs. Currie: My hon. Friend is right in his facts. Liverpool health authority now accounts for only 20 per cent. of the population of Mersey region, but over 25 per cent. of its resources, and that does not include any major psychiatric in-patient facilities. However, there are still a lot of children in Liverpool, and developments, particularly the £9 million being spent at Alderhey hospital, will improve their facilities.

Mr. Parry: Is the Minister aware of the strong opposition to the proposed closures of the two maternity hospitals, the only specialist women's hospital and the children's hospital at Myrtle street in Liverpool, all of which are in my constituency? There is total opposition to their closure from the women of Liverpool and Merseyside, the Health Service trade unions, the community health councils and doctors and gynaecologists. Do the Government really worry about the level of health care for women and children in the inner city of Liverpool?

Mrs. Currie: Liverpool has about 10 major hospitals within a mile of the city centre, yet it has lost 300,000 people since I lived there, many to suburbs such as the constituency of the hon. Member for Liverpool, Mossley Hill (Mr. Alton). Some of them might prefer to have the services closer to home.

Disabled People (Discrimination)

3. **Mr. McAvoy:** To ask the Secretary of State for Social Services what was his Department's expenditure in each of the last three years on education and publicity aimed at reducing discrimination against disabled people.

The Minister for Social Security and the Disabled (Mr. Nicholas Scott): It is difficult to give the precise figures for which the hon. Gentleman askes. Considerable sums are spent promoting the integration of disabled people through practical measures and assistance to statutory and voluntary agencies.

Mr. McAvoy: I thank the Minister for his answer, but does he recall that the committee, set up by my right hon. Friend the Member for Manchester, Wythenshawe (Mr. Morris), which reported as long ago as 1981, called for legislation to end discrimination against disabled people? When will the Government start listening to disabled people in their organisations and stop blocking the legislation that they require on this deeply important issue?

Mr. Scott: I think the hon. Gentleman will be aware that there is by no means unanimity of view about whether blanket legislation to prohibit discrimination against disabled people would be a sensible move, and the Government prefer to take practical measures to improve access for and the independence of disabled people.

Mr. Wareing: As the Government still set their mind against legislation, that is overwhelmingly supported by all the organisations for disabled people in Britain — the Minister will not be able to mention one that is against — is it not the Government's responsibility to say precisely how much is spent on education and publicity to prevent discrimination against disabled people? Why on earth has that not been done, in view of the disgraceful way in which the Bill that I presented to the House on 18 November 1983 was voted down with the help of the Whips?

Mr. Scott: It is not possible to give the figures because the Government support a range of voluntary and statutory organisations which undertake publicity and educational campaigns to promote the interests of disabled people. It is not possible to assemble the totality of that support.

Elderly People

4. **Sir Fergus Montgomery:** To ask the Secretary of State for Social Services what information he has on the proportion of gross domestic product expended in the United Kingdom on support for elderly people.

Mr. Moore: In 1983, 9·6 per cent. of gross domestic product was spent on support for elderly people. This figure includes all forms of support for elderly people, except for health care.

Sir Fergus Montgomery: Will my right hon. Friend compare the effect on pensioners' incomes and savings of the high-spending, high-inflation policies pursued by the Labour Government from 1974 to 1979 with the low-inflation, prudent policies pursued by this Government since 1979?

Mr. Moore: My hon. Friend is right to draw attention to the reality, which is sometimes ignored by Opposition Members, that half pensioners' total net income in the United Kingdom does not come from the state basic pension. The level of inflation under the previous Labour Government was a contributory factor to the fact that the increase in the real net income of pensioners was only 0·6 per cent. a year, compared with 2·7 per cent. a year under this Government. *[Interruption.]* The comparison is, of course, one that the Opposition would like to shout down as the contrast is so startling, as are comparisons between the successful economic policies of this Government and the appalling inflation level that pensioners faced under the previous Government.

Mr. Speaker: Mr. Haynes—and a happy birthday.

Mr. Haynes: The Secretary of State will not have to bother when he is elderly. He is well-breeched. Government Ministers are all appearing on television and getting fat TV fees, but the elderly people in my constituency and in those of my right hon. and hon. Friends really suffer under this Administration. Why do the Government not pull their fingers out and do something about it?

Mr. Moore: I know that the hon. Gentleman, who I regard as an old friend—*[Interruption.]*—will enjoy on

his birthday my friendship and my concern that, with his undoubted commitment to the interests of those in need, he will not share with me the distress that he must have suffered when Labour was last in office.

Dame Jill Knight: Will my right hon. Friend take this opportunity to pay tribute to that part of the private sector that provides residential homes for elderly people in Britain? Will he confirm that without that help the National Health Service would indeed be badly stretched to cope with these people?

Mr. Moore: The support and help for those in residential and nursing homes is a combined effort between the private and public sectors. If my memory serves me aright, about 120,000 old people are in residential homes run by local authorities, and about 100,000 are in private sector homes. We ought to commend all those who seek to give old people decent accommodation, whether public or private.

Mrs. Beckett: Will the Minister tell us how many elderly people would recognise from his description the fact that the basic pension went up by 20 per cent. in real terms under the last Labour Government and by only 5 per cent. in real terms under the present Government, and that the improvements in general income to which he referred come directly from the new pension schemes introduced by that Government and halved by his Government? Does he recognise that the thrust of Government policy, with its reduction of rights, increased means, testing and direction towards charities, is particularly distressing to elderly people who have been there before?

Mr. Moore: The hon. Lady forgets, as the Opposition continue to do, that we should be interested in the real well-being of old people and not simply in which Government contribute to it. If, as a consequence, we analyse the real position of old people, it is clear that the Opposition should never have the temerity even to raise the issue in the House. The reality is that old people in Britain were cheated in every sense of the word when the Labour party was in office. Since we have been in office their incomes have improved in real terms and in comparison to the working population, while their incomes declined against the working population while the Labour party was in office.

Pensions

5. **Mr. John Greenway:** To ask the Secretary of State for Social Services what advice his Department intends to give to members of occupational pension schemes before 1 April.

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. Michael Portillo): The Social Security Act 1986 will open up new opportunities for employees to take out personal pensions and for employers to set up new sorts of pension schemes. These choices are explained in leaflets and will be advertised on television and in the press later in the year, but it is not for the Government to offer pensions advice to individual scheme members.

Mr. Greenway: I am grateful for my hon. Friend's reply. The changes in choices in pension provision are to be welcomed and should ensure that future generations of elderly people will benefit considerably from the new choice. Is my hon. Friend aware that there is widespread concern among trustees and managers of pensions funds that if members of occupational schemes opt out of them they may inadvertently lose entitlement to important fringe benefits, such as death-in-service cover and widows' pensions? When publicising the Government's plans, will he take every opportunity to warn the public of those dangers?

Mr. Portillo: I recognise my hon. Friend's expertise in this matter. The Financial Services Act 1986 contains conduct of business rules that require suppliers to give the best advice to their potential customers. That will include discovering the client's present position and whether the client has an occupational pension. If the client has such a pension, the supplier should advise him or her about what benefits might be lost from the occupational pension and what benefits may be gained. As a spin-off from our reforms, occupational pension scheme suppliers will have to explain the benefits more carefully to members.

Mr. Cryer: Is not the spin-off from the so-called reforms, which are really highly regressive, an increased cost on local authorities such as the West Yorkshire fire authority? That authority has made representations to me, claiming that the costs of posing alternative, inferior schemes to the present fire authority scheme are not provided for by the Home Office. That means an extra cost on a fire authority that is desperate to maintain the standards imposed by the Home Office. In some areas it cannot meet the Home Office requirements. Will the Minister get together with the Home Office and ensure that all costs imposed by the Government's rotten schemes are provided for?

Mr. Portillo: I should be happy to explore that point, but I do not recognise it. I believe that the reforms provide a much wider range of pensions choice, which will offer people opportunities in future without shackling them to a particular employer.

Sir Brandon Rhys Williams: Is my hon. Friend aware that the flow of funds into public sector provision for retirement is on an altogether much more generous scale than for the bulk of people in the private sector? Will he take steps to encourage employers to put far more funds into the provision of retirement benefit for employees in the private sector so that the vast bulk of our population are freed from the risk that they may be obliged to go through the humiliation in retirement of applying for means-tested benefit?

Mr. Portillo: One of the effects of our reforms is that they will raise the public's consciousness and awareness about pensions choices. That will oblige occupational pension scheme suppliers to explain the benefits more carefully to their members. It will probably encourage members to be more demanding of their occupational pension schemes.

South East Thames RHA (Chairman)

6. **Mr. Rowe:** To ask the Secretary of State for Social Services whether he has any plans to replace the chairman of the South East Thames regional health authority.

Mrs. Currie: No, Sir.

Mr. Rowe: Is my hon. Friend aware that South East Thames regional health authority is the only authority that

does not provide teaching funds to its district hospitals? Is she further aware that Medway health authority was promised such funds this year? Does she agree that the failure to honour that promise is a further example of the feeble subservience to the great London teaching hospitals which pays no regard to the shift in population or to the improvement in communications in the south-east?

Mrs. Currie: I am sure that the regional health authority has taken note of my hon. Friend's views. Medway health authority is now teaching undergraduates, and is doing that very well. I know that the region wants to make an allocation to the authority, but it is waiting until we have finished our review of the RAWP formula, which includes an analysis and recalculation of the service increment for teaching. However, apart from anything else, my hon. Friend should be aware that the region has allocated £60 million to the health authority, and that is a substantial increase on recent years.

Mr. Fraser: Is it the Government's policy to concentrate health authorities in inner-city areas?

Mrs. Currie: I must confess that I do not quite understand what the hon. Gentleman means. Our policy is to have 190 health authorities all over the country, to allocate them the resources that they need and to ask them to produce the best services possible.

Miss Widdecombe: Is my hon. Friend aware that there is deep discontent in South East Thames region in general, and in my constituency of Maidstone in particular, on the part of the district health authority and the consultants and nurses, over the distribution of the South East Thames money that is so generously provided by the Government? Will she note that the chairman was seriously ill for a long time, so the ills of the South East Thames region cannot be laid fairly and squarely only on the chairman? There is something indelibly wrong with the way in which the authority runs itself, and I ask her to look closely at the matter.

Mrs. Currie: Despite the strictures of my hon. Friend, I am pleased to note that there has been a rapid increase in the number of patients being treated by Maidstone district. She might be interested to know that Mr. Peter le Fleming, who is the regional manager and who has given many years of outstanding service to the Health Service, will be retiring later this year. I understand that the RHA is announcing today the appointment of Mr. Peter Griffiths, the district general manager of Lewisham and North Southwark district, who was previously district administrator in Medway, to the post. I hope that my hon. Friend will enjoy working with him in future.

Ms. Harman: Is the Minister aware that the South-East Thames regional advisory committee has said that there has been a

"serious deterioration in the quality of care"

because of cuts in general surgery, and that

"it is not unusual for breast cancer surgery to be cancelled four or five times."

Does the hon. Lady still say that bed closures reflect an improvement in patient care, when the BMA's document, published yesterday, states that 50 per cent. of the acute beds that have been lost in hospitals in the South-East Thames region were lost for financial reasons?

Mrs. Currie: The hon. Lady may be too young to realise that beds have been lost ever since the Health Service was established. *[Interruption.]* What matters far more, as I am sure the hon. Lady will agree, is that every bed used, every penny spent, and every member of staff employed in the Health Service should produce the highest standards of health. We are impressed with the progress that has been made in that area.

Eye Treatment

7. **Mr. Fearn:** To ask the Secretary of State for Social Services if he will make funds available to reduce the waiting list for eye treatment in the Southport-Formby area.

The Minister for Health (Mr. Tony Newton): We are making an additional £90,000 available from the waiting list fund in 1987-88 and 1988-89 to reduce waiting times for eye treatment in Southport and Formby. Part will be used to train a registrar in Southport to carry out intra-ocular lens surgery. The rest will be allocated to neighbouring South Sefton health authority, which has contracted to treat 200 additional ophthalmology patients from the Southport and Formby list.

Mr. Fearn: Is the Minister aware that the current waiting list is 700 in the Southport and Formby health authority? Does he know that 37 other hospitals are waiting for lasers? Will there be any more funds for laser machines?

Mr. Newton: The hon. Gentleman will be aware that Southport now has a new Argon laser, which is speeding up treatment by changing the emphasis from in-patient care to day treatment. He will also know that a number of other initiatives have been taken by the authority to make inroads into this problem, some with Government help. This year a large new district general hospital is about to open in that health authority. It includes a purpose-built ophthmalogy unit, which will help further.

Mr. Favell: is not one of the great successes of the Government the increase in the number of patients receiving eye treatment? Are not people of 80 and 90 years of age, who would never have dreamt of seeing a consultant 15 or 20 years ago, now receiving treatment?

Mr. Newton: Yes, that is true. We are anxious that still more should be done, and I have outlined some of the ways in which more is being done.

Ms. Walley: If the Minister is so concerned about reducing waiting lists, what action will he take to deal with the 2,500 people who are waiting for orthopaedic operations in the North Staffordshire district health authority——

Mr. Speaker: Order. This question is about eye treatment.

Mr. Campbell-Savours: It is an eye-opener.

Ms. Walley: That is exactly right. It is an eye-opener about waiting lists. People are having to wait a long time for hip operations. We in North Staffordshire want sufficient resources for eye treatment and for hip replacement operations.

Mr. Newton: Whether the hon. Lady is primarily interested in orthopaedics—that is hips—or in eyes, I assure her that our efforts to reduce waiting lists will

continue. Shortly, we shall be announcing the distribution of a further £30 million that will be available for that purpose next year.

Disabled People

8. **Mrs. Fyfe:** To ask the Secretary of State for Social Services what plans he has to monitor the implementation of the Disabled Persons (Services, Consultation and Representation) Act 1986.

Mr. Scott: The Social Services Inspectorate is exploring ways of monitoring the effects of the Act. It has close links with the services concerned, and its role involves promoting efficient and effective use of resources, identifying good practice and making it known.

Mrs. Fyfe: That is not much of an answer. Can the Minister explain the delay of nearly two years in the implementation of section 3 of the 1986 Act, especially bearing in mind that section's potential to enable disabled people to make their own voices heard as consumers of these services?

Mr. Scott: The Government have made it clear that they want to proceed steadily with the implementation of the Act. In advance of implementing each section we have detailed consultations with bodies representing local authorities. We want to make sure that the resources are available to ensure the effective implementation of each section.

Mr. Boyes: Is the Minister satisfied with his Department's attitude to disabled persons, especially with regard to the employment quota? I have the February 1988 figures, and the DHSS employs only 1·3 per cent. of disabled persons, which is well below the accepted and recommended 3 per cent. quota. The Government's attitude to the disabled is a scandal. The Minister's Department cannot get its disabled employment quota up to 3 per cent. and, similarly, not one Government Department employs the 3 per cent. quota of disabled persons.

Mr. Scott: I take seriously the responsibility for promoting the employment of disabled people. This Government introduced the fit for work campaign and the code of good practice for the employment of disabled people. However, I take note of the hon. Gentleman's point.

Pensions

9. **Mr. Tredinnick:** To ask the Secretary of State for Social Services what assessment he has made of the feasibility and utility of comparing the value of basic state pensions between different European social security and national insurance systems; and if he will make a statement.

Mr. Moore: The best available comparative measure is the share of gross domestic product devoted to all programmes for elderly people. By that measure the United Kingdom's spending is the third highest in Europe. The United Kingdom basic pension cannot usefully be compared with pensions in other European Community countries, which have very different systems of support for elderly people.

Mr. Tredinnick: Is it not the case that the figures peddled by the Leader of the Opposition and his friends in Strasbourg are grossly misleading and bogus—[HON. MEMBERS: "Oh!"] Is it not the case that the pension figures are a cruel confidence trick?

Mr. Moore: My hon. Friend is right. The EC report on old-age pensions is worthless as a guide to pensioners' living standards in the United Kingdom because it does not take into account occupational pensions, except for those on twice average earnings. When such pensions are included, the United Kingdom is second in the Community with regard to the level of replacement of earnings by pension. Also, the report does not take into account other benefits to pensioners that alter the picture dramatically. When they are included in the total figure, the United Kingdom is third in the list.

Mr. Cryer: Is it not clear that, although the Government are boasting about their booming economy within the Common Market, when comparing basic state pensions one finds that nearly every other EC state pays better state pensions than the United Kingdom Government? Is it not the fact that the Government do not want such comparisons made because they expose the rotten deal that they give to state pensioners?

Mr. Moore: The hon. Gentleman is, not unusually, utterly wrong. Only three EC countries — the United Kingdom, Denmark and Ireland — pay flat-rate pensions. If one considers the other countries where earnings-related pensions are based on individuals' own average earnings, those pensions do not represent a national average. Therefore, it is clear that low earnings —I would have thought that the hon. Gentleman would have some interest in this matter — produce extremely low pensions.

Mr. Roger King: Does my right hon. Friend agree that, when comparing state pensions we need to look at the other benefits that pensioners receive in the form of free tranport, housing benefit and so on? If one sought to compare the value of an Irish state pension with an English one it benefits an Irish man only if he buys his beer in this country.

Mr. Moore: My hon. Friend draws attention to the point that I sought to make that, when one takes the total percentage of GDP given by our country to help the elderly, we are third highest in the European league.

Home Care

10. **Mr. McLeish:** To ask the Secretary of State for Social Services if he will list the social services departments which provide a seven-days-a-week home care service.

Mr. Newton: I regret that the information about this local authority service for England is not available centrally. Home help staff increased by an estimated 20 per cent. between 1978 and 1986.

Mr. McLeish: Unfortunately, my question has not been answered. Does the Minister believe that seven-day home care is the most effective way of keeping the severely disabled and the elderly frail in the community? If so, does he accept that local authorities need more resources to implement such a programme, and will he encourage them to do so, instead of answering as he has done today and giving the wrong information for the right question?

Mr. Newton: I wish to continue to give local authorities, whether in England or Scotland, the general encouragement that the hon. Gentleman seeks. A recent report by the Social Services Inspectorate showed that local authorities are developing old-style home help services into a more modern home care service, which is a sensible development.

Mr. Brandon-Bravo: Further to the most important topic of seven-days-a-week care, has my right hon. Friend had a chance to see early-day motion 787, and will he join colleagues on this side of the House in congratulating the hon. Member for Derby, South (Mrs. Beckett), who recently opened a private nursing home in her constituency? Does that mark a——

Mr. Speaker: Order. That sounds like a business question.

Mr. Newton: I always welcome signs of conversion to common sense.

Disabled Persons Act

11. **Mr. Ernie Ross:** To ask the Secretary of State for Social Services what are his estimates of the additional number of social workers required for the implementation of the Disabled Persons (Services, Consultation and Representation) Act 1986.

Mr. Scott: It is for individual local authorities to decide how best to discharge their statutory responsibilities and how many social workers or other staff are needed. Before any section of the disabled persons Act is implemented, the Government discuss with local authorities the overall costs entailed.

Mr. Ross: Why is the Minister so apathetic in the face of the growing concern about the adequacy of the implementation of care in the community for mentally ill and mentally handicapped people? When will he implement section 7 of the Act?

Mr. Scott: Implementation of section 7 of the Act is under discussion at the moment.

Mr. Wigley: Surely the Minister cannot get away with the two answers that he has just given concerning the Act. Two years have gone by since the Act was passed and the Government are still discussing and prevaricating. At a time when there is £2,000 million to give away in the Budget, surely the Government can afford one sixth of a penny income tax to help disabled people in such need?

Mr. Scott: It was made clear, when the Act became law, that it would not be implemented at once, but would be steadily implemented, and we are making good progress in that direction.

Mr. Rowe: As one of the sponsors of the measure, I should like to welcome the fact that we are making progress. However, may I ask my hon. Friend to consider carefully the fact that, when disabled people receive an adequate degree of support, they are frequently no longer a burden on the social services, because they are able to earn? That is one of the most important features of the Act.

Mr. Scott: It is one of the most important features of the Act, and one of the main thrusts of Government policy, to enable an increasing number of disabled people to have access to employment and education.

Mr. Ashley: Will the Minister confirm that the Government will not fully implement the Act because they will be embarrassed by the amount of unmet need that will be revealed by implementation? Will he recognise that the Government's failure to implement the Act is damaging to disabled school leavers, to young people leaving hospital and to those who care for disabled people? Why does he not implement the Act?

Mr. Scott: We remain committed to the phased implementation of the legislation. That always was the Government's intention and we intend to continue the steady progress in that direction.

Mr. Tom Clarke: Is the Minister aware that, despite his reassuring tones, there is grave concern about the Government's clear failure to implement sections of the Act which deal with such matters as advocacy, the scandal of people being discharged from long-stay hospitals and other vital matters concerning the disabled? Many people in local government will take exception to the Minister's implied suggestion most of this afternoon that local authorities are responsible for the delay. Just as the Government refused to listen to local authorities about the Social Security Act 1986, which takes away from disabled persons, they are failing to take on board the strong views of local authorities that it is imperative for the Government to implement fully the decision of the House in terms of this Act.

Mr. Scott: It is worth reminding the House that by the production of extra resources to help disabled people and by the actions that the Government have taken, in a statutory sense, to provide access to employment, transport, the countryside and elsewhere, the Government have shown their commitment to disabled people. The Act set out the framework for progress, but detailed discussions need to take place about the implementation of individual sections of the Act, and we are engaged in that.

Hospital Alert

12. **Mr. Campbell-Savours:** To ask the Secretary of State for Social Services what representations he has received from the organisation Hospital Alert over the last three months on the question of the National Health Service.

Mrs. Currie: I believe that a petition was presented to my right hon. Friend the Prime Minister.

Mr. Campbell-Savours: Is the Minister aware that Hospital Alert represents the authentic voice of men and women throughout the country? *[Interruption.]* Not the Labour party — Hospital Alert represents everyone, irrespective of political persuasion. How does the Minister respond to the millions of Conservative supporters throughout the country who do not want substantial tax reductions next week? They want part of the money that is available to the Treasury to be spent on developing the National Health Service. How does the Minister respond to those Conservative supporters?

Mrs. Currie: On the first part of the hon. Gentleman's question, I understand that Hospital Alert is supported financially by the London borough of Hounslow, which, despite being rate-capped this year, managed to find money to give to that campaign. However, we take such

campaigns seriously. My PPS, my hon. Friend the Member for Basildon (Mr. Amess), booked the Grand Committee Room to meet those people in a lobby recently, and 17 people turned up. As for the hon. Gentleman's question about the Budget, we shall have to wait until next week.

Mr. Jacques Arnold: When considering Hospital Alert, will my hon. Friend reflect on the fact that a great delegation from my constituency on the matter of Hospital Alert consisted of two constituents, and that the delegation to our hon. Friend the Member for Dartford (Mr. Dunn) consisted of one petitioner?

Mrs. Currie: Nevertheless, as my hon. Friend is aware, we take seriously all the points made by his constituents and by the constituents of all other hon. Members. We are putting a great deal more money into the Health Service and are employing a record number of nurses this year. We hope that we will be able to pay them better when the review body has reported.

Mr. Robin Cook: Among the representations on the NHS, has the Under-Secretary of State seen the letter from Dr. Mitchell of Scarborough hospital, which scores highest on her Department's performance indicators? Has she noted the conclusions of all the consultants at that hospital, that the rate at which they are expected to discharge patients was "positively dangerous", and Dr. Mitchell's observation:

"it is easy to appear efficient if one is underfunded and understaffed"?

Does not that letter from the hospital which, by her own standards, is the most efficient, demonstrate why we want more funds for the NHS before more tax cuts for the wealthy?

Mrs. Currie: I have certainly seen the letter in the press. I know that the doctor sent it to the press. We take all such representations seriously. However, I should point out to the hon. Gentleman that the hospital service is not the entire Health Service and that, with the support of many Opposition Members, including the hon. Member for Strathkelvin and Bearsden (Mr. Galbraith), we are moving to reform the primary care services as well. In that way we think that we can relieve the pressures on the hospitals.

Central Birmingham Health Authority

14. **Mr. Favell:** To ask the Secretary of State for Social Services what action he proposes to take about the performance of Central Birmingham district health authority as disclosed by the CIPFA database's latest performance comparisons.

Mr. Newton: The CIPFA information relates to 1984 and 1985 and to a very limited number of indicators. Performance indicator information for 1985 shows that the district performed well on throughput and turnover after standardisation for its complex case mix, and the district is broadly in the range of costs of other teaching districts. But the indicators and trends suggest areas for inquiry, and I welcome the fact that the West Midlands regional health authority and Central Birmingham health authority are together monitoring the data on services and costs in the district to ensure that they are being provided as efficiently and effectively as possible.

Mr. Favell: My right hon. Friend will be aware of the constant consultant clamour that has come from the district health authority, which has done so much to undermine the public confidence in the National Health Service. The figures he has given show that the health authority comes 19th out of 23 district health authorities on throughput in beds, and 21st out of 23 on patient attendance, yet it receives more money per head of population than any other district health authority in the west midlands.

Mr. Newton: I agree with my hon. Friend that those questions must be considered in relation to the health authority, so I very much welcome the work of the regional chairman in discussing these matters with the district.

PRIME MINISTER

Engagements

Q1. **Mr. Butler:** To ask the Prime Minister if she will list her official engagements for Tuesday 8 March.

The Prime Minister (Mrs. Margaret Thatcher): This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty The Queen.

Mr. Butler: Will my right hon. Friend take time today to reconsider her policies on wider share ownership? Research shows that 17 per cent. of Labour party members now own shares. Will she ensure that other sections of the population are able to enjoy that great privilege?

The Prime Minister: Our policy has been, and remains, a capital-owning democracy, including both the ownership of houses and the ever wider ownership of shares by all sections of the population. Further privatisation will assist in that process. It is a very successful policy and is partly responsible for seeing that the party that believes in a capital-owning democracy is returned to power.

Mr. Kinnock: The Prime Minister will know that we have a record trade deficit and that our balance of payments continues to deteriorate. In those circumstances, is she content to see the pound continue to rise against the deutschmark and the dollar?

The Prime Minister: The only way to deal with that is either to have excessive intervention, which would lead to inflation — and it is not part of our policy to assist inflation; rather, it is part of our policy to get inflation down — or to deal with the matter by interest rates, which would not be in the interests of inflation at the present time.

Mr. Kinnock: Is the Prime Minister saying that it does not matter, in her view, how high the pound goes?

The Prime Minister: I am saying that getting and keeping inflation down is the most important thing of all. The right hon. Gentleman is aware that we believe that last month's trade figures were a freak. Indeed, at the same time as last month's figures were announced, a reduction was announced in the deficit of the December figures and in the current account deficit for 1987.

Mr. Kinnock: When we have the highest real interest rates in the industrialised world, when we have that balance of trade deficit, when the balance of payments is continuing to deteriorate, when we have the lowest ever

level of personal savings and when we have the highest ever level of personal debt, how long does the Prime Minister think that that condition can continue?

The Prime Minister: If the right hon. Gentleman looks at the figures, he will see that the balance of payments deficit is very small compared with those of a Labour Government. Last year it was £2·5 billion, which is precisely what the Chancellor forecast in the Budget. He was the one forecaster who was spot on.

Sir Fergus Montgomery: Will my right hon. Friend explain why, when we are spending more money than ever before on the National Health Service, there are so many complaints? Will she reiterate that the National Health Service is safe in her hands, and can she recollect any time when Budget day was National Health Service day under any Labour Government?

The Prime Minister: I recall very well that the Labour party Budget days and the control and management of its economic policy led to slashing hospital capital expenditure and cuts in the pay of doctors and nurses.

Mr. Steel: Will the Prime Minister condemn the attack on the Panamanian consulate in London last night, and will she make it clear that Her Majesty's Government will not recognise General Noriega as Head of State?

The Prime Minister: There was an attack, and this morning my right hon. and learned Friend the Foreign and Commonwealth Secretary called the ambassador into the Foreign Office to make it perfectly clear that differences of opinion must not be fought out on London streets.

Mr. McCrindle: Still on the subject of expenditure within the National Health Service, will my right hon. Friend try to find time today to reflect on the fact that, by targeting a relatively small amount of money on the reduction of waiting lists, there has been very considerable success over the past year in reducing them? Will she give further thought to whether the investment of a relatively small additional amount targeted directly on the acute services might very well bear disproportionate benefits?

The Prime Minister: I am very much aware of what my hon. Friend says. That money, instead of going generally to the improvement of the Health Service, was targeted specifically to get waiting lists down, and this has been very successful. We shall learn the lessons from that method of dealing with increased expenditure.

Q2. **Mrs. Margaret Ewing:** To ask the Prime Minister if she will list her official engagements for Tuesday 8 March.

The Prime Minister: I refer the hon. Lady to the reply that I gave some moments ago.

Mrs. Ewing: Could the Prime Minister, as a mother and a mother-in-law, spare a thought today for the women in my constituency and other parts of Grampian region? Is she aware that the local health board is proposing to close no fewer than six local maternity units, which means that women in my area and other parts of the region will have to travel 60 to 70 miles whilst in labour to the Aberdeen maternity hospital? *[Interruption.]* As I am sure that this is not the standard that the right hon. Lady would wish for her family, what assurance will she give the women of my area that they will not have a reduction in their standard of care?

The Prime Minister: I know of the hon. Lady's concern, and she was kind and courteous enough to give me notice of her supplementary question. As the hon. Lady knows, there has been a recent review of maternity beds in the Grampian health board area, which has revealed problems there, including the widespread under-use of facilities in the outlying and smaller units; hence the proposal to close some of them. *[Interruption.]* The board has issued a consultative document and asked for comments from all interested parties. The board will consider its proposals again in the light of representations that it receives before reaching a final decision. Any proposals for closure would, of course, require the consent of my right hon. and learned Friend the Secretary of State, who will obviously carefully consider the representations which the hon. Lady and her constituents have made.

Mr. Stokes: Going further afield, does my right hon. Friend agree that the United Kingdom has every right to hold a military exercise in the Falklands Islands and that the South American countries have no grounds whatever for complaint?

The Prime Minister: Yes. We have not merely every right to hold such an exercise in the Falklands Islands, but a duty to see that reinforcement proposals could in fact be carried out, otherwise we should have to keep more of our armed forces down there. It is no one else's business, but is a matter of the defence of the people's rights in the Falkland Islands.

Q3. **Mr. Hardy:** To ask the Prime Minister if she will list her official engagements for Tuesday 8 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Hardy: Three or four years and many inexactitudes ago the Prime Minister rejected the request that particular attention be given to the Dearne valley area. Is she aware that we have now had a substantial number of colliery closures: Cortonwood, Wath, Highgate, Kilnhurst, Cadeby, Yorkshire Main and others; that Manvers now faces extinction; that we have lost many jobs in supporting industries in steel; and that Guinness and United Glass now propose a disreputable and deceitful closure of the glass works at Swinton, with the loss of 500 jobs? Is it not time that the right hon. Lady began to recognise that the horrid position that we face suggests that the Government should understand that they have a responsibility to the whole nation and not merely to a few favoured areas, of which the Dearne Valley certainly is not a part?

The Prime Minister: The hon. Gentleman will be aware that throughout the last year, and, indeed, for about 18 months now, unemployment has been falling—[HON. MEMBERS: "What?"]. Unemployment has been falling—[HON. MEMBERS: "Where?"]. It has in fact been falling in all regions of the United Kingdom during the past few months.

Q4. **Dame Jill Knight:** To ask the Prime Minister if she will list her official engagements for Tuesday 8 March.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Dame Jill Knight: Has my right hon. Friend seen that, following the reports last week that Haringey council was funding a bookshop selling anarchist literature to five-year-olds *[Interruption.]*

Mr. Speaker: Order. The hon. Lady's question is in order.

Dame Jill Knight: Has my right hon. Friend noted the more recent report that infant teachers in Haringey are somehow using Home Office funds to produce videos promoting homosexuality, and terrorism in South Africa? Does my right hon. Friend feel that that is a right and proper use of taxpayers' and ratepayers' money, and can she do anything about it?

The Prime Minister: The first matter was raised in the House last week. As for the second, concerning the use of Home Office grant, section 11 grant is to help children from the ethnic minority communities in Haringey to achieve their full educational potential. The Home Office is investigating the allegation that the grant has been used for other purposes, and, if that is found to be the case, grant may be withdrawn. The Department of Education and Science is also looking into the possibility that Haringey may have contravened its statutory duties to forbid the promotion of partisan political views and to ensure that political issues are presented in a balanced way.

The requisite Departments are looking into the matters raised in both parts of my hon. Friend's question, with a view to taking action.

Q5. **Mr. Livingstone:** To ask the Prime Minister if she will list her official engagements for Tuesday 8 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Livingstone: Will the Prime Minister take time in her busy day to reconsider the statement that she made to the House last year about Sir Maurice Oldfield? Will she consider the inconsistency of the withdrawal of his positive vetting while no action was taken against Mr. Peter England, a deputy secretary in the Northern Ireland Office, and Mr. J. L. Imrie, an assistant secretary at the Northern Ireland Office, following investigations into the buggery of young children at the Kincora boys' home? Is she not disturbed that Mr. Imrie has taken no action against the newspaper that named him and his activities four weeks ago, although he continues to work for the Government in the Ministry of Defence? Can she assure the House that she is convinced of Mr. Imrie's innocence? If not, will she now finally concede a genuinely independent inquiry into what went on in the homes in Kincora, irrespective of the damage that that may do to MI5 when its role is exposed?

The Prime Minister: I have nothing further to add to the statement that I made on Sir Maurice Oldfield in the House. I note that the hon. Gentleman uses the privileges of the House to name people who are unable to answer back.

Mr. Harris: Will my right hon. Friend congratulate all those who played a part in foiling what would have been a dastardly terrorist attack in Gibraltar by the IRA? Does she reject the criticism that is already beginning to creep in? Furthermore, does she agree that this shows the importance of maintaining the Prevention of Terrorism Act?

The Prime Minister: I wholly agree with my hon. Friend. It is very important to retain the Prevention of Terrorism Act. As for what happened in Gibraltar, most of us are very relieved that there was no repeat of the bombing of the Green Jackets, the Horse Guards or Enniskillen, or of the Harrods bombing at Christmas time. We are very relieved that these events did not end in that kind of tragedy.

Q6. **Mr. Leighton:** To ask the Prime Minister if she will list her official engagements for Tuesday, 8 March 1988.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Leighton: Will the Prime Minister accept that in the course of a lifetime a person might want to change his or her job? Indeed, we sometimes wish that she would. There might be a variety of reasons why a person finds his or her job intolerable; for example, a young woman being sexually harassed. In the present climate it might be difficult for that person to find another job quickly. As such people have paid their taxes and national insurance, why is the right hon. Lady denying them unemployment benefit for six months? Is that not tantamount to the direction of labour, and why is she being so vindictive and callous to those people?

The Prime Minister: Title to unemployment benefit in general goes through the House and becomes a statute. In any particular case there is a right of appeal to the independent statutory authorities and not to a politician.

Clyde Ferry Services (Industrial Dispute)

3.30 pm

Mr. Brian Wilson (Cunninghame, North): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have urgent consideration, namely,

"the continuing industrial dispute that has halted ferry services operated by Caledonian MacBrayne on the River Clyde."

Several thousand people who live in the island communities that are affected by this dispute are now facing severe difficulties as a result—*[Interruption.]*

Mr. Speaker: Order. Would hon. Members kindly leave the Chamber quietly, please?

Mr. Wilson: Agricultural and feeding stocks are almost running out; some consumer goods are becoming increasingly short in supply; passengers in both directions are stranded; and the Easter tourist trade is threatened. We have had the extraordinary intervention of the Royal Navy on a strike-breaking foray, which is unlikely to encourage an early settlement. Islanders are offended—*[Interruption.]*

Mr. Speaker: Order. The hon. Member for Cunninghame, North (Mr. Wilson) must be listened to in silence.

Mr. Wilson: Islanders are offended by the intransigence that has been shown by the Scottish Transport Group management, are suspicous of the political motivation that might be behind management's hard line and are sympathetic to the seamen who serve these communities well and who now face substantial cuts in earnings along with the imposition of anti-social rosters.

I pay tribute to the efforts of ACAS to bring the parties together. In the light of the Scottish Office's abdication of concern on other fronts, it is perhaps pious to hope that it should care tuppence for the problems being faced by beleaguered islanders. But Caledonian MacBrayne is a state-owned company that is under the control of the Secretary of State for Scotland. A debate on the Floor of the House could help to bring the issue to a speedy conclusion.

Mr. Speaker: The hon. Member asks leave to move the Adjournment of the House for the purpose of discussing a specific and important matter that he believes should have urgent consideration, namely,

"the industrial dispute involving ferry services on the River Clyde,"

I have listened with care to what the hon. Member has said, but I regret that the matter that he has raised is not appropriate for discussion under Standing Order No. 20. I hope that he will find other means of bringing it before the House.

Statutory Instruments, &c.

Mr. Speaker: With the leave of the House, I will put together the six motions relating to statutory instruments.

Ordered,

That the draft Merchant Shipping (Passenger Boarding Cards) (Application to non-UK Ships) Regulations 1988 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Department of Transport (Fees) Order 1988 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Merchant Shipping (Closing of Openings in Enclosed Superstructures and in Bulkheads above the Bulkhead Deck) (Application to Non-United Kingdom ships) Regulations 1988 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Social Security (Payments on account, Overpayments and Recovery) Regulations 1988 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft State Scheme Premiums (Actuarial Tables) Amendment Regulations 1988 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Social Security Pensions (Home Responsibilities and Miscellaneous Amendments) Amendment Regulations 1988 be referred to a Standing Committee on Statutory Instruments, &c. — *[Mr. Lightbow.]*

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, Standing Order No. 52 (Consideration of estimates) shall apply to the consideration of Estimates as if paragraph (2) of that Order were omitted.—*Mr. Wakeham.*

Scottish Constitution (Referendum)

3.33 pm

Mrs. Margaret Ewing (Moray): I beg to move,

That leave be given to bring in a Bill to provide for the holding of a referendum in Scotland to establish the level of demand for constitutional change.

In seeking the leave of the House to introduce the Bill, my key aim is to enable the people of Scotland to express freely and democratically what changes, if any, they seek in the way that they are governed. At the 1987 general election—*[Interruption.]*

Mr. Speaker: Order. It is unseemly to carry on private conversations.

Mrs. Ewing: Thank you, Mr. Speaker.

In the 1987 general election, 76 per cent. of the voting public in Scotland supported and campaigned for parties with policies that argued for the return of decision making to the Parliament that was closed in 1707. Yet from the Treasury Benches we are continually told that there is no demand within Scotland for constitutional change. One would have thought that 76 per cent. of support for decentralising would have been seen as a demand for change, yet the Government refuse to recognise this as evidence of Scotland's aspirations. Additionally, in every opinion poll conducted on the subject of Scotland's constitutional future, more than 70 per cent. of those asked have indicated their desire to see democratic accountability and decision making returned to Scotland, yet the Government refuse to recognise this as evidence of Scotland's aspirations.

In the debates on Scotland's constitution that have been held in the House since the general election, the vast majority of right hon. and hon. Members representing Scottish constituencies have consistently voted for the decentralisation of power, yet the Government refuse to accept this as evidence of Scotland's aspirations. We therefore see our efforts to respond to democratic demands for change thwarted by a Government who turn their back on the evidence.

What, then, can those of us who seek to establish through democratic means the rights and responsibilities of self-determination do to persuade the Government and the House of the legitimacy of our demands? It is my contention that one way forward is to take the issue back to where it belongs, to the people of Scotland. The Bill, through enabling an objective referendum to be held, will most surely present the Government with irrefutable evidence of the people's views, unfettered by the many issues on which we campaigned at the general election. The arguments could be presented clearly for the various options that are open to us.

For that reason, I propose that the referendum should contain four options. First, there is the status quo, which is favoured by most Conservative Members. Secondly, there is devolution, which is proposed by the Labour party. Thirdly, there is federalism, as proposed by the Liberal party. Fourthly, there is independence, as proposed by the Scottish National party. Each political party therefore could campaign for its particular standpoint. As the referendum is advisory, its major impact would be to present the Government with clear evidence of the Scottish viewpoint.

I hope that no right hon. or hon. Member will oppose the motion. Very basic democratic rights underpin the Bill. Enshrined in international law is a right of all nations for self-determination. No one can deny that Scotland is a nation; indeed, she is one of the oldest European nations, and until 1707 she governed herself. She still maintains many of the trappings of statehood, such as a separate legal system and a different education system. What she lacks is statehood, and that can only be achieved only through self-determination.

Over the weekend we heard the Prime Minister talking about self-determination as it affected the people of the Malvinas. Why, then, should the people of Scotland be denied the same basic principle?

The Bill affords the opportunity to the people of Scotland to exercise the principle of one man, one vote. Surely that very foundation of democracy cannot be denied by the House? We have a responsibility to ensure that genuine political opinions are not stultified, but are afforded a means of expression through the ballot box, in fair and free elections.

The Bill allows for all the options currently proposed in Scotland to be presented to the people. There can be no ideological reason for opposing it. Therefore, the only logical explanation that one could have for opposing my modest proposal is that people would fear the result of the referendum. Surely, as we say in Scotland, being feart is not a good enough reason.

I commend the Bill to the House, and I trust that it will have full support.

Question put and agreed to.

Bill ordered to be brought in by Mrs. Margaret Ewing, Mr. Dennis Canavan, Mr. Eric Heffer, Mr. Ieuan Wyn Jones, Mr. Charles Kennedy, Mr. Seamus Mallon, Mrs. Ray Michie, Mr. James Molyneaux, Mr. Alex Salmond, Dr. Dafydd Elis Thomas, Mr. Andrew Welsh and Mr. Dafydd Wigley.

SCOTTISH CONSTITUTION (REFERENDUM)

Mrs. Margaret Ewing accordingly presented a Bill to provide for the holding of a referendum in Scotland to establish the level of demand for constitutional change: And the same was read the First time; and ordered to be read a Second time upon Friday 15 April and to be printed. [Bill 115.]

Question of Privilege

3.40 pm

Mr. Tony Banks (Newham, North-West): I wish to call attention to the parliamentary sketch in *The Guardian* of 2 March, and beg to move,

"That the matter of the complaint be referred to the Committee of Privileges.

Members of Parliament are not noted for being shy and retiring creatures. Obviously, in the clash of ideologies which we have in the Chamber there are bound at the very least to be robust exchanges of view. Much heat is often generated, and strong and sometimes unkind words are used. No one should complain and, indeed, no one on either side complains about that.

By nature I am not a whinger. I am prepared to hand it out and to accept it, but there are clear limits. I maintain that the article by Mr. Andrew Rawnsley in *The Guardian* of 2 March grossly exceeded those limits. It was gratuitously offensive to named Members and it slandered most other hon. Members on this side of the House.

Mr. Rawnsley's complaint was that in the debate on unemployment benefit changes on 1 March there were only a handful of Labour Members in the Chamber. He failed to notice that there were even fewer Tory Members present, but we shall let that pass for the moment. I understand that Mr. Rawnsley is a new and inexperienced sketch writer, but that is no excuse for not understanding the nature of parliamentary business, or for not attempting to find out how it is organised.

I confess that I am rather saddened that it is a journalist of *The Guardian* whom I am seeking to refer to the Committee of Privileges. *The Guardian* is one of the few national newspapers which we could describe as a quality newspaper with certain standards. I would have infinitely preferred that it had been *The Sun* that we were discussing, but since that newspaper has no standards it would have been impossible for it to have fallen from them.

At the time that Mr. Rawnsley was penning his offensive remarks, no fewer than nine Standing Committees were in session involving 74 Labour Members, plus a greater number of Conservative Members. In addition, a further 27 Labour Members were in Select Committees. There was also that day a major education lobby in which 2,000 people from all over the country participated, and obviously Members of Parliament would have been meeting their constituents.

For my part, I attended the education lobby and then went directly to the Standing Committee on the Housing Bill, which did not adjourn until 12.45 the following morning. In the Division on the unemployment benefit motion at 10 pm, about 90 per cent. of the parliamentary Labour party voted, a fact unlikely to have been observed by a sketch writer who no doubt was safely tucked up in bed, as any *Guardian* journalist would be during opening time. In conjunction with my hon. Friends, I would have much liked to have been in the Chamber to participate in the debate on the unemployment benefit changes, but I could not, for the reasons already stated.

In all the circumstances, on the day in question it was an insult for Mr. Rawnsley to state that "drink, laziness and incompetence" were the reasons for the absence of hon. Members from the Chamber. For Mr. Rawnsley, when he realised how foolish he had been, subsequently to have written that it was all meant to be light-hearted, merely added insult to injury. I wish to tell Mr. Rawnsley and any other journalist that the best kind of humour is that based on truth. There is nothing very funny about common abuse based on an imperfect understanding of the truth.

The House would be foolish to become over-sensitive to criticism, but fair criticism is as far from vulgar abuse as I thought the journalistic standards of *The Guardian* were from those of certain other newspapers. If the reputation of Parliament is to be maintained, there are times when our procedures must be defended in the face of ill-informed and malign attacks made upon us by journalists or anyone else. I do not seek to be vindictive towards a particular journalist and I am not interested in this House having privileges that are not justified by the duties and responsibilities placed upon us by the electorate. However, journalists should not be allowed irresponsibly and unjustifiably to attack MPs—or any of our citizens.

In view of what I believe to have been a gross contempt of this House by a newspaper journalist from *The Guardian*, I ask the House to accept the motion and to refer the matter to the Committee of Privileges for further consideration.

3.47 pm

Mr. Ian Gow (Eastbourne): I am not one of those who read *The Guardian* out of choice. It is true to say that before this I had never heard of Andrew Rawnsley, and it is only fair to add that I am sure that he has never heard of me. The article in question was totally unknown to me until the hon. Member for Workington (Mr. Campbell-Savours) was kind enough to hand it to me when he and I were both absent from the Chamber in the Public Accounts Committee a week ago today.

However, I note that the hon. Member for Newham, North-West (Mr. Banks) had occasion to address the House on 19 June 1984 when my hon. Friend the Member for Twickenham (Mr. Jessel) sought leave to refer a matter to the Committee of Privileges. The hon. Gentleman opposed the motion moved by my hon. Friend, and this is what he said on that occasion:

"I believe that this motion represents an unpardonable waste of parliamentary time."

He went on:

"All Members of Parliament, Mr. Speaker, must accept the consequences of their actions and not whinge afterwards."

—[*Official Report*, 19 June 1984; Vol. 62, c. 160-61.]

Let us examine the allegations made, mercifully, not against my hon. Friends but against Opposition Members:

"Labour MPs appear to be slowly vanishing from the Chamber——

Mr. Robin Corbett (Birmingham, Erdington): I am just going myself.

Mr. Gow: The hon. Gentleman has underlined the truth of what was said by the sketch writer.

The question is then posed:

"Where are they? . . . The latest theory is the oldest. At work, once again, is the Westminster Triangle: drink, laziness and incompetence."

I have no wish to forfeit the methodist vote in my constituency but I have to confess that during my short period in the House—and, indeed, before I arrived here—I have had more than one glass of white lady. I have given up drink for Lent, but let us examine the nature of the allegation and the Labour party's response to it. There are sins graver than to have a drink.

Mr. John McAllion (Dundee, East): Being a Tory.

Mr. Gow: Laziness is a vice that has afflicted parliamentary sketch writers and Members of Parliament down the ages. To object to the charge of incompetence that was levelled at the Labour party is an objection with no foundation whatever.

Therefore, I conclude that the article, which was described as a sketch, has provoked the most unworthy response, notably from the hon. Member for Newham, North-West. He is the custodian and trustee of some of the silver that used to be the property of the Greater London council. Whether it was incompetence that led him into the role of trustee, whether it is laziness that has prevented him from giving it back, or whether, at the moment of taking it or at the moment of putting it where it now is, he was under the influence of drink are matters which should not detain the House any further. I for one will be voting against the motion.

3.51 pm

Mr. David Steel (Tweeddale, Ettrick and Lauderdale): The hon. Member for Newham, North-West (Mr. Banks) omitted one important fact in moving his motion, and that is that the newspaper has apologised, not once but twice. Although I found the article offensive, that should be the end of the matter and the Committee of Privileges should not waste its time on it.

3.52 pm

Mr. Eric Forth (Mid-Worcestershire): I regret the terms of the motion because, in the words of the hon. Member for Newham, North-West (Mr. Banks), it shows a degree of over-sensitivity that does the House and hon. Members little justice. If we are to resort to this device every time we felt sensitive about something writen by the press, the Committee of Privileges would be in constant session. There is nothing to be gained in pursuing this matter.

The right hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel) has just mentioned the fact that the journalist involved apologised twice for what had been said and that leads me to reflect on the fact that in the past few days the conduct of an hon. Member was drawn to your attention, Mr. Speaker, and, although a matter of privilege may have been involved, the hon. Member apologised and the matter was not pursued any further.

Here, a journalist has been accused of a breach of privilege, he has apologised and yet the House is in danger of taking the matter further. That suggests to me that there is one rule for Members of Parliament and quite a different rule for journalists. That is patently unsustainable and I hope that the House will pause long and hard before accepting the motion.

If the matter were to be referred to the Committee of Privileges, we could be open to the accusation not just of over-sensitivity but of seeking to defend ourselves against any accusation or criticism in the press. Since we take to ourselves the very privilege of criticising anyone whom we please, under cover of our own privilege, it ill becomes us to use such a mechanism against members of the press. For those reasons, I hope that the House will soundly reject the motion.

3.53 pm

Mr. Eric S. Heffer (Liverpool, Walton): Like most of my hon. Friends, when I read the column by the journalist from *The Guardian* I was furious. I felt that it was quite unjust that a Labour Member who was ill should have been named in the way that he was and that other Labour Members who were in various Committees should have been attacked for not being in the House when, in fact, more Labour Members than Conservative Members were in the Chamber. I felt furious. Indeed, I almost phoned Mr. Ian Aitken about the matter. I did not phone him because I reflected on the issue and I realised that if we are in the House of Commons, we are bound on occasion, whether we like it or not, having stood for Parliament and come to the House, to be attacked and traduced, sometimes quite wrongly.

I remember *The Sunday Times* saying that I would cheerfully see off my right hon. Friend the Member for Chesterfield (Mr. Benn) because I was the Stalin of the Labour party. I did not raise a matter of privilege, I took the paper to court. Having taken it to court, I had quite a nice holiday in Italy. We have to accept that whether we like it or not, on occasions we will be wrongly attacked.

I think that the young journalist on *The Guardian* who wrote the article was absolutely wrong, but the House would make the position far worse if we decided to make it a matter of privilege. I ask my hon. Friend the Member for Newham, North-West (Mr. Banks), whose anger I understand — I feel as strongly as he does about the matter — to accept that *The Guardian* has apologised to my hon. Friend the Member for Worsley (Mr. Lewis).

Even if we are not absolutely happy with that apology, the House should accept it and hope that in future other people will take a little more notice of what actually happens in the House of Commons, and understand that hon. Members cannot be here on every occasion because we have to attend Standing Committees, Select Committees and internal party committees. I worry about television in the House precisely because some people outside the House will not understand that.

I do not wish to say much more, except to give some advice to the young gentleman who writes for *The Guardian*. There used to be a journalist here called Frank Johnson. He pilloried me regularly, but in such a way that I used to roar with laughter. I hope that the present sketch writers will follow the example of Frank Johnson and write in a way that is not harmful or nasty and which right hon. and hon. Members can fully appreciate.

3.57 pm

Mr. Phillip Oppenheim (Amber Valley): Many Conservative Members probably accept that the offending piece in *The Guardian* was gratuitously offensive and probably untrue, but surely that should not be the cause of any surprise to Opposition Members and should not cause them to behave like coy little political virgins and feign surprise that *The Guardian* for once is not the sole repository of the truth. After all, surely a paper that is so forward as to propound the fact that it takes an independent, non-partisan line and stress the strength of its profession on that score should arouse our suspicion in the first place.

The Guardian has already given two whingeing apologies, so it is wrong for hon. Members to waste the House's time in trying to extract a further pound of flesh. If hon. Members honestly believe that they have a case, they have the option to seek recourse in the courts and sue for libel. They should do that rather than waste the time of the House. What surprises Conservative Members about this shameful little episode is the way in which

[Mr. Phillip Oppenheim]

Opposition Members cringe like delicate little flowers at the first onset of a late frost in spring. After all, are they not the very same hon. Members who daily trade insults and invective across the Floor of the Chamber? Perhaps we should not be too surprised by the inconsistency of their attitude. In recent years we have seen how they are prepared to use the most vile invective against my right hon. Friend the Prime Minister, yet they cry, "foul" the moment my right hon. Friend uses even a mildly harsh word in reply.

I hope that this unpleasant little episode may have a mildly cathartic influence on the Opposition. I hope that they will now realise the idiocy of using gratuitous insults. I hope that they will take the opportunity to brush up their debating skills and limit themselves to real arguments rather than ignorant abuse.

4 pm

Mr. Brian Sedgemore (Hackney, South and Shoreditch): I find it very difficult to follow that magnum opus. I am bound to say that the hon. Member for Amber Valley (Mr. Oppenheim) has almost made me change my mind.

I begin by declaring an interest. I drink and I have been known to take a catnap in the Library. Indeed, when I once appeared as a barrister before the Lord Chief Justice of England, he said to me, "I can see you are doing your incompetent best, Mr. Sedgemore."

Nevertheless, I hope that we will take the motion seriously. It is serious for *The Guardian*, that radical newspaper——

Mr. Dennis Skinner (Bolsover): What?

Mr. Sedgemore: A radical newspaper, which is not only short of money and a decent layout artist, but if I may paraphrase Swift, is in danger of dying by swallowing its own lies. Having said that, I want to defend *The Guardian* and the right of journalists to abuse hon. Members.

All my life I have had the misfortune to be laughed at. You will understand, Mr. Speaker—well, perhaps you will not, because perhaps no one has ever laughed at you that it hurts. The position became unbearable when I was at the school debating society one year and one of my opponents described me as "a long streak of spit". I thought, "Well, this cannot go on." I was lying in the bath and I had a brilliant idea. I said to myself, "I know what I'll do to stop it.; I'll become an MP. Then I'll get the protection of the all-powerful, all-party Committee of Privileges. No longer will anyone in this life be able to hold me up to hatred, ridicule and contempt." Imagine my surprise when only last week, as a result of something that I said during proceedings on the Education Reform Bill in Committee, a journalist who is sitting in the Reporter's Gallery described me as "Derek Jameson's voice coming out of Kerry Packer's body."

I do not know how hon. Members can worry about 200 Members of Parliament being called "incompetent, lazy drunks" when a tender, delicate soul like myself is being likened to Sid Yobbo.

I am not claiming that Andrew Rawnsley is entirely innocent. I am not sure how I am supposed to respond, as a paid-up member of the National Union of Journalists, when he argues in his column, as he argues every day, that politicians are even more odious than journalists.

You will be aware, Mr. Speaker, that I am not one of those hon. Members who believes in vulgar, personal abuse—*[Interruption.]* I prefer to leave such abuse to the right hon. Member for Chingford (Mr. Tebbit) and I am sorry that he is not in the Chamber. I understand that at this very moment he is seeking to raise the standards of artistic appreciation in our country by trying to persuade *The Sun* to set up a Kelvin MacKenzie room at the Tate gallery to house a permanent collection of nipples. That is the kind of abuse that we could do without. If the right hon. Member for Chingford had not become a Member of Parliament, I am sure that he would have become a PPE—not a graduate in politics, philosophy and economics, but a purveyor of pornography extraordinaire.

I believe that my hon. Friend the Member for Newham, North-West (Mr. Banks) will agree that we should judge political abuse by three standards. First, abuse in politics must be treated as an art. Secondly, abuse is at its best when it is in thoroughly bad taste. Finally,— this was the only point that my hon. Friend the Member for Newham, North-West picked up himself—abuse should at some stage hint at reality. That is where poor little Rawnsley up there in the Press Gallery, the fearless scribe from Farringdon road whose goolies are about to be tweaked today, got it wrong.

Mr. Speaker: Order. Will the hon. Gentleman seek to use language that is more parliamentary?

Mr. Sedgemore: You are absolutely right, Mr. Speaker. I am getting carried away. Obviously Mr. Rawnsley came to the House and was hard-pressed, like the rest of use, to earn a crust. He did not have a story, and the classic story to make up in the Reporters' Gallery is the "empty Chamber" story.

Before I finish, I want to ask my hon. Friend the Member for Newham, North-West two questions. I want my hon. Friend to consider some of the best abuse down the ages and I want to give one example from across the Atlantic and one from this side. When my hon. Friend replies and withdraws his motion I want to know how he would respond to such abuse.

How would my hon. Friend have responded to these comments made by Harry Truman?

"Richard Nixon is a no-good, lying bastard. He can lie out of both sides of his mouth at the same time and if he ever caught himself telling the truth, he'd lie just to keep his hand in."

Also, how would my hon. Friend have responded to the classic 18th century argument between Lord Sandwich and John Wilkes?

"'Pon your honour, Wilkes, I don't know whether you'll die on the gallows or of the pox."

To which Wilkes replied:

"That must depend, my Lord, upon whether I embrace your Lordship's principles or your Lordship's mistress."

A serious point is involved. It is important to preserve the freedom of the press, and that necessitates the freedom of journalists in the Press Gallery to abuse hon. Members down here on the Floor of the House.

4.6 pm

Mr. Robert C. Hughes (Harrow, West): The final comments of the hon. Member for Hackney, South and Shoreditch (Mr. Sedgemore) were important. We must remember that in this relatively comical exchange across the Chamber there is an attempt to hound a journalist. We may well be inexperienced, but he has an absolute right to

report this Chamber. I regard—*[Interruption.]* It was patronising for the hon. Member for Newham, North-West (Mr. Banks) to remark upon the journalist's age and to suggest that he does not know what he is talking about. That was particularly patronising when we consider the offensive remarks that the hon. Member for Newham, North-West has made in this Chamber and in other chambers in which he has spoken in other guises.

I cannot compete with the historical analogies drawn by the hon. Member for Hackney, South and Shoreditch. However, I wonder why the hon. Member for Newham, North-West is so sensitive about one particular column in one newspaper. Why was it more offensive for Andrew Rawnsley in *The Guardian* to say what he said and for complaints to be made in the House about those comments when we consider comments made in the columns in various newspapers last week?

For example, *The Daily Telegraph* called my hon. Friend the Member for Aldershot (Mr. Critchley)

"A restaurant critic who . . . occasionally visits the Commons."

The hon. Member for Nottingham, North (Mr. Allen)—*[Interruption.]* wait for it—was described as "sadistic" in *The Times*. My hon. Friend the Member for Mid-Worcestershire (Mr. Forth) was reported in *The Times* as bearing

"a remarkable resemblance to a member of the Munster family."

The *Daily Telegraph* reported that the hon. Member for Southport (Mr. Fearn) was

"glad of a further opportunity to practise his vocal impersonation of the late Gracie Fields's hairdresser."

Such comments are made day after day and have been made about almost every hon. Member.

There is no need for apologies from *The Guardian*, despite the fact that it has offered one twice. There is no need to complain about the words that are used to describe hon. Members. There is no need for the fuss and bawling across the Chamber that we have heard from Opposition Members. The hon. Member for Newham, North-West can dish it out, but he cannot take it—he has proved that today.

4.10 pm

Mr. Tam Dalyell (Linlithgow): I cannot add to the analyses or jokes about this motion, but, in asking my hon. Friend the Member for Newham, North-West (Mr. Banks)—he is one of my favourite colleagues—to pause, I speak as one who had the misfortune to be investigated by the Privileges Committee 21 years ago. Whatever anyone who has been investigated by that Committee may say, I can assure the House that it is no joke to have been investigated by Lord Elwyn Jones, Duncan Sandys and others.

The Privileges Committee should be reserved for the most important and weighty matters. It is a senior Committee of the House, and the swings and roundabouts of journalism should not take up its time. The Father of the House, the right hon. Member for Castle Point (Sir B. Braine), is nodding in agreement. As one who has been before the Committee of Privileges, I say this with some vehemence. If the Committee is to consider anything next week or the week after that, it should consider what is happening between British Coal and the South of Scotland electricity board——

Mr. Speaker: Order. That is not the motion before the House.

Mr. Dalyell: It would be a far better subject. Or, as the hon. Member for Amber Valley (Mr. Oppenheim) has raised the subject, let the Privileges Committee turn its mind to the subject of question 10 on the Order Paper to the Prime Minister. It concerns Mr. Bernard Ingham and Mr. Charles Powell——

Mr. Speaker: Order. Let us try not to widen the motion. I ask the hon. Gentleman to keep to the motion.

Mr. Dalyell: I say to my hon. Friends that if they vote for the motion of my hon. Friend the Member for Newham, North-West they will be going down a path that many of us may later regret having entered upon.

4.12 pm

Mr. Brian Wilson (Cunninghame, North): This has been a useful debate. I should have thought that the comments of my hon. Friend the Member for Hackney, South and Shoreditch (Mr. Sedgemore) about Richard Nixon would have earned him an honorary knighthood.

I shall speak in three capacities: first, as one who was not here a year ago and who therefore read the sketches avidly as a political activist in the country—and tended to believe what was in them. I can well remember reacting to the scathing references to hon. Members in the sketches. I would certainly have wondered, a couple of weeks ago, where the other 200-odd Labour Members were, on the basis of what I read in the sketch. So I can well understand the sensitivity of Opposition Members—and Conservative Members—to the sort of dishonesty that appeared in Andrew Rawnsley's column.

My second capacity is that of an hon. Member who now knows the truth of what happens. As my hon. Friend the Member for Newham, North-West (Mr. Banks) said, virtually all Opposition Members—and probably most Conservative Members—were engaged in proper parliamentary business at the time when Mr. Rawnsley suggested they were engaged in less worthy business.

My third capacity—this is the only reason why I speak in the debate—is as a member of the National Union of Journalists who until recently earned his living by writing for newspapers, including, from time to time, *The Guardian*. When I wrote for *The Guardian*, I was more worried about whether the typographical errors would extend to getting the football scores wrong.

On the whole, it is much more important to safeguard the rights of journalists and to take account of the freedom of the press than to get too worked up over this sort of thing. It is absurd that for the past hour or so we have been talking about *The Guardian* and one of its writers when all hon. Members know that there are standards of journalism in this country that are a hundred times worse than anything that appears in *The Guardian* or in Mr. Rawnsley's column.

If we want to discuss freedom of the press and the right of reply, of which this is one aspect, by all means let us do so; but let us not pillory one journalist for one bad column on a thin day. Let us address ourselves to the wider issues of freedom of the press and ownership and control of newspapers.

I am less worried by what Mr. Rawnsley wrote than by a little thing that happened last night, when an incident took place, or did not take place, in the Chamber, and the Secretary of State for Scotland went running out to tell *The Sun* and the BBC, to name but two outlets——

Mr. Speaker: Order. May I bring the hon. Gentleman back to the subject? He should confine himself to the motion.

Mr. Wilson: To adduce motives for behaviour in the way that the Secretary of State —and Mr. Rawnsley — did comes from the dirty tricks kennel of Mr. Bernard Ingham. Let us not hear about Mr. Rawnsley without hearing the same about others who try to operate a regime if disinformation about what goes on inside, as well as outside, this House.

4.15 pm

Mr. Tim Rathbone (Lewes): Would it not be wise for the hon. Members for Cunninghame, North (Mr. Wilson) and for Newham, North-West (Mr. Banks) to remember the old Chinese proverb which goes —*[Interruption.]*

Mr. Speaker: Order. Let us hear it.

Mr. Rathbone: I remind hon. Members of the old Chinese proverb: "A little is all very well, but enough is too much."

4.16 pm

Mr. Peter Snape (West Bromwich, East): I have been a reader of *The Guardian* for many years. In the 1960s, before my goods train got under way, I used to lean back in the guard's van and read Mr. Norman Shrapnel, who wrote entertaining stuff about the activities of hon. Members in the House. Since those days the parliamentary reports in *The Guardian* and other newspapers have appeared to take second place to the witticisms or otherwise of the sketch writers.

There is a serious point in what my hon. Friend the Member for Newham, North-West (Mr. Banks) said. I have been a fan of various parliamentary sketch-writers for years. Mr. Michael White and Mr. Frank Johnson, to whom my hon. Friend the Member for Liverpool, Walton (Mr. Heffer) alluded, were probably two of the better sketch writers in the Gallery. I was also a fan, although I did not always agree with his politics or philosophy, of Mr. Edward Pearce. I tabled an early-day motion about him 18 months ago. When Edward Pearce, a sketch writer, criticised the Conservative party, he was removed from the Press Gallery by the proprietor of *The Daily Telegraph*, who said that he did not buy *The Daily Telegraph* for it to be full of anti-Conservative propaganda—a sentiment which would appeal enormously to Conservative Members, if they were capable of reading or assimilating a parliamentary sketch in *The Daily Telegraph* or anywhere else.

So a serious point arises from my hon. Friend's motion, although I hope he will not press it to a Division. I know that he is a great traditionalist about matters concerning the House, although the Trappist philosophy of the Whips Office does not appear to appeal to him greatly at present. I hope that he, like me, will consider the article unworthy of the blunderbuss of parliamentary privilege. I am sure that my learned Friends have given my hon. Friend the Member for Worsley (Mr. Lewis) suitable advice, and that he, like my hon. Friend the Member for Walton will spend the summer on the Italian riviera at someone else's expense. I must confess to a dash of envy about that.

I have never met Mr. Andrew Rawnsley, but, judging from his picture in *The Guardian*, he is only about 14 years of age. Indeed, he appears to be almost as callow as the hon. Member for Amber Valley (Mr. Oppenheim) who, despite his reference to debating skills, appeared to be nothing other than the spokesman for pre-pubescent youth.

I hope that, in making my plea to my hon. Friend the Member for Newham, North-West, I do not sound too much like a sketch writer. I should think that, arising from the debate, there will be an opportunity to write tomorrow's sketch if only to complain about the lack of impromptu debating skills demonstrated by most Conservative Members. It is bad enough that the hon. Member for Mid-Worcestershire (Mr. Forth) looks like a barrow boy, but he does not have to sound like one too.

I trust that my hon. Friend the Member for Newham, North-West will reflect that, to turn out the brigade of guards of parliamentary privilege to arrest a wolf cub such as Mr. Andrew Rawnsley, is not what this House should be about.

4.21 pm

Mr. Roger King (Birmingham, Northfields): All hon. Members like to listen to or to read parliamentary sketches and to note whether we have been mentioned.

I believe that it was unfortunate that Mr. Rawnsley mentioned the absence of the hon. Member for Worsley (Mr. Lewis) during Prime Minister's Question Time. We are now aware of the reason for his inability to ask his question. Naturally, any sketch writer may draw a certain conclusion from that absence and judge that the hon. Gentleman is one of the disappearing masses of the Labour party. The writer has apologised for that one particular misdemeanour.

At some stage we all, I hope, get into the sketch writers' columns. I am proud of the fact that I was in one entitled "Creep of the Year". That article also mentioned my hon. Friend the Member for Eastbourne (Mr. Gow). I am proud of the fact that we were associated, because no one represents principles better than my hon. Friend. However, he was accused of trying to sacrifice his soul for a gong. I am not aware that he has done so on any occasion. Since my hon. Friend has admitted that he has never read *The Guardian* I am not sure whether he has written to condemn the newspaper for that approach.

My claim to fame as creep of the year is that I believe I am the only person who has successfully driven my hon. Friend the Member for Birmingham, Selly Oak (Mr. Beaumont-Dark) out of the Chamber as a result of what I said. If that is correct, I am prepared to accept that achievement in the manner in which it was meant in the article. We have to learn to look at sketches and laugh at them as appropriate.

I accept that Mr. Rawnsley's article was slightly excessive, but I hope that we will consider his article in the knowledge that he has learnt a lesson. We look forward to reading much more accurate sketches in future.

4.23 pm

Mr. Frank Dobson (Holborn and St. Pancras): I always believe that the House is at its worst when it is being its most pompous, and it is usually at its most pompous when it is talking about its rights and privileges. However, today — bless the House — it has not been particularly pompous. One wonders what would have been the reaction of some Conservative Members if the abuse in the article had been directed at the Conservative Benches.

You ruled, Mr. Speaker, that the article was, prima facie, a breach of privilege. Therefore, that gave my hon.

Friend the Member for Newham, North-West (Mr. Banks) the opportunity to propose a motion to refer the matter to the Committee of Privileges.

Privilege, as you are aware, Mr. Speaker, has taken many forms over the years. It was not long ago in the history of the Parliament that it was a breach of privilege to report the happenings in this place, whether such reports were accurate or not. As long ago as 1699 the House resolved that misreporting the proceedings of Members was a breach of privilege.

It is worth noting that the motives behind my hon. Friend's motion do not introduce any elements of novelty regarding the requirements that we would wish the people in the Press Gallery to meet. Their predecessors who attempted to report this place, when such reporting could result in imprisonment or worse, justified their desire to report on the basis that the accurate reporting of elected Members' actions was a sound basis for democracy and accountability. There is absolutely no occasion in history when those reporters suggested that the misreporting of Members was a sound basis for accountability or democracy. My hon. Friend, in wishing for some accuracy and even a lack of malice in such reporting, is not introducing into our discussion, or into any discussion about the freedom of the press, any new elements.

I must admit that, initially, I had not read the article by Mr. Rawnsley because I find it almost impossible to find any article in *The Guardian* since it redesigned its layout. When the article was drawn to my attention, it appeared to me that, again, *The Guardian* was falling somewhat short of the standards that that paper laid down in the days before fancy layout became more important than reporting the facts.

If my hon. Friend is asking *The Guardian* to subscribe to its old standards, I believe that he is, in fact, asking its reporters to remember the world-famous dictum of C. P. Scott—*The Guardian's* most famous editor—rather than being free with the facts and even freer with its comments. C.P. Scott said:

"Comment is free but facts are sacred."

Nothing could have been further from the basis of Mr. Rawnsley's article. I shall read out what Scott said in detail, but I must be careful not to read the wrong quotation, or I might find myself in breach of privilege. The next quotation in the "The Oxford Dictionary of Quotations" is from Captain Robert Falcon Scott, who said:

"Great God! this is an awful place."

C. P. Scott said:

"Its primary office"—

that is, of a newspaper—

"is the gathering of news. At the peril of its soul it must see that the supply is not tainted. Neither in what it gives, nor in what it does not give, nor in the mode of presentation, must the unclouded face of truth suffer wrong. Comment is free but facts are sacred".

We cannot just blame Mr. Rawnsley for his article. The people who purport to edit that newspaper must also accept the responsibility. Mr. Rawnsley and his editor must realise that they have fallen far short of the standards to which that newspaper used to subscribe.

There is one new element in our discussion. Recently we voted to set up a Select Committee to consider all aspects of televising the proceedings of the House. One of the tasks of the Committee is to come up with guidelines to provide safeguards for the House and individual Members, which must be followed by the television authorities and its employees. Even now both sides of the House doubt whether the television authorities will stick to any guidelines that are laid down.

I suspect that my hon. Friend the Member for Newham, North-West will not press his motion, but those who are enthusiastic for that course of action should bear in mind the effects of television. The television authorities will not be keen to follow any guidelines for their coverage of the House, and if they see we are not even prepared to refer to the Privileges Committee the guidelines for the scribes in the Gallery which were laid down about 150 years ago, they will think that, if they push, they will get their way whatever they do.

We must bear in mind the consequence of our actions today. On balance, I believe that, to take terrible retribution against Mr. Rawnsley—I must admit that appearing before the people likely to sit on the Privileges Committee would be terrible retribution—for a sloppy, second-rate article of which he and *The Guardian* should be ashamed, might be going too far.

4.29 pm

The Lord President of the Council and Leader of the House of Commons (Mr. John Wakeham): Just as I believe that you, Mr. Speaker, were right to give this matter precedence in debate over the business of the House set down today, so I believe that we should have regard to the important debates that are to follow, and therefore I shall be brief in my remarks.

It has been a good-natured, humorous and entertaining debate, but there are some serious points to be made, if only for consideration for the future. Your decision, Mr. Speaker, to give the matter precedence — this is an important point, because the hon. Members for Liverpool, Walton (Mr. Heffer) and for Holborn and St. Pancras (Mr. Dobson) did not quite get this right—does not imply that a prima facie breach of privilege or contempt of the House has occurred. For that reason, our task today is not to examine exhaustively all the arguments as to whether that has taken place, but simply to decide whether there is sufficient cause to refer to the Committee of Privileges the article in *The Guardian* newspaper of 2 March, as the hon. Member for Newham, North-west (Mr. Banks) proposes.

The purpose of parliamentary privilege is to enable hon. Members to carry out the job for which they have been elected. To enforce that privilege, the House has penal powers which it may decide to exercise in any particular case where there has been a breach of privilege. In deciding whether to make use of that power, the House would doubtless wish to take account of the recommendations that it approved on 6 February 1978. These derived from the report of the Select Committee on Parliamentary Privilege in 1966-67, which took the view that, in general, the House should exercise its penal jurisdiction as sparingly as possible and only when it was satisfied that it was essential to do so to protect itself from substantial interference in the performance of its functions.

That leads me to the first set of arguments against accepting the motion, which were first made by my hon. Friend the Member for Eastbourne (Mr. Gow) and others —that the House would be behaving in a pompous and over-sensitive manner to bring in the full weight of the Committee of Privileges over this parliamentary sketch, for which some apology has already been made. The supplementary argument is that the House should be wary

[Mr. John Wakeham]

of entering into a process where the penalties at its command are too draconian sensibly to be imposed and, therefore, that it would look foolish by having caused a fuss for no effect.

I appreciate the concerns revealed by those two lines of argument, and I am sure that they would have great force, but the logic of raising the matter on the Floor of the House is to refer it to a Committee of Privileges for two reasons. First, there is a general view that irresponsible criticism of the House may, over time, damage its standing and impair its effectiveness. No one is saying that the House should be immune from adverse comment, but, if our effectiveness is not to be damaged, there is a point beyond which legitimate criticism cannot go. In those circumstances, the House should properly be concerned about what is said in the press.

Mr. Dalyell: Are there not matters with which Privileges Committee should be much more concerned, such as the misbehaviour of the most senior Minister in such matters as Westland and the bombing of Libya?

Mr. Wakeham: That is the hon. Gentleman's view, and I might have my own view about that, but we are not dealing with that this afternoon.

The immoderate tone of the article, its perhaps wilful lack of understanding of, or reference to, the work done by hon. Members outside the Chamber, and its irresponsible focusing on the absence of the hon. Member for Worsley (Mr. Lewis), apparently with no check on the true position, raises, in one view, sufficient reason to justify consideration by the Committee of Privileges.

The second reason is that referring the matter to the Committee of Privileges is the best way to provide the House with a further means of considering the matter. In that referral the House is asking the Committee to consider, first, whether a breach of privilege or contempt of the House has taken place and, secondly, if so, what action should be taken against those who have committed it.

A range of options are open to the Committee of Privileges in the consideration of the article. The Committee would make a judgment as to the appropriate response and report to the House. If, however, the matter is not referred to the Committee of Privileges, the question of the attitude of the House to the article would rest at the end of this debate on the fact that we do not think it worth referring the matter to the Committee.

I am content either way. If the hon. Member for Newham, North-West presses his motion, I shall support him. If he withdraws it, I shall be perfectly content and that will be the end of the matter.

4.34 pm

Mr. Tony Banks: I am grateful to the Leader if the House for his comments. The debate has been useful and it has certainly been entertaining, with a serious content as well.

The House must be mindful of the fact that wilful abuse of hon. Members in this place will, in the end, undoubtedly undermine any public confidence that people might have in the House and how we operate our procedures. However, I believe that referral to the Committee of Privileges is perhaps heavy-handed. One would like, perhaps, to have referred the matter somewhere else, but, as the Leader of the House will know, there is nowhere else that one can refer such a matter.

I was grateful to my hon. Friend the Member for West Bromwich, East (Mr. Snape) for his contribution to the debate. Indeed, I was most impressed by the arguments put forward by Labour Members. I was particularly grateful to the hon. Member for mentioning Mr. Ed Pearce. In one of his sketch articles in *The Daily Telegraph*, when I was chair of the arts and recreation committee of the GLC, Mr. Pearce referred to me as

"the snarling czar of culture in London".

I was less than amused by that comment, but I should like to report to the House that I shall be having dinner with Mr. Pearce later this week, which shows that I am of a very forgiving nature.

In view of what the Leader of the House has said, as the House has made clear its feelings, and in eager anticipation of a champagne supper with Mr. Andrew Rawnsley, I beg to ask leave to withdraw the motion.

Motion, by leave, withdrawn.

Estimates Day

[1ST ALLOTTED DAY]

Supplementary Estimates, 1987-88

CLASS IV, VOTE 3

Storm Damage

[Relevant document: First Report from the Agriculture Committee (House of Commons Paper No. 272-I of Session 1987-88) on Storm Damage of 16 October 1987]

Motion made, and Question proposed,

That a supplementary sum, not exceeding £1,000 be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1988 for expenditure by the Ministry of Agriculture, Fisheries and Food on market support, grants and loans for capital and other improvements, support for agriculture in special areas and compensation to sheep producers, animal health, arterial drainage, flood and coast protection, and certain other services.—*[Mr. Donald Thompson.]*

Mr. Speaker: May I remind the House that the Vote chosen for the debate was recommended by the Liaison Committee, as far as it relates to the storm damage recovery scheme 1987.

The House agreed to the Liaison Committee's report of 3 March, and the Standing Order No. 131 recommendations of the Liaison Committee thereby have effect as if they were orders of the House. The debate should be confined, therefore, to the storm damage recovery scheme in 1987.

4.37 pm

Mr. Jerry Wiggin (Weston-super-Mare): As a result of what you have announced, Mr. Speaker, the House will already know that sub-head 3*(c)* of the Supplementary Estimates provides a mere £350,000 for the storm damage recovery scheme, but I should not wish the debate to be diverted to that technical point, as we have rather more to say about the storm damage.

On the night of 16 October 1987, the country was hit by a hurricane so damaging that there has never been one so great in either living or recorded memory. The damage is estimated, in insurance terms alone, at over £900 million and the total damage is likely to be well in excess of £1 billion. It was infinitely the worst natural disaster that this country has ever seen. The storm blew down some 15 million trees and has left lying on the ground over 4 million cu m of wood.

At the beginning of the Session, the Select Committee on Agriculture resolved that it would investigate in the long term forestry and land use and it proposed that, in the circumstances of the disaster and of the problems already being experienced by December among those afflicted by the damage, we would do a rapid study of the matter and see who was affected and in what way.

Mr. Nicholas Fairbairn (Perth and Kinross): Before my hon. Friend starts making magnificent exaggerations about the worst disaster that this country has ever seen, I remind him of the floods in Scotland in 1942 and 1947 and of the gales in 1950, 1958 and 1968 in which our timber crop was decimated; but we were not so greedy as to ask for help and we were not so selfish as to demand it.

Mr. Wiggin: I shall have something to say later about the merits, or otherwise, of Government assistance for storm damage and natural disasters. However, I advise my hon. and learned Friend that, in financial terms, none of the disasters he mentioned were of anything like the same scale as the storm in October. There is a precedent for Government assistance in that the last great storm in Scotland — I think that it was the 1968 storm that he mentioned — achieved a Government grant for the transport of fallen timber — *[Interruption.]* I am afraid that my hon. and learned Friend is not correct – there is a precedent for assistance. It is not a question of competition. The Committee dealt with one particular matter and we have looked at it in considerable detail.

I begin by dealing with some of the modest and less important aspects as they pertain to the Ministry of Agriculture, Fisheries and Food. It is true that the Government responded by producing greater flexibility under the agricultural improvement scheme. We believe that that will be of some assistance to some farmers, providing that they do not rub up against the overall limits that have been imposed by the Community. We should like the Minister to exercise some flexibility about the deadline for notifications under the storm damage recovery scheme as the closing date approaches.

We fully acknowledge the comments of my right hon. Friend the Minister of State who gave evidence before the Committee. I am sorry that he is not with us this afternoon, but I am certain that my hon. Friend the Parliamentary Secretary will reply to the debate with great competence. There is a feeling in the affected counties that the Ministry of Agriculture, Fisheries and Food has not absorbed the seriousness of the storm, its extent or the damage that it has done, not only to landowners, but to tenants and to many other people involved in horticulture and agriculture.

Mr. Tim Rathbone (Lewes): Without interrupting my hon. Friend's train of thought or anticipating what he is about to say, may I ask him to confirm that it is estimated that each acre of woodland that has been affected will cost over £1,000 just in terms of clear felling, let alone replanting? I am sure that my hon. Friend will come to that point.

Mr. Wiggin: I agree entirely with my hon. Friend although I do not think that "clear felling" is the right phrase for timber that has already fallen; my hon. Friend means clearing up the damage. I agree entirely with the figure that he has quoted, but I think that in some cases it will be rather higher.

The Ministry of Agriculture commendably produced the storm damage recovery scheme, about which I was speaking and £1 million allocated to it. The purpose of the scheme — I am sure that my hon. Friend the Parliamentary Secretary will elaborate on this — was to assist farmers to cope with environmental damage, such as fallen trees in hedgerows, and damage to the countryside — separate from forestry and local authority damage. We believe that £1 million is likely to prove totally inadequate and, as we gain experience I hope that the Government will remain flexible and revise the figure if the Select Committee should be proved correct.

[Mr. Wiggin]

We then turned to the problem of glasshouses. I fully accept — as does the Committee — the principle that insurable risks should not be assisted by central Government in such circumstances. It is normal practice for glasshouse growers to insure their glasshouses, as even minor storms can affect glasshouses and most growers take out insurance to cover that risk. However, the damage was so widespread and so huge that it seems that the figures used for insurance purposes have almost universally proved inadequate.

We were told that, perhaps not unreasonably, glaziers working on 15 October would charge, with overheads, about £10 per hour, but by the following morning that figure had risen threefold to £30 per hour or more—that is, if anybody could be found to do the work. That is market forces. If one had insured one's glasshouse for £10 per hour for repair costs, finding that one had to pay £30 per hour would be a serious imposition. We received substantial evidence, from responsible bodies such as the National Farmers Union of England and Wales, that the majority of glasshouse growers were at least 20 per cent. under-insured.

I do not have to remind my hon. Friend the Parliamentary Secretary of the competitive nature of the glasshouse industry. It faces competition from across the water. Indeed, many of us believe that it faces unfair competition, especially from Holland. Because of the magnitude of the storm, the ability to replace fallen glasshouses was much reduced. Manufacturers' order books are full and, of course, they are unlikely to wish to expand their capacity too greatly because this is a one-off. I hope that sympathetic attention will be given to the needs of that important sector of the horticultural industry.

We commend the grant that was given to those whose fruit trees were knocked over — £2 per tree is welcome assistance. I know that the Government will be assiduous is seeing that only those who suffered genuine storm damage can receive that subsidy. However, it seems unfair that if, instead of growing apples, pears, cherries or whatever, across the fence one grows gooseberries, strawberries, vines or even hops and suffer the same damage, no subsidy is payable on those crops. That is a point of equity which I am sure that the Government will consider.

Perhaps the most important evidence that we took was that from the Forestry Commission. The House knows that the Forestry Commission is the agency of my hon. Friend's Department in England. We examined the Forestry Commission in some detail and endorsed its policy of restraining the production of pine and hardwoods, so far as it could. The huge surplus of fallen timber in the south-east has not only reduced prices but completely consumed the capacity of all the mills in the area.

We commend the service and advice that the Forestry Commission has given. It has put its experts into the area to provide assistance to all woodland owners who were affected by the storm. We recommend that the proposals put to the Government on tax concessions for woodland growers who were badly affected are considered sympathetically, although at this time of the year I do not expect the Minister to respond to that in any detail.

I turn now to the most important aspect, which was emphasised to us wherever we went and by all those who gave evidence to us. Many of my hon. Friends have spoken to me about it. I refer to the problem of clearance. The difficulty of clearing timber that has fallen in such circumstances has to be witnessed to be understood. It is not a question of trees falling in line, which can be neatly recovered. Trees have fallen higgledy-piggledy, with their roots torn up and boughs smashed. In some cases the impossibility of even getting inside the woods to assess the damage makes the cost of the operation infinitely greater than in any other circumstances.

I once saw the damage done by the explosion at Mount St. Helens, where hundreds of thousands of acres of trees were flattened, but they were flattened in the same direction. In this case, trees have fallen in different directions. Indeed, it reminds one more of the battle of the Somme than of a former grand forest.

Owners are assessing their position. Many find that the sort of figures that my hon. Friend the Member for Lewes (Mr. Rathbone) mentioned earlier of £1,000 per acre or £1,200 per acre for clearing the fallen wood are simply beyond their means, let alone the practical business considerations that would merit such expenditure. For that reason we take the recommendation of the action committee — a rather unfortunate name for the committee, but it was set up promptly with the Forestry Commission's assistance. A timber merchant was the chairman and timber growers were well represented.

The committee argued, we believe too modestly, that a grant for clearance would be best in the form of a transport grant to move fallen timber from the afflicted area to mills elsewhere in the country that had the capacity to process the wood.

It came up with suggestions for doing that, just before Christmas. We are now into March, almost six months after the disaster, and not one peep has been heard from the Forestry Commission and not one comment has been made by the Government.

In the interim, the fallen beechwood, which stains very rapidly, is deteriorating, possibly to the point of having no commercial value. It is expected that fallen pine will be consumed within the next few months by some avaricious beetle that attacks fallen timber of that type. By the end of the summer, if nothing has been done, a large natural resource will have been allowed to go to waste. That is another reason for sympathetic consideration by the Government for getting things moving.

The Committee examined, although it was not strictly within its purview, evidence from the Department of the Environment, which is charged with dealing with smaller woodlands. We came across a sorry story. The Government have used the Bellwin proposals drafted by Lord Bellwin, who was a Minister in 1981, when he was asked——

Mr. Ron Davies (Caerphilly): It was 1983.

Mr. Wiggin: I am grateful to the hon. Gentleman. He was a Minister from 1979. In 1983 he was asked to draw up a formula to deal with natural disasters to recompense local authorities that were forced to go out the next morning and deal with a massive disaster. Some 87 authorities were affected by the storm. They went forth and spent £98·6 million on clearing storm damage in the immediate aftermath of last October's storm.

Under the formula provided — based on figures from the Association of County Councils, which sent formal

evidence to the Committee on 24 February — the Government will provide a special grant of £18·3 million, but on expenditure below the 1p rate threshold the authorities will lose block grants of £9·8 million. The Government's net contribution will be £8·5 million, so their approach to the enormous burden facing local authorities is to give a grant of less than 20 per cent. and then to more than halve the benefit of even that level of support by clawing back block grants. The association claims that 24 local authorities expect to lose more in grant than they receive in special grants. I am sure that the House will find that unacceptable.

Although the Secretary of State for the Environment made a statement on the matter, it did nothing to put right the problem, and although the Government said that their basic principle was that authorities should not profit from the storm, they will hardly be seen to be generous if they give away with one hand and take back with the other.

Sir Peter Hordern (Horsham): I do not know whether the Minister will reply to that important point, but in West Sussex the authority spent £8·5 million, which will generate an estimated £4 million net of additional grant. There is no question of central Government making a profit out of our storm damage expenditure.

Sir Geoffrey Johnson Smith (Wealden) *rose*——

Mr. Deputy Speaker (Mr. Harold Walker): Order. We cannot have an intervention on an intervention.

Mr. Wiggin: I gave way to my hon. Friend the Member for Horsham (Sir P. Hordern), but both my hon. Friends were seeking to intervene.

Sir Geoffrey Johnson Smith: I have great respect for the authenticity of the Committee report, but on this matter my hon. Friend the Member for Weston-super-Mare (Mr. Wiggin) has been overtaken by events, as I will make clear in my speech. There is no question of the Government making a profit out of East Sussex, but at the time my hon. Friend was doing his preparatory work, that was the impression.

Mr. Wiggin: I am prepared to accept that in the case of East and West Sussex, as I believe that both authorities are relatively satisfied. I have a letter dated 24 February, which is not so very long ago, from the Association of County Councils. It has not been questioned subsequently by those who have had access to the letter, and it says that 24 local authorities are worse off. I am glad that the authorities my hon. Friends represent are not, but none should be. The whole idea of assistance after a storm is to help out.

Mr. Michael Lord (Suffolk, Central): I represent the county of Suffolk, which falls very much into the category my hon. Friend describes. We have suffered a penalty, by being allowed to spend only up to a 1p rate on storm damage, which means that the Treasury will benefit from Suffolk's misfortune.

Mr. Wiggin: That confirms what I have been saying. I do not wish to be drawn into this matter, because I believe that the rate support grant basis is bonkers and I have consistently voted against it. It shows that the Bellwin scheme for assistance does not always apply as it ought to. We strongly recommend that the Government should put right the wrong in relation to the storm and should devise a formula so that criticisms are not made in the future.

The French Government have indicated that they will spend some £15 million on storm damage. We have received evidence that they are considering how they can help with the recovery of second quality wood which is proving almost unsaleable. The French lost about twice as much woodland as we did. My Committee wishes to keep an eye on the matter as it progresses and, if there is little action or if complaints continue to be made, we shall investigate the matter. We will follow the progress of the French to see how our Government compare with theirs in the matter.

We strongly urge the Government to take account of the evidence from local authorities about the scale and timetable of the clearance problem. Government strategy to support general amenity restoration can be meaningful only if it is based on realistic, realisable objectives. It must be properly financed over an orderly, five-year programme.

I am fully seized, having sat in the seat that my hon. Friend the Minister now occupies, of the Government principle that public money is not always readily available to assist in all disasters. A substantial principle is involved. On the other hand, the Government have breached the principle—in my view justifiably, and with the support of all Conservative Members — in recent disasters. Donations were given after Bradford and Zeebrugge. When I had a serious disaster in my constituency the Government did not contribute, but they have changed their view and there may be a necessary humanity in that, which I am not criticising.

With a natural disaster of this size, where people may not be able to do anything about the damage, in a civilised and responsible country we have a duty to consider our countryside and resources and to look after people who, if we do not assist them, will leave the shambles to deteriorate, which will affect wildlife, scenery and our natural resources. For those reasons, my Committee has made the recommendations it has.

I should like to conclude on a happy note, by commending very strongly the immediate reaction to the storm by the various Government Departments, in particular the Ministry of Agriculture, the local authorities, the electricity boards, the Army, the police and various private organisations, which acted so promptly and efficiently in the immediate aftermath of the storm.

We believe that the Government must have a more thorough and more long-term strategy in this matter. They can help with advice, but in this case they must now help with some finance. It would be unforgivable if, 10 years from now, we could still see the wreckage that that disastrous night produced in such a very large part of the south-east of our country.

5 pm

Dr. David Clark (South Shields): Opposition Members accept Mr. Speaker's guidance at the beginning of the debate that it should be restricted, as the Liaison Committee recommended, to the storm damage recovery scheme—a very narrow topic indeed. But I must place it on record that, while we accept that ruling in its entirety, we do not find this method of debating the Estimates the most satisfactory one.

It seems to us that one of the most important roles of Parliament is to monitor the Estimates, and those before us are very important indeed, covering as they do such issues as the dairy outgoers' scheme and, the storm

[Dr. David Clark]

damage, and revealing the fact that the Government had no contingency moneys to deal with compensation for the Chernobyl-affected farmers in this financial year. However, we are not able to discuss those issues; we are restricted by the Liaison Committee's ruling. Therefore, we must accept that we can only debate the storm damage recovery scheme and, of course, the Select Committee's report.

Mr. Terence L. Higgins (Worthing): In the light of the hon. Gentleman's comments, perhaps I should say that the House, through its Select Committees, can look at the whole range of Estimates. It is then up to the Houue, through the Select Committees, to decide which ones to examine and which to suggest for debate. So there is no reason why any of the Estimates should not have been debated if the Select Committees had looked at them.

Dr. Clark: I thank the right hon. Member for that comment, but perhaps I should explain why it is particularly inappropriate today. Alongside the debate on the storm damage recovery scheme, we are debating the report of the Select Committee on Agriculture. I suggest that this is not the most appropriate time. The report was published on Thursday. The evidence is not yet available; it has not yet been published. We still do not have the Government's response, and we have placed a very unfair burden on the Parliamentary Secretary in that, within 72 or 100 hours, he will have to give the Government's response on this very complicated issue. This is a very important issue, as the hon. Member for Weston-super-Mare (Mr. Wiggin) has said, and we are not doing the work of the Select Committee justice by discussing the report today. But we have no option; that is all that we can do.

Mr. Wiggin: I confess to being a beginner in this matter —this is the first Select Committee that I have attended, let alone chaired — but I thought that it was highly commendable that not only were we able to come forward very quickly with our report but that hardly was the ink dry on the paper than we could debate it on the Floor of the House. The alternative, I suggest to the hon. Gentleman, was that it should lie on a shelf gathering dust while other Select Committees made reports that the Liaison Committee might consider more important. So I grasped the opportunity for a debate and welcomed it. I hope that the hon. Gentleman will not be churlish, because the Chairman of the Liaison Committee is sitting here listening and he may not let me have another go next time when we deal with Chernobyl.

Dr. Clark: I take that point, but I find it rather strange that the Liaison Committee recommended to the House that we should debate this report before it was published. It may be a matter of prophecy on the part of the hon. Gentleman, but it is a very strange phenomenon indeed.

I welcome the debate, but the hon. Gentleman has the advantage, as have his fellow members of the Select Committee, of having had an opportunity to see the evidence. We in the House have not had that advantage. Therefore, we must make our judgment on the report itself, which, I am sure the hon. Gentleman will admit— and I understand the reason —is a short, quickie report. It is five and half pages long and there is not a great deal in it to debate. Nevertheless, that is what we have to try and do.

I have made my point and I hope that right hon. and hon. Members who have an influence in this will take the point on board. We are not criticising the way that it is done; we are criticising the timing. I am sure that everyone of good will will understand the point that I am making in this respect.

I congratulate the hon. Member for Weston-super-Mare on his presentation, on his analysis of the Select Committee's work and on explaining to us the reasons why it came to the conclusions that it did—conclusions with which, in general, I concur. It is a very worthwhile report. It is short, and I understand the reasons why, but even that short report provides evidence of the Government's lack of will to help alleviate the effect of the storm damage, which will affect our landscape for years to come and the livelihood of many farmers and horticulturists in the south-east of England, who are in great difficulty as they struggle, in many cases, to get their businesses back on an even keel and start earning their living.

The Select Committee has produced this worthwile report and it is the duty of the House to press the Minister today to give us some reaction to the submissions put forward. Perhaps I might add the voice of the Labour party to that of the Select Committee in commending the speed and initiative of all the public servants concerned in their efforts to tackle the immediate aftermath of the storm. I only observe that it is a great pity that, as the report shows, their efforts were not reflected later in the Government's action.

However, the great storm, as it is now called, of 16 October will remain a non-event for the vast majority of people in this country. For those of us who live in the more temperate climes of the north of Britain it was a complete non-event. As the hon. and learned Member for Perth and Kinross (Mr. Fairbairn) reminded us, there have been very many great storms, certainly north of the border. I well remember the 1968 wind-blow, which left many forests in Scotland completely flattened. The right hon. and learned Gentleman got it slightly wrong. There was Government aid on that occasion, to the extent of 75 per cent. I do not grumble. That was quite right, and it was a Labour Government who provided that finance to try and help put the matter right.

Not having experienced the storm at first hand in the south, I paid a visit to Kew gardens and other parts of the south of England in the days following the storm. I was shaken by the extent of the damage, as indeed was my hon. Friend the Member for Caerphilly (Mr. Davies), who accompanied me. It was a stark reminder of the terrible force of nature and of how small are the works of man. The sight of trees not only flattened but with their centres completely taken out as if by a corkscrew is something that I shall remember for many years.

I was also impressed by the fortitude of the farmers and horticulturists whose years of dedicated labour and whose investment were often lost in the force of that hurricane on that single night. The effect was traumatic.

I wish that the Government had been more generous in their response. I draw the attention of the House to paragraph 24 of the Select Committee's report, in which it rejects the applications of the Bellwin formula. The hon. Member for Weston-super-Mare said that this was perhaps the main bone of contention that his Committee

had with the Government, and it is a bone of contention which Opposition Members share. We agree with the sentiment, because we find it reprehensible that even by accident the Treasury should make a profit out of this disaster.

We have heard from Conservative Members that certain counties have lost, and certain other counties have not been penalised by this formula. I remind the House that the Government agreed to grant-aid the local authorities in their efforts to deal with storm damage at the rate of 75 per cent. in excess of the penny rate levy. However, any expenditure within that amount would count for penalty, and would therefore be subject to a clawback by the Treasury. The letter from the Association of County Councils, dated 24 February and read out by the hon. Member for Weston-super-Mare, is worth repeating. The association was referring to the general application of the rule as it affected the totality of councils, not individual councils.

Sir Geoffrey Johnson Smith: Let me mention a bone of contention in this important matter. My right hon. Friend the Secretary of State for the Environment constantly assured the House, and wrote in letters, that there was no question of the Government making a profit out of the disaster, and I believed him. Then I heard from the leader of my county council that that did not seem to be the case: there was some dubiety about it. I am assured that it has all been cleared up now. I cannot believe that there is one law for East and West Sussex and another for the rest of the country, so that we do well and no one else does, and I hope that my hon. Friend the Minister can reassure us.

Dr. Clark: I hope so as well, but I should like to express my anxieties. An up-to-date letter received only today or yesterday by my hon. Friend the Member for Copeland (Dr. Cunningham) from the Secretary of State for the Environment may clarify the position.

The Association of County Councils made the point that on an expenditure of a penny rate threshold the 87 authorities concerned would lose the block grant of £9·8 million. It is worth quoting the last sentence of the association's letter:

"In other words, the Government's approach to the enormous burden facing local authorities is to give a grant of less than 20 per cent., and then to more than halve the benefit of even that level of support by clawing back block grant."

Let me also quote from a letter from the chief executive of the London borough of Barnet, an area to which, I understand, every Minister is to pay special attention for some reason. On 23 November, the chief executive wrote to the Secretary of State:

"For Barnet, the scheme requires a local contribution equal to the product of a penny rate, after which the Government will contribute 75 per cent. The effect of this is that the Council will have to finance the first £612,000 of the cost of rectifying the storm damage, together with 25 per cent. of the balance if the ultimate bill is above that figure. As the Council's budget is in excess of its GREA, all additional expenditure will bring a grant loss of £70,000 for each further £100,000 spent. Thus even at a one penny rate level, the effective cost to the Council could exceed £1 million."

Let me spell that out in my own words. The Barnet experience shows how the Department of the Environment and the Treasury together will profit to the extent of £70,000 for every £100,000 spent by the council on storm damage repair. Barnet ratepayers, in common with many others, will have to raise £170,00 to spend £100,000 on storm repairs. That is a deliberate and established feature of Government controls on local authority expenditure.

The Barnet chief executive continued:

"The Council feels that the Government's scheme of special financial assistance is quite inadequate to meet the circumstances of this natural disaster and moreover considers that the severity of this storm was such that the ratepayers of the Borough should not be put to a considerable extra burden."

That point was also exemplified by the Select Committee.

We have had assurances and counter-assurances, and I hope that the Minister will give us the definitive assurance tonight. But in a letter dated 8 March headed

"Storm damage: agricultural committee report",

to my hon. Friend the Member for Copeland, the Secretary of State for the Environment explained why he believed that there would be no penalty:

"I continue to believe that prudent authorities should have budgeted for a contingency up to the threshold, including the block grant consequences, and that it is right therefore for them to bear these costs."

What the Secretary of State is saying is that every local authority in the country should have had contingency funds to meet any emergency. The Parliamentary Secretary, the hon. Member for Calder Valley (Mr. Thompson) says that he agrees with that, but the view of the Select Committee and of the hon. Member for Western-super-Mare is that the storm was not a normal contingency, but a national disaster par excellence. They believe that the Government should recognise that as well.

Under the Government's formula, those authorities will be penalised, because it is a fact of life that almost every local authority in the country did not have sufficient contingency funds to meet the effect of the disaster. That is why authorities such as Suffolk have openly come out and said that they had been penalised. I ask the Minister to examine the matter, and, if he cannot answer today—it is very complicated—to try to get to the bottom of it. If there is any chance of anyone losing out, let us put the matter right. That, I am sure, is the will of both sides of the House.

Paragraph 10 of the Select Committee report deals with the scale of damage affecting the glasshouse industry. As the hon. Member for Weston-super-Mare rightly pointed out, immediately after the disaster the laws of the market were brought into play. Money to pay for new glass, and the skilled labour required for the reconstruction, were found to be in short supply.

Given that problem, and the exceptional difficulties in which growers will be placed in the coming season—for the storm damage was not limited to one night; it will affect their livelihoods and production in the ensuing weeks, months and, in some cases, years — will the Minister reconsider the possibility of providing extra help for horticulture? I remind him that it is of tremendous value to the country, providing high-quality products such as fresh vegetables and fruit, and is often neglected. It is the Cinderella of the agricultural industry, and is facing severe foreign competition, which will take every possible opportunity to squeeze out of the market many of those affected by the storm.

Mr. Lord: Does the hon. Gentleman agree that the horticultural industry is also one of the least subsidised, and does not depend on Government grants for anything in the normal course of events? An extraordinary event such as this surely justifies the provision of help.

Dr. Clark: I happily take the hon. Gentleman's point. Indeed, I shall take it a stage further. I believe that the scheme drawn up by the Minister was too narrow, and I find it difficult to understand why hop and soft fruit growers were excluded. That point was seized on by the Select Committee with some force. Why are the Government not prepared to help growers who were affected by the storm?

I hope that the Minister will not reiterate the evidence of his colleague to the Select Committee that the Government could not support growers

"on the grounds that overall damage to these sectors was not great"

although he acknowledged cases of individual hardship. That is no excuse for meanness. Even if only one person had been affected on that night, he would have to claim.

In its report, the Select Committee paid much attention to the subject of timber. As the hon. Member for Weston-super-Mare reminded us, we lost approximately 15 million trees on the night of the storm, which represents approximately 4 million cu m of timber—about seven or eight years supply. Some 20 per cent. of the woodlands in the worst affected areas of East and West Sussex, Kent and Suffolk were destroyed.

On top of the ravages of the Dutch elm disease, the significance of those losses is even more poignant. Woodland owners in the private and public sectors are faced with the formidable task of clearing up and replanting trees and with a financial loss as a result of the glut of timber on the market.

It is only right and proper for the House to put on record its debt of gratitude to the Forestry Commission for the policy that it has adopted. It has reduced the amount of its timber to be felled to help to keep up the price of timber for the private woodland owner. However, it is still quite likely that the price of some timber will fall by 30 per cent.

The Forestry Commission's flexible approach has shown the nation the value of having a mix of privately and publicly owned woodland. The Forestry Commission, because it is publicly owned, was able to limit the supply of timber in the national interest. None of us would have expected the privately run forestry industry to make such a sacrifice because its investors would not have permitted it. In essence, the Forestry Commission has created an intervention store to manage a surplus product.

That example is one good reason why we should attempt to achieve a consensus on forest policy and obtain the right mix of private and public forestry. For many years there was agreement among hon. Members on this matter. I regret that the Government have seen fit to renege on that policy. I hope that the lessons of the storm will persuade them to think again.

One general matter that is repeatedly referred to in the Select Committee's report is the need for flexibility. The effects of the storm were far greater than anyone imagined. I hope that the Minister will be sympathetic to the Select Committee's proposals to exercise flexibility, especially in relation to the deadline for notifications under the storm damage recovery scheme.

We accept that such storms are rare. However, there is evidence from eminent scientists that the way in which we are treating our natural environment could result in many more natural disasters. Those eminent scientists are saying that the greenhouse effect could result in more climatic changes that will lead to more hurricanes, floods and droughts. Dr. Karas and Dr. Kelly of the climatic research unit of the university of East Anglia are working on a thesis and they expect proof within the next few years of whether the increase in the global temperature will surpass natural variations. On three occasions during this decade alone that has happened. They claim that one result could be more natural disasters.

We must spend more time considering how we cope with natural disasters. The House is right to question the Government about whether they have learnt from the experiences of the storm or from those of Chernobyl. They have manifestly not learnt the lessons of Chernobyl, and I am sceptical about whether they have fully learnt the lessons of the storm.

I associate myself and the Labour party with the concluding sentence of the Select Committee report, which says:

"A more thorough and long term Government strategy, particularly financial, but advisory as well, is now needed."

5.25 pm

Sir Geoffrey Johnson Smith (Wealden): I was pleased to hear the hon. Member for South Shields (Dr. Clark) give such warm-hearted and generous support to the Select Committee report. His concluding remarks rightly drew attention to the lessons that need to be learnt, particularly given the possibility of climatic changes. However, whether there are climatic changes or not, there is a need to develop a more comprehensive strategy to deal with natural disasters.

I congratulate my hon. Friend the Member for Weston-super-Mare (Mr. Wiggin) and the other members of the Committee on producing a report that is thorough, comprehensive and objective. Its conclusions bear no hint of a political compromise in an effort to present a united front. Sometimes Select Committees pull their punches to present a united front, but on this occasion there was no need for the Committee to approach the matter on a political basis because the report is not concerned with political theory or party politics. It is a fact-finding report and it is a pity that we do not have much of the evidence to support the report. Fortunately, I have some of the evidence with me and I know the people who presented some of it. However, it would have helped the House to have that evidence.

I have no doubt that the Committee has produced a thoroughly good fact-finding report about the physical impact of the hurricane which swept through the south-east on the night of 16 October. It was the most ferocious hurricane for 285 years.

I have no doubt that the report tells the truth, because I was present on the night and I saw the storm's devastating effects the following morning. I have spoken to many people who suffered the most grievous damage to their farms, woodlands and houses. Therefore, there is nothing that I can or wish to say that would embellish or seek to exaggerate the effects of the hurricane on a county that was in the path of the storm and which bore the full brunt of it. Its countryside is the most heavily wooded in England.

Largely because the storm struck at about 4 am, there was no loss of life. I dread to think what would have happened if it had arrived earlier when people were about. Communications broke down. I know that this matter was not dealt with at length in the report, but it is part and parcel of the lessons that we should learn to help us to

develop a strategy. There was a catastrophic lack of communication, and had there been loss of life it would have had serious effects on our ability to deliver suitable aid.

I said that there was no loss of life, but that is not quite true. While reconnecting the essential electricity services, which was often a hazardous operation, two men lost their lives — Ian Rice of the Merseyside and North Wales electricity board and Gordon Marsh of the East Midlands electricity board. I am sure that the House would like to express its deepest sympathy to their families. They, and other electricity board employees, did a sterling job. They responded quickly and came from all over the country to help. British Telecom managed to obtain aid from elsewhere to help it to carry out its very complicated job.

I am sure that all hon. Members will endorse wholeheartedly the comments made by my hon. Friend the Member for Weston-super-Mare in the report, that the public authorities and the Government played their part as best they could, bearing in mind the suddenness of the onslaught and the fact that communications had broken down.

Before I deal with the measures recommended, and which have been taken to help farmers, the orchards and woodlands, I should like to say a few words about the cost facing East Sussex county council. The report says in paragraphs 23 and 24 that the Government have not honoured their pledge not to make a profit out of the clawback arrangements operating under the rate support grant formula. The hon. Member for South Shields spoke of that.

We have been very fussed about it in East Sussex. My understanding, having met the leader of the county council who has been persistently pursuing the matter, and having met Ministers, is that the Government are not making a profit out of this heavy disaster. To that extent, the Government have been as good as their word. But there remains the vexatious problem of the closing date for eligibility for financial assistance. The date was originally the end of January and it has been extended until the end of February. In no way could East Sussex put in its bid to meet such a deadline. The scale of the damage precluded it from doing so.

There is not time for me to give details of the damage, but it has been costed at about £5 million for East Sussex. Fifteen schools were wholly or partly closed, and more than 500 pupils are still away from their usual schools. Repairs were needed to roads, footpaths, and street lights, of which 4,000 were damaged, and 2·8 million trees were lost in the county. I could go on.

The damage caused by the storm in the county of East Sussex cost about £5 million, compared to £2 million for West Sussex, £500,000 for Surrey, and £4·5 million for Kent. There is little doubt that even in a town like Brighton there is much work still to be done, although it did not bear the brunt of the storm damage. My hon. Friend the Member for Brighton, Kemptown (Mr. Bowden) has asked me to make that point on his behalf.

The scale of damage to many schools means that the cost of transporting pupils and hiring temporary accommodation, will continue through the summer term. Work to reinstate all highways, embankments and footpaths will take even longer. None of that cost could have been known to the county or the Government at the outset. In my judgment, it is vital to change the time scale for financial assistance.

I move on to the rural scene generally. There, too, the question of time scale for financial assistance applies. Under the storm damage recovery scheme, the closing date for notification is later, on 31 March this year. The report rightly focuses attention on the costs of clearing up the damage caused to hedges, trees and farm buildings and emphasises the need for help.

The Agriculture Committee was told by almost all the witnesses that the amount of work to be done had been severely underestimated. The Committee reported that officials from the Ministry of Agriculture, Fisheries and Food seemed to rely rather lukewarmly on the farm and countryside initiative, which the Committee did not regard as a necessarily adequate response. I went to some meetings of the East Sussex National Farmers Union, and its members did not regard it as very adequate. No doubt, ground has been made up since then.

I know from my own experience how difficult the problem is. I have two fields, one of which is 4 acres, but there are 12 trees across it. We shall clear them up, of course, voluntarily out of our own pocket. But the Government must recognise that it was only possible for people to move around the county to estimate damage and to start work after volunteers had cleared the damage. The report rightly recommends that the Government examine their policy of minimal support for clearance in the wholly exceptional circumstances following the storm.

The Minister of State, Ministry of Agriculture rightly recognised this fact in a letter to me on 24 February. He said:

> "Extra harvesting capacity has already moved into the area, but it has to be recognised that the scale of the windblow was such that it is likely to take years, not months, to clear all the fallen trees. I know that the Forestry Commission is doing its best to see that priority is given to clearing those species—pine and beech—which will begin to deteriorate if they are not lifted quickly."

The Minister added:

> "I am very conscious of the problems that many woodland owners have to face, and I do see how real has been the devastation in respect of your constituency."

How right he was.

The report is correct to recommend that the Government should re-examine their policy of a minimal approach, but they need to do more. For the owners of commercial and non-commercial woodlands, the scene is a physical tragedy and a financial disaster. Their priority is not so much payment for replanting, about which we have heard a great deal, as money and labour to clear up the mess. Again, the report rightly recognises this difficulty. It says:

> "On our tour of Sussex we could see the problems of getting into the centre or thick of woods which have become virtually impenetrable because of fallen trees."

That was underlined by my right hon. Friend the Minister of State in his letter to me.

The practical difficulties of clearance are immense. In my judgment, the variety of tasks that must be undertaken by woodland owners could not have been foreseen by those in London. For instance, the Ashdown forest, which is in my constituency, is not run for commercial use. The conservators who are responsible for its maintenance have special obligations to preserve the ecology of the forest.

In their judgment, if they are to do that job properly, it will take two or three years. The financial implications of that decision, as the clerk and forest superintendent said to me, are that expenditure on clearing up after the storm

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will be spread over three years and cannot be spent in the next few months to take advantage of possible Government grants.

The Minister must address himself to that practical point, and if he cannot do so tonight I hope that it will be dealt with later. In the Ashdown forest, an area of outstanding natural beauty which is especially preserved, the conservators cannot do the job of clearance unless they are given more time. It is ludicrous that the time scale is to be so short that they are effectively forbidden from doing so.

For the owners of large commercial woodlands who have run their woods for decades as commercial enterprises, the task is every bit as difficult. I should like to quote from a letter sent to me by an owner.

"No one will be applying for grants to replace fences, shelter belts, woodlands, anything, if we do not clear the timber that is on the ground."

He goes on to say that that would cost about £1,500 an acre, and that the estimated cost for his estate is £1·4 million, which he says

"is clearly beyond my pocket."

He goes on to say that there is a time element relating to cleaning softwoods:

"We are in the middle of a wet winter and there will be a fairly short window between the end of the wet weather and the brambles taking over by which time we need to have got our access roads for timber tug . . . built."

He asks whether it is possible for the Minister to give a grant at least towards that and adds:

"At the moment our rights of way are closed because of the danger from fallen timber, some of which is fairly precariously balanced. We would undertake to reopen all the rights of way within, let us say, nine months if we could get some assistance to do so and use the money also to give us the sort of access that we have to have."

He is not the only one who has drawn my attention to the difficulties of getting access to the hinterland of their woodlands.

I understand that the Government are not prepared to consider this a disaster zone because of the possible repercussions. Nor are they prepared at the moment to consider giving assistance where there was an insurable risk. The firm of Dolwin and Gray, which gave evidence to the Select Committee, manages about 3,500 acres of woodland in the south-east. It estimates that 95 per cent. of woodland owners were not covered for storm damage to mature hardwoods.

Why should they be? Was their judgment so wrong and were they so short-sighted, bearing in mind that the previous hurricane took place 285 years ago? Or could it be that the rates and conditions of insurance are ludicrously impractical? A woodland owner who is a constituent of mine inquired a few years ago about insurance. He was told that it was available, at a price. The only thing that he could insure against and would be paid out on was a tree that was completely destroyed—not a tree that had been badly damaged and would no longer grow or was leaning at 15 degrees. It would have to be totally destroyed.

It is little wonder, bearing in mind the climatic conditions, that in such circumstances people do not think it worthwhile insuring on a vast scale. The Government claim that they do not give assistance where there is an insurable risk, but they gave transport assistance following the 1968 storms in Scotland. Why, therefore, have they so far refused to do so in 1988? I ask the Government for their estimate of the cost of a reasonable insurance policy when dealing with woodlands such as I have described. Do they consider it commercially rational to insure against freak hurricanes of a kind which we last experienced in the south-east in 1703?

There is another point on the extension of time. Did the Government feel that they should not extend the time because people would sit on their backsides and not do anything or invent claims? Did the Government think that people would make false claims if they were insured or, if they were not insured, that they would gang up together against the Government? Anyone should know how difficult it is following a hurricane to work out exactly what needs to be done and how much it will cost. Certainly people were not helped by the wet weather which followed.

Timber Growers United Kingdom Ltd. and the Sussex branch of the Council for the Protection of Rural England agree on the need for special action. I suspect that many of those people do not have a direct axe to grind and should know the nature of the problem. The Forestry Commission, through its forest windblow action committee — we are masters of the under-statement, but windblow is a real masterpiece— has recommended that a restoration supplement should be paid in addition to standard grants. Because the trees were blown down, owners are under no legal obligation to replant. Those who cannot afford to do so will not undertake the work of clearance and replanting.

Bearing in mind some of the whispers about taxation policy in respect of woodlands, and given the high cost of clearance, I wonder whether the Government believe that the timber growers organisation is right when it recommends that the schedule D taxpayer should be allowed to carry forward losses over five years, as restoration will have to take place over a prolonged period. In any case, as the organisation says,

"any changes in the tax structure which prevent owners setting off costs against income will make the task of restoration practically impossible."

As the Country Landowners Association rightly points out, these are not all big landowners who own vast forests; many of them own small woodlands and have modest resources. I have little doubt that the tax regime needs to be benevolent if we are to get done the job which is so essential.

There are many other matters which one could raise, but other hon. Members want to take part in the debate. There are many activities whose needs have not been adequately met. There should be a fresh look at the glasshouse sector. The NFU is right to point out that some of the inequities and complications of the glasshouse package could have been avoided if there had been a special storm recovery scheme similar to that introduced in the orchard sector. The NFU was also right to point out that the omission of plastic structures and their products from assistance is very short sighted.

In his eloquent speech, my hon. Friend the Member for Weston-super-Mare mentioned the value that we attach to the beauty of our countryside. One feature on which we pride ourselves is our farm architectural heritage. Old farm buildings are not always suited to modern agricultural requirements, but they are still used for farming purposes. To try to insure a 17th or 16th-century building is prohibitive and many of them suffered grievously. If we want to preserve our architectural heritage, surely such

buildings should be eligible for special help as listed buildings under the Local Authorities (Historic Buildings) Act 1962.

Those are some of the comments and opinions which have been put to me and which I hope I have reflected adequately. I believe them to be based not on special pleading or on the begging bowl philosophy but on basic need. I agree with the Select Committee that the Government are to be commended for their swift response, but with all the benefit of hindsight we can see, with the help of the report, that the scale of the problem has underestimated by the Government. I therefore urge them to take the necessary further remedial action.

5.44 pm

Mr. Geraint Howells (Ceredigion and Pembroke, North): May I remind the House that in 1948, 40 years ago, hon. Members agreed unanimously to set up a disaster fund after the snowstorm of 1947, which was one of the worst in the history of the country? I was at home on the farm in those days, and we were cut off for seven full weeks. All the villages in Wales were under severe strain and we could not get food into the local communities.

The disaster fund of 1948 was similar to the fund that has been requested by the hon. Member for Weston-super-Mare (Mr. Wiggin) and the other members of the Select Committee in their plea to the Government. In 1947, it was sheep that were important. In 1987, it was trees. The disaster fund of 1948 safeguarded the future of many small farmers in Wales and other parts of the country and enabled them to keep farming going for many generations. Many of us who were on the land in those days are indebted to the Government of the day for securing the future of many viable units which were under financial strain because of the storm.

I congratulate the hon. Member for Weston-super-Mare and his colleagues, who worked very hard in the Select Committee on Agriculture to try to persuade the Government to give financial aid to the unfortunate people who lost many of their assets, which often comprised trees. We cannot blame the Government or the Opposition for what happened. When a storm of such magnitude hits a country, there is very little that any of us can do. I travelled through Hyde park the following week, and all the trees that were down were a sight that I will never forget.

I believe that the Government, in their wisdom, will consider again the recommendations of the Select Committee. I shall not try to cover all the ground that has already been dealt with by other hon. Members. I have here the Committee's 16 recommendations, but I shall refer only to the eight that need top priority. The first recommendation is

"that the measures for greater flexibility under the Agricultural Improvement Scheme should achieve the objective of relief to farmers with improvement plans."

I am in favour of that.

The most important recommendation is No. 3:

"we conclude that it is now quite clear that the overall allocation, just over £1 million, is still entirely inadequate. It should be urgently revised."

That recommendation should take precedence over all the others. In 1948 the Government reviewed the position and gave an extra sum of money. I believe that the Government will do the same today.

Recommendation No. 4 is also very important, as is recommendation No. 5, that

"the Minister looks again at possibilities of greater support for an important sector of the horticultural industry while its producers attempt to re-establish their businesses in the face of constant and fierce foreign competition."

Recommendation No. 9 should also be noted. Recommendation No. 11 deals with the clearance problem that will face many farmers who have big trees on their farms. Recommendation No. 13 is very important, and it has been suggested by hon. Members on both sides of the House that the Government should consider it. Hon. Members have also referred to recommendation No. 16:

"A more thorough and long-term Government strategy, particularly financial, but advisory as well, is now needed."

I have always held the view that the Government should have a contingency fund at the ready to help when disaster hits our forests, farms or ports. We are a very wealthy nation and we should have funds ready to safeguard the interests of those less fortunate than ourselves when a storm hits. I hope that the Government will consider the pleas of hon. Members on both sides of the House, because those who were unfortunate in the storm badly need help.

5.50 pm

Sir Peter Hordern (Horsham): I add my congratulations to those expressed to my hon. Friend the Member for Weston-super-Mare (Mr. Wiggin) on his Committee's report. The report was commendably brief, following a thorough examination carried out very swiftly. This is our first opportunity to debate the matter fully, so I thank the Leader of the House for making it available to us.

On the morning following the night of 16 October, there was a scene of devastation in West Sussex and the other constituencies in the south-east affected by the hurricane. The storm was a complete catastrophe, which affected not only woodland owners. It had an almost universal effect on trees in the grounds of large and small houses throughout the counties of Sussex and Kent, and further afield. It was a catastrophe whose effects will be felt for many years to come. We talk about compensation, but there can be no financial compensation sufficient to repair the damage caused by the storm. Even when the trees have been replanted it will be many years before they reach anything like their previous stature.

When I say that the face of West Sussex was changed completely, I mean it. Some old familiar landmarks, such as Chanctonbury Ring, will take many years to restore to their former glory. The storm was not just a local but a national tragedy. Like my hon. Friends I congratulate the public authorities — especially Seeboard and British Telecom — on their wonderful work in repairing the damage and restoring normality so quickly.

We should be aware that the damage affected not only woodland owners, but small householders — a topic not mentioned in the report. I was struck by the number of letters that I received from pensioners who had been charged up to £2,000 to have one or two large trees removed from their gardens. Cowboys charged elderly people with no means of payment colossal sums at that time. Therefore, while we talk about relieving the anxiety of woodland owners with large acreages of woodland, we must bear in mind the real privations suffered by small householders. I remind the House that they had no choice

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in the matter. They had to remove the trees very quickly, whereas a woodland owner could at least choose how and when to have them removed.

May I ask my hon. Friend the Minister what will be the loss of grant, if any, to county authorities. I have it in writing from the county treasurer that

"For West Sussex our £8·5 million will generate an estimated £4 million of net additional grant. There is no question of central government making a profit out of our storm damage expenditure."

That comes from an authority that has not always been very pleased with the Government. My hon. Friends and I have been known to vote against the Government on the rate support grant settlements—for very good reasons. We are not in the habit of congratulating my hon. Friend the Minister, but West Sussex appears to have nothing to complain of in this respect. Therefore, I congratulate the Government on their speedy response to our representations.

We should be aware of the full cost of implementing the recommendations in the report. I do not suppose that it is possible to estimate exactly how much that will be—unless the Government can make an informed guess—but I should think that it would be a substantial sum. Before agreeing that large sums should be given to forest, woodland and landowners, we should consider the effect of such grants on the many small householders who suffered commensurate hardship as a result of the storm. I should not like to think that the Government favoured large landowners at the expense of small householders whose properties suffered damage.

Many large woodland owners plant trees as a form of investment. I recognise the hardship that they suffered, but many people with other forms of investment suffered greatly as a result of black Monday last year, and they are not asking for or expecting compensation. I have met many large landowners in my constituency and, to my knowledge, they are not asking for extra special help. They recognise that theirs is private land in which they have made a substantial investment and they do not blame the Government for what has happened. The only request that I would make is that, with large woodland areas open to the public, such as Chanctonbury Ring, there is a strong case for granting assistance to repair the ravages of the storm so that people can continue to enjoy the woodlands.

I hope that my hon. Friend the Minister will not only consider sympathetically the plight of large landowners—I hope that those with properties and woodlands open to the public will receive some assistance—but will bear in mind the plight of small householders and woodland owners who have asked for no compensation at all.

5.57 pm

Mr. Sydney Bidwell (Ealing, Southall): I am essentially a townie boy and I have very little knowledge of the farming community, although I enjoy the countryside from time to time and I should like to express my great sympathy for those in horticulture and farming who suffered a loss of livelihood as a result of what was described as the hurricane of 16 October. It was, indeed, a devastating storm and although I understand that it fell just short of a hurricane in ferocity, it was nevertheless a phenomenon that we hope we shall not see again in our lifetime.

I recall that I toured my constituency because I was extremely worried about the extent of the damage and the possibility of injury. I agree with the hon. Member for Wealden (Sir G. Johnson Smith), who described it as nothing short of a miracle that no one was killed. People would certainly have died if it had happened at another time of day, but many people were in bed, and sound sleepers were quite unaware of what was happening in the early hours of the morning. People just thought that the wind was getting up a bit. But it was indeed devastating and something we hope not to see again. I hope that the Government, in looking at this excellent Select Committee report, will not be all that worried if they have to arrange with the Chancellor of the Exchequer to take a more generous attitude. It is not something that is likely to recur every year; that possibility is quite remote.

I join in congratulating the hon. Member for Weston-super-Mare (Mr. Wiggin) on his excellent report, to which the Government should pay very close attention. I checked with the hard-pressed London borough of Ealing, which has just been rate-capped by the Ministers concerned—quite unjustly and unfairly, I think. It should not have to shoulder almost the entire burden of all the activity that resulted from the storm.

I entirely support paragraph 24, which reads:

"We entirely reject that decision by the Secretary of State. We urge him to reconsider his policy on the Bellwin Scheme in the light of the evidence we had which shows that its effects on financing emergency work by local authorities are quite unacceptable."

I feel that, despite party political differences in other directions, that view would be reflected in almost every local authority.

Given the locality of my constituency, I particularly endorse paragraph 29 of the report, which states:

"We put on record our commendation of all those in various government departments, local authorities, the electricity boards, the army, police and various private organisations who acted so promptly and so efficiently in the immediate aftermath of the storm."

I recall from where I live a tree which had fallen across three houses. It was a miracle that it did not fall the other way and destroy roofs and possibly take the lives of a number of people. I saw the effects, and it is truly a miracle that the effect on human life was much less than it might have been.

Had the storm occurred at 4 o'clock in the afternoon, I am sure the story would have been different, because in numerous places the roads would have been cluttered up with traffic and many people would have suffered as a consequence. I recall that on the route that I take to this place every day there was concern about falling branches or timber, so lanes were shut off in the interests of safety.

I conclude with this thought about the matter, which is proficiently dealt with in the report and which calls for a proper reply today. There should be proper consideration of the mean attitude taken by central Government. We are coming near to the time of the Chancellor of the Exchequer's speech—a long-winded speech, I may say—and one hopes he will be able to include in it some reference to the hurricane disaster and what he suggests might be done financially to assist those who have been so severely affected and those local authorities that could do with a bit of a handout—particularly the London borough of Ealing.

6.3 pm

Mr. Anthony Nelson (Chichester): I follow others in paying a hearty tribute to my hon. Friend the Member for Weston-super-Mare (Mr. Wiggin) for compiling an impressive and compelling report for the House. Mine was one of those constituencies most badly affected by the great storm on 16 October. Its impact was immediately apparent, though only to those in the locality, for much of the area was cut off and unapproachable.

My own home, which is just outside Midhurst, in the middle of my constituency, was typical of the communities that could not be approached by any road because of the fallen woodlands surrounding it. There was hardly a family or household in the whole district that was not affected in one way or another by the disaster.

There was among the people there, as is often the case after a disaster, a feeling that they wanted to tell others what had happened. It was not so much that they wanted immediate relief; they wanted others to listen, and to tell them of their own experiences. Indeed, I found that one of the traits amongst my constituents was the remarkably public-spirited way in which many of them — with the Dunkirk spirit — immediately took up chainsaws and helped to clear public roads as well as their own land, and went to the assistance of the elderly in the community who were not fully able to look after themselves to ensure that their lifelines were open.

In the ensuing period, which lasted many weeks in some cases, when there was no lighting, electricity or fuel available to many houses, particularly in the northern part of my district, there was a stoic attitude among many of my constituents which should be recorded during this debate.

Like many other Members of Parliament in the areas affected, I made it my business to try to see for myself the impact of the damage. My constituency, which comprises a very large agricultural district, reflected a wide range of damage. There was damage to virtually every household in Chichester and the other major towns of Selsey, Southwater, Midhurst and Petworth in the form of missing roof tiles and fallen trees. In many cases there were personal and sometimes tragic injuries.

There was also agricultural and horticultural devastation in particular. In horticulture, dairy farmers were unable to have their herds milked adequately and promptly. There was also the problem, well publicised, in horticulture of having to clear away large amounts of broken glass and losing the crop being grown at the time. That caused serious cash-flow difficulties, as well as personal problems in getting the work done.

It was not simply agriculture and horticulture that suffered. Many commercial businesses suffered because of the breakdown in communications and people's inability to get to work for a long time. The environment also suffered — not just the natural environment but the architecture and heritage of ancient Roman cities such as Chichester, with their Georgian image of the present time, and also the great estates and fine houses. Although they are not typical of those occupied by the majority of my constituents, they are a national treasure and a feature that people from throughout the country enjoy. Great homes such as Petworth house and Goodwood house, which have large woodland estates, suffered enormous damage — as did Westdean and the estate on which I live, which is Lord Cowdray's estate at Midhurst.

I pay tribute to many of those estates and estate workers who worked then, who continue to work, and who will have to do so for many years, to clear the enormous damage, which I believe was never sufficiently recognised nationally at the time. Indeed, because many areas were so unapproachable, many people did not appreciate the extent of the devastation.

For all those reasons, when my hon. Friend the Member for Weston-super-Mare and our hon. Friends on the Select Committee undertook their visit, it was very welcome. I took the opportunity to speak to my hon. Friend, before and after, about his visit. Pictures of him, my hon. Friend the Member for Daventry (Mr. Boswell) and others appeared in all the local press and on television, and I can tell them now, as I have said since, that their visit was very much appreciated in my constituency and elsewhere. It showed that our problems were being taken seriously, were being understood and were being given a sympathetic ear by the House.

When later I joined my hon. Friend the Member for Horsham (Sir P. Hordern) and other colleagues from west Sussex to meet my right hon. Friend the Secretary of State for the Environment to gain assurances that the Treasury would not make a profit and that we would not lose out in terms of rate support grant from any financial assistance, I was encouraged by governmental, as well as by parliamentary, response to believe that our problems were receiving more serious consideration and understanding than I felt they were in the immediate aftermath of the crisis.

Therefore, I join others in broadly welcoming the Government's response and their sympathetic ear to the problems that have been discussed. I still feel that there is an element of Catch 22 for many constituents and sectors adversely affected by the crisis. Many of my constituents were told, when I raised the matter with my right hon. Friend the Prime Minister immediately after the storm, that, for understandable reasons, the Government would not consider subventing or paying for damage which was insurable. One understands the reasons for that, but when one looks at the damage that is not insurable one finds that in many instances it is not eligible, and could not be eligible, for Government support or local authority recompense.

When the glass falls down in a newly-built glasshouse the large cost of clearing that glass, which is time-consuming, is not covered by insurance, even though replacement of the glass may be. Similarly, as many growers have told me — this is just one example — when a glasshouse which is, say, 12 or 13 years old collapses, the insurance company will pay only for the insurable cost of that, bearing in mind the age of the glass. Yet the grower is faced with replacing that glass at the modern-day cost. Very few insurance policies, even for those who have sought to cover such liabilities, cover the cost of reconstruction.

Happily, the financial state of horticulture is a good deal sounder today than it was a few years ago. I welcome that, as does my hon. Friend the Member for Arundel (Mr. Marshall), who is a neighbour of mine. He cannot be here today, but he has asked me to associate him with my remarks. Two weeks ago we visited, with the West Sussex Growers Association, some of the glasshouse industry in the area which had been devastated by the storm, and which still shows serious signs of that damage. It will take time and money to recover from that, but the Select

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Committee's report has gone some way to drawing to the Government's attention what can reasonably be done to alleviate the problems.

The only other aspect that I want to mention is the ingenious and positive suggestion of the transport subsidy on trees. I welcome that recommendation, despite all its problems. I can see why there may well be reluctance to use public funds to transport wood from one end of the country to the other, perhaps to sell it at a different price. I can see why that might not appeal to a free market approach, but the fact is that we have a serious tragedy on our hands in my corner of Britain, and just as other parts of Britain would look to us to play our part and be sympathetic and constructive were a natural disaster to strike them, so I say that that proposal should be given a fair wind.

I hope that the Government will seriously consider spending what I think will be a relatively small amount of money, but which will go a long way towards assisting the viability of many of the concerns and ensuring that there is tree clearance, so that many of the woods, particularly the pine woods, do not rot more than is necessary and so that some order is brought to a market where there has already been a massive collapse in prices in the south. That is in nobody's interests and we can take some action in the short term at relatively minor cost which will have long-term benefits.

For all those reasons, the House has been done a service by my hon. Friend the Member for Weston-super-Mare (Mr. Wiggin) and the Select Committee, and I look forward, with my hon. Friends, to hearing the reply of my hon. Friend the Minister.

6.14 pm

Mr. Martyn Jones (Clywd, South-West): As a member of the Select Committee, I endorse the findings of the report, but I want to stress several aspects.

We learned that 87 local authorities consider themselves significantly affected, and although it is difficult, for all sorts of valid reasons, to estimate the total cost to those authorities, it is expected to be in excess of £98 million.

It is typical of the Government that what they give with one hand they take away with the other. Their special grant of £18·3 million will be reduced to £8·5 million. The disparity between the effects on counties obviously depends on how near such authorities are to their grant-related expenditure ceiling.

The £1 million for hedges and shelter belts will, as the Minister said he intended, have to be flexible, but it will have to be flexible upwards since the estimate of damage will be finalised only on a time scale of years, not months, as areas become open to examination.

A transport subsidy is the largest omission from the Government's reaction to the disaster. There is no sense in providing a replanting subsidy to commercial fruit growers, whether insured or not, yet leaving hop growers, soft fruit growers and vineyard owners to fend for themselves.

I hope that efforts will be made to direct replanting in such a way as to preserve the environment and the ecology of the areas affected in the long term.

I endorse the commendations of the public services, especially the electricity boards. I strongly suspect that, had they been broken down into competing private companies with different equipment and employment priorities, they could not have reacted in such a co-ordinated and publicly useful way.

6.17 pm

Mr. Roger Moate (Faversham): I understand that the hon. Member for Clywd, South-West (Mr. Jones) is an expert on the brewing industry, so I am glad that he took the opportunity, as I would have expected, to mention the position of hop growers. That gives me the chance to mention the specific problem affecting, not a large number of people, but a number of hop growers and soft fruit growers, who, inexplicably, in terms of all equity, have been excluded from assistance. The amount is not great, but the principle is considerable, and I hope that when my hon. Friend the Minister replies he will say that there is some scope for making the scheme more flexible in order to help people such as the hop growers and soft fruit growers who have been hit. They are not many, but the position is serious for them.

The hon. Gentleman also mentioned the work of the electricity boards. I repeat what has been said, because the compliments are not empty ones. The work done by many of the emergency services and organisations was stupendous. Some of the woodland areas were devastated, with telegraph poles and trees entangled, with lines down for miles and villages totally isolated, and the work of the telephone companies and electricity boards in particular was stupendous. I suspect that we all saw the pictures of the Gurkhas cutting their way through some of the undergrowth. In many ways, that symbolises the work done by the defence authorities, the police, local authorities and others in a short time. We are grateful for and proud of their work.

An immense amount of voluntary work was also undertaken at that time. Because the farmers had the heavier equipment and the cutting equipment, it was often they who came out to clear the roads. They have not asked for payment for that. If they get some, I shall be delighted, but, generally speaking, it was in a spirit of voluntary enterprise that the farming community cleared the roads and gained access to areas that were otherwise cut off.

Let us pay tribute to all those who did so much, particularly during the weekend after the catastrophe and the weeks that followed. I echo what my hon. Friend the Member for Horsham (Sir P. Hordern) said. He stressed that the farmers are not asking for very much. He referred to the estate owners. Very few estate owners are demanding total compensation for the damage that they sustained. In view of the total estimate of damage of £1 billion, it is clear that the amount that is being offered by the Government, or asked for on top of the amount from the Government, is very small indeed.

The orchard growers in my constituency welcome the £2 a tree scheme, but, even if they receive that, many of them face immense losses which they are taking on the chin. They do not expect to receive payment for barns that in effect were uninsurable because of their structure. They do not expect to get very much payment for clearance and other work. They do not expect compensation for the loss of income that they will sustain for many years to come.

We are grateful to the Government for what they have done. Equally, we must recognise that the industry, individual private householders, estate owners and land-owners will carry immense losses for many years to come.

I was glad to hear the hon. Member for South Shields (Dr. Clark) say that he had toured the area and had been shaken. If one lives in one part of the country, it is easy, when a national disaster occurs in a different part of the country, to be oblivious to it. It was shattering and devastating and the damage it has done will leave scars on the countryside for decades to come. Unless one saw and experienced it, one could not know how great was its scale.

However, the damage could have been so much worse. That is hard to believe, when one sees woodlands shattered and devastated and one cannot get access to hundreds of acres of woodlands, and one does not know how to clear it because the cost of clearing could be hundreds of thousands of pounds. Had the storms continued for another day or two, many trees that were weakened but still standing would have been flattened, and many more buildings would have been flattened. Had the storm occurred when there were standing crops across a larger area of the country, we would have been measuring the costs not in terms of the report, but in terms of billions of pounds more of uninsured and insurable losses.

It worries me that our response to disasters is always ad hoc. In my years as a Member of Parliament, in my constituency we have had major flooding and major snow damage on a national disaster scale, and we have now had the hurricane. Every time, it comes as a surprise. It will come as a surprise next time and after a month, two months or three months of consideration, the Government will offer some modest assistance. However, the time could come when the damage and the loss go beyond that. It worries me that we never seem to have thought about how we could cope. Geologists and seismologists say that we cannot have earthquakes in Britain. I hope that they are right, but how would our great insurance companies cope with a national disaster that inflicted billions of pounds worth of damage?

I particularly welcome the report and the opportunity to debate it today because it gives us a chance to say to the Government that we do not know whether a disaster fund is the right way to handle it, but surely the Government should be doing a great deal of thinking about how to react to major disasters and not always be taken by surprise. We are grateful to the Government for their response, but I have to say that a tremendous amount of debate between the Ministry of Agriculture, Fisheries and Food and the Treasury was generated before we got what we were offered. If there were such a debate on a disaster of that scale, how much longer would it take if the damage was on a totally national scale, or on a more serious level?

I urge the Government to take up the point in the report about the need for a proper structured response and to follow one of the conclusions in the report, recommendation 30, which states:

"A more thorough and long-term Government strategy, particularly financial but advisory as well, is now needed."

That is fundamental. Let us please take it on board.

Another more modest point is the need for flexibility. I support absolutely the point made in the report about the need for a more flexible approach to the grant already on offer. The Government would spoil what they are doing if they maintained the 31 March cut-off date. I hope that when my hon. Friend replies he will say that that deadline will not be applied.

I ask the Government to provide total flexibility in the administration of this scheme. Let us extend it, if we can, to certain growers who are currently excluded in the horticulture industry, which is a very precarious and tough business with very small margins. Let us make it more flexible. Above all, will the Government devise a long-term strategy for responding to such disasters?

6.25 pm

Mr. Jacques Arnold (Gravesham): As a Kentish Member who slept through the eye of the storm until half my roof blew off, I can say that that experience at my home and further afield was indeed traumatic. In my constituency, which was in the main path of the storm, some of the most beautiful woodland in south-east England has been reduced to aspects of a lumber yard. Many ancient barns in our farming community were completely destroyed and blown away. The horticultural industry has seen far too many hundreds of trees uprooted and pushed aside with an immense amount of work involved for people on those farms to replace the trees even if they had not had to bulldoze the trees completely away and start afresh.

I should like to pay tribute to the work of the staff of Kent county council and its sub-contractor, Gravesham borough council, for their sterling work in overcoming the problems of dangerous structures and leaning trees which were causing danger to the public. I should like to include in that tribute the work force in the electricity industry and in British Telecom, who worked around the clock to restore public services to our part of Kent.

I should like to take up a point made by my hon. Friend the Member for Horsham (Sir P. Hordern) because he put his finger on a major problem. Relatively modest householders who had large trees in small gardens suddenly, literally overnight, found themselves with an urgent and very expensive problem in dealing with those large trees. The cowboys certainly were at work, and many of my constituents had to pay over the odds to bring safety to their homes by the removal of such trees. I should like to refer to one particular example.

In my constituency there is a development known as Vigo village which consists of 786 houses built during the past 20 years literally in the middle of a wood. In the height of summer it is a beautiful place to live and in the winter it is bleak, dark and shadowy. In that storm, more than 20 per cent. of the trees were made unstable. That must have been a very frightening experience. The village was developed in such way that there are many walkways and communal lands throughout the development of housing which were not conveyed to individual householders. They were conveyed to a newly established organisation, the Vigo village trust. Every householder pays £25 a year towards the maintenance of the wooded area and the walkways.

However they did not, and could not, provide for the fact that more than 20 per cent. of those trees would become unstable and need to be felled and cleared away, apart from the trees from the communal areas of the trust that were leaning on the houses. It has been calculated that the cost of removing the trees and making them safe amounts to £20,000.

The householders have already spent £4,000 on making the trees safe, and they have an immense way to go. However, no cash is forthcoming from the public authorities to assist in that task. While I note that the Government are providing not ungenerous support of 75 per cent. of costs to local government, subject to the 1p rate proviso, is it not rather straightlaced for that kind of

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support not to be available to other corporate bodies that represent the community at large such as the Vigo village trust? At the end of the day, the borough and county councils represent and serve the people in a particular area. Exactly the same function and service is provided by trusts like the Vigo village trust. I hope that my hon. Friend the Minister will consider that point to discover whether organisations like the Vigo village trust can be given assistance with this exceptional problem.

Many of my hon. Friends have referred to the welling up of public spirit brought about by the tragedy. Like other hon. Members, I travelled around my constituency to discover what could and was being done. I was very impressed to see groups of people voluntarily using chain saws and the like, making dangerous trees and dangerous structures safe and opening up the roads in support of the public authorities. We should commend those people on their work and be aware that public spirit has not been lost in our communities.

6.31 pm

Mr. Eric Martlew (Carlisle): I begin by saying how much I enjoyed serving as a member of the Select Committee on Agriculture. As a Back Bencher, it felt good to be seen to be doing something useful rather than simply participating in sterile debates.

I speak for my Labour party colleagues when I say that we did not approach this matter in a political way. We did not intend to ambush the Government. In fact, we produced a unanimous report. We praised the Ministry of Agriculture, Fisheries and Food when that was necessary, but we were critical of the Government on occasions. More than that, we pointed the way to the future. We recommended what should happen instead of concentrating on what had gone wrong. That was a useful approach and I hope that it will continue to be the approach in Select Committees, especially in the Select Committee on Agriculture.

Paragraph 28 of the Select Committee report states that the

"£2·7 million was planned for replanting in the current financial year only."

We included that to emphasise that the Government seemed to concentrate their minds on the following year only when they were questioned. If we had not raised the issue, the £2·7 million or the grant for next year would not have been considered. That was certainly an achievement on our part.

More important, we explain in paragraph 19 that an immediate decision should be taken about the transport grant. It is essential that we discover very soon how much will be available to transport trees from the storm-damage areas to the sawmills in the midlands, Wales, Cumbria and Scotland. If we do not transport those trees at one end of the country, they will rot, be attacked by pests or become stained there, while the other end of the country will be importing timber—and we are all aware of the current balance of payments position. In fact, trees will be cut down at the other end of the country unnecessarily. That would be a terrible waste. I hope that the Minister will tell us that he will agree to the transport grant.

I realise that other hon. Members want to speak, so I will be brief. I believe that the Government have underestimated the problem that was created last October. Therefore, they have underestimated the funds that will be necessary to put matters right.

6.33 pm

Mr. Tim Boswell (Daventry): As I am probably the last member of the Select Committee on Agriculture to be called to speak today, I want to thank the House for the courtesy that it has shown to the report and the kind of comments that have been made about it. If it is not invidious, I want to commend my hon. Friend the Member for Weston-super-Mare (Mr. Wiggin) for his leadership of the Committee and also mention our Clerk, Malcolm Jack, who served the Committee well and helped us to produce the report. He is due to carry out other business in the House. I also want to mention those who arranged for the early publication of the report, albeit without its voluminous appendices, which has allowed us to have an early debate in what must be record time. That is entirely appropriate in view of the urgency of the situation.

When we visited areas south of the Thames, I was struck by two particular points. Little comment has been made about the first. I was struck by the extremely capricious nature of the storm. I live only a county and a a bit away from the areas most severely affected by the storm's impact, yet the problems that I experienced were typical only of a normal severe storm. The position in the south-east was diabolical, awful and "shocking"—the word that we all used to describe the scenes.

There was no uniform effect in the south-east. In what had been a row of trees, half were standing and the other half had been felled. One glasshouse might have been demolished and three left standing, and the wind might have taken another one out on the other side of the nursery garden. Those effects are extraordinary and extremely difficult to assess, compute and calculate for loss.

My second point is more familiar. In a sense, the storm was unprecedented. With respect to the hon. Member for South Shields (Dr. Clark), we do not know when the next storm will occur, but we know that it is nearly 300 years since a storm on this scale hit this part of the country. That has major implications for what private citizens and the Government can do to meet almost unforeseen contingencies.

It is not a common practice for Conservative Members to argue for the expenditure of more public money, but there is a contingency fund. What is the point of a public contingency reserve unless it is used for contingencies of this kind? I have great sympathy with the remarks made by my hon. Friend the Member for Faversham (Mr. Moate) and it is distressing that when the need to approach the contingency occurs the matter must be picked over with the Treasury, item by item, before appropriate measures are taken. That may be the way of the world, but we must address that matter and improve the procedure.

In making my case that the scale of the disaster overwhelmed our provisions, I am in no sense attacking the emergency provisions of the public authorities. Indeed, the Committee made no such attack. Those emergency provisions were most commendable, and appropriate reference has been made to them today. I want to add to that the evidence that we received about the work carried out by the Ministry of Agriculture, Fisheries and Food, the Department of the Environment, local authorities and public utilities. In particular, I want to state that the

Forestry Commission set to work straight away and established the windblow action group. All those measures were businesslike and brisk and intended to deal with an unprecedented situation.

There are four things that could not have been foreseen and can be dealt with only after the event. First, I want to consider the impact on glasshouses, and reference has already been made to this. No prudent nurseryman could have insured to cover, not simply the replacement cost of glass today, but the expected replacement cost if a significant proportion of the industry was taken out. The House may not fully appreciate that accidents and natural disasters frequently affect one or two glasshouses or growers. Indeed, we visited a site at Barnham where such problems have occurred several times recently. Storm damage on the scale that we are considering could not have been anticipated, and that damage must have had a direct effect on the market for replacement glass and the labour to replace that glass.

Secondly, I want to consider the deadline for the Ministry's storm damage recovery scheme. In particular, I am referring to the impact on orchard trees. In its evidence, the Ministry referred to the extreme difficulty of assessing the damage at this stage, and that fact has not been sufficiently highlighted. The trees are still in bud and have not come into full leaf. In some cases they may not come into full leaf because of latent damage from root disturbance or salt spray. It is extremely difficult to assess the real damage now, only three weeks before the deadline. Will my hon. Friend the Minister give us a report on the progress of applications under that scheme to date and, better still, tell us that he is prepared to lift or delay the deadline for applications?

The third matter concerns the Department of the Environment and the Bellwin rules. The Committee was privileged to meet that rare individual, the official who fully understood those rules. In the mind and experience of some local authorities there is still a residual feeling that even if they have not lost out, which they probably have, they have not received Government grant commensurate with the tremendous costs and problems that they face.

Finally, there is the issue of forestry and the Forestry Commission, which I have already commended. It gave us a most valuable contribution, as did the timber growers and private interests. I must mention, first, the age structure of trees that were blown out of the ground or whose tops were snapped off in the storms. It was evident in places such as Slindon woods of the National Trust, which we visited, that to some extent, in the parklands at least, many trees in the south-east were over-mature. To a certain extent we have killed our landscape with kindness.

I know that I would feel that the beautiful trees and fine oaks on my land, which have not yet gone completely stag-headed, let alone started dying down the centre, should be taken out in time only with the greatest reluctance — even more so if they were part of an avenue. It is an agonising decision for any landowner, public or private, to know what to do. Tree preservation orders are there in the background. We must all take this experience back and think about it again and try to obtain a better age distribution and balance in our hedgerow timber and woodland provision.

This means that the chaos of the clearance operation presents us with an opportunity. The difficulties that there will be in restocking the woods are perhaps a benefit. We will not be able to restore them physically all in the twinkling of an eye. It will take years and decades, but perhaps there is wisdom in that. I have heard the storm described as "God's felling licence." We must think about how to restore these landscapes.

In doing so, and in calling for some public money, I stress the modest proposals made by the windblow action group. Members of the Committee felt that the group could have gone further. These are small sums compared with the scale of the damage. I remind the House of the cost of the proposal in the windblow action group report. There is a proposal for a transport subsidy to be applied over 15 months at £2·5 million, and for a restoration grant to be applied to replanting thereafter, supplementing the existing planting grant, of about £4 million —

Mr. Wiggin: Over five years.

Mr. Boswell: Over five years, as my hon. Friend reminds me. These are modest sums compared with the damage incurred. It is incumbent upon the Government at least to fund these amounts, because they would go some way towards removing the problem.

The problem remains awful. It seems awful to us on the outside: how much more so to those who live in and experience it every day? I share the opinions of my hon. Friends and of Opposition Members who have mentioned the problems of small growers. Perhaps the larger greenhouse nurseymen are kitted up to meet these disasters, but many people's businesses and morale will literally have been destroyed.

There can be no criticism of the initial action of the official bodies, which was commendably prompt. However, there is a residual doubt about the ability of the Government to wheel themselves in and respond on a structured basis to these disasters with cash, without people having to fight each and every battle with the Treasury. When there is a contingency such as this, a better way should be found. The scale of the storm overtook and overwhelmed the prudent provisions made by private individuals and public authorities.

No mechanisms were in place that could cope with the disaster. The Bellwin rules are not bad in principle, but they cannot cope with a hurricane of this sort. The storm brought grievous private loss and great private grief. There is a public interest in effective clearance and recovery of the woodland areas and in learning the lessons for the future, so that in due course — it will take time — the glory of these forests and areas of beautiful countryside will be even greater than it was.

6.45 pm

Mr. Calum Macdonald (Western Isles): I shall be brief because I want to give the Minister time to respond to the many points made in the debate.

It might appear strange that the hon. Member from the Western Isles, the furthest north-west corner of the country, should speak about an event that occurred in the south-east corner, but there is a connection, apart from the fact that I was also a member of the Select Committee.

I wholly endorse the Committee's findings and associate myself with the remarks of the hon. Member for Daventry (Mr. Boswell) and my hon. Friend the Member for Carlisle (Mr. Martlew) about the conduct of the Committee and the non-partisan way it went about its

[Mr. Calum Macdonald]

business. I also agree with the tribute that has been paid to the guidance of the Chairman and the work of the Clerk of the Committee.

The Committee's report praised the work of the public and local authorities and all in the public services who helped to tackle the damage caused by the storm. As has been mentioned, two electricity board staff died while working to bring back power to the south-east. That shows something that we too often forget — that much dedicated, hard and sometimes dangerous work is done in the public service industries. Sometimes we focus on the more glamorous public services such as the police or the Army, but in many industries there is an undercurrent of constant danger and it is good to acknowledge that and praise the people who work in spite of it.

Although Conservative Members frequently prefer to support the notion of unfettered market forces, they have recognised here a case for public intervention and support and for positive policies by the Government to help the hard-pressed growers, horticulturists and people in the south-east who were affected by the storm. That irony was justified by referring to the major natural tragedy caused by the storm which, it was said, necessitated public support and intervention. I certainly agree with that.

On later occasions, when I rise to seek public support intervention for areas of the country that are naturally disadvantaged throughout the year rather than as a result of one storm, I hope that I will receive equal sympathy from the Conservative Benches. What happened in the south-east of England on one night was a concentrated form of the natural disadvantages that are suffered in other areas throughout the year, especially in my constituency and the rest of the Highlands and Islands.

Although it may have appeared strange for me to contribute to this debate, given my geographical origin, I hope that Conservative Members will appreciate that there is a connection, will take the lessons of the storm to heart and will consider other parts of the country on other occasions.

6.50 pm

Mr. Ron Davies (Caerphilly): The contribution of my hon. Friend the Member for Western Isles (Mr. MacDonald) has brought our debate to a delightful conclusion and I am sure that it was appreciated by all hon. Members.

The debate has been fair and informed and it has allowed us to arrive at a considerable measure of consensus. As my hon. Friend the Member for Western Isles pointed out, it has united free marketeers calling for greater public subsidies and Socialist planners arguing the case for the Country Landowners Association.

The contributions from Conservative Members representing rural areas have been reinforced by the contribution for the urban areas from my hon. Friend the Member for Ealing, Southall (Mr. Bidwell), who I am sure will join us presently. Hon. Members who have spoken with great concern on behalf of their constituents have had their views reinforced by, dare I say it, provincial Members in the shape of my hon. Friend the Member for Clwyd, South-West (Mr. Jones), the hon. Member for Ceredigion and Pembroke, North (Mr. Howells), who has tendered his apology for his absence as a result of another engagement, as well as by my hon. Friend the Member for Western Isles. The north of England was represented by my hon. Friend the Member for Carlisle (Mr. Martlew). Therefore, there is a wealth of pressure on the Government and we look forward with interest to the Minister's reply.

I thank my hon. Friends who served on the Committee for their presence in the Chamber and I am aware that the Chairman, the hon. Member for Weston-super-Mare (Mr. Wiggin) appreciated their presence on the Committee. My hon. Friend the Member for Carlisle has already said that its report was unanimous, and that adds additional weight to it.

I have no doubt that the consensus that has been arrived at is, in large part, due to the considered and careful way in which the Committee approached its task. Among its members there has been general unity in taking issue with the Government. It is general unity because there was one lone voice—it was the hon. Member for Daventry (Mr. Boswell), of course—who gently prodded the Government. He declined to join his colleagues in pressing the Government more forcefully.

Mr. Boswell: Will the hon. Gentleman give way?

Mr. Davies: If the hon. Gentleman will let me finish making my insulting comments, I shall, of course, give way.

The hon. Gentleman gently prodded the Government, but otherwise he was his usual faithful self in his support for them.

Mr. Boswell: I always enjoy listening to the hon. Gentleman's comments and criticisms of me. Would he please accept that I stand by every word of the Committee's report? I notice that there are certain points in that report that are more than mildly critical of the Government and, in common with the hon. Gentleman, I look forward to my hon. Friend's reply.

Mr. Davies: I am delighted to have that confirmation of the unanimity of the House and of the Select Committee. I note that the Minister is having a quick word with the representative from the Whips Office — doubtless he is looking for some sustenance for times to come. It is worth reminding him that the House and the Committee are united in support of the 16 conclusions and recommendations of the report, 12 of which are critical of the Government and call for more Government action.

If there is one message that the Minister should carry with him at the conclusion of the debate it is that there is a great deal of concern about the way in which the compensation scheme has operated and the way in which it has been laid before the House. However, I am not seeking to criticise that scheme unduly.

The hon. Member for Weston-super-Mare introduced the Committee's report — the first report under his Chairmanship—with a graphic description of the events of last October and of the havoc and destruction that befell this corner of the south-east of England. We are not debating our concern about those events, but the nature of the Government's response to that concern and its adequacy.

We await with interest the considered response from the Government to the evidence submitted to the Committee. That evidence is not yet available and there is only one "unproofed" copy of it in the Library. I know that some of my hon. Friends have managed to look at it, but the House will appreciate the particular difficulties involved

when there is only one copy available — and that evidence is voluminous. We await with interest the Government's response tonight, as well as their response after they have had the chance to read the evidence submitted to the Committee and evaluate what has happened.

The debate is restricted to the scheme that the Government have laid before us. In common with other hon. Members — I single out the hon. Member for Wealden (Sir G. Johnson Smith) because he was the first to express his sympathy — I should like to express sympathy to those families who lost someone either through accident or in service to others, to people who suffered injury — perhaps not grabbing headlines at the time — and to those who suffered domestic upheaval, many of them in isolated rural areas, who were without power and access for many days. We all wish to pay tribute to their fortitude and that of the public services that attempted to ease the situation.

The economic losses have been mentioned by my hon. Friend the Member for South Shields (Dr. Clark), who mentioned the damage to horticulture, and the hon. Member for Suffolk, Central (Mr. Lord). The hon. Member for Chichester (Mr. Nelson) spoke movingly about the problems for growers in the southern part of Sussex. We all recognise the problems that they face. It is adequate for me to say that those problems have been described and I would be labouring the point if I made any further mention of them.

It is ironic that, give the attention that most of the day's proceedings have been afforded by the Press Gallery, it falls to me, at 7 o'clock, when the Press Gallery is empty, to put the case for the hop growers and vineyard proprietors. I am afraid that I will receive no plaudits tomorrow and no special treats during the summer.

Paragraphs 5 and 6 of the Committee's report forcefully put the case for glasshouse growers, the soft fruit growers, the hop growers and the vineyard owners. Their case was mentioned by my hon. Friend the Member for Clwyd, South-West. We agree with the conclusions arrived at in those paragraphs.

Hon. Members who have read the Committee's report in detail will recognise the inescapable fact that the compensation scheme is inadequately funded. Can the Minister tell us how much the Government are prepared to make available in compensation at this stage? Will that sum be cash-limited? How many applications have been received? What percentage of those applications have been processed? How many of them have been accepted? In the event of a high proportion of applications not being accepted, and if cash limits are introduced, will the Government be prepared to revise those limits? Those are realistic questions to which the hon. Member for Chichester, for one, seeks answers.

I hope that the Chairman and members of the Select Committee will listen with interest to the Minister's answers, but, if he is unable to provide those answers tonight, I hope that he will arrange for them to be sent to me in a letter, and I shall ensure that my hon. Friends receive the reply.

I wish to turn now to an issue which, I confess, has a personal interest, and on which I see almost eye to eye with the hon. Member for Daventry — the damage inflicted on trees, either as individuals or as stands, and on woodlands. There has been an economic impact, through the loss of timber, and a visual impact on the landscape. I have toured the counties of Kent, Suffolk and Sussex and seen much of the damage which was horrific and beyond imagination. There has been a considerable effect on the landscape and a considerable loss of wildlife habitat and sporting and recreational facilities.

We must be aware of those considerations and I hope that, when the Minister considers his woodland policy in future years, he will recognise that his policy should be guided not only by economic loss but by those other considerations.

I wish to make two particular points to the Minister. First, recommendation 3 refers to the environmental damage. There has been much debate about the impact of the Bellwin scheme and I do not propose to go over that ground again. We endorse without equivocation the finding in recommendation 3 which describes the extra amount for environmental damage as entirely inadequate. The Chairman of the Select Committee, the hon. Member for Weston-super-Mare, drew attention to the fact that, with a timber loss of some 4 million cu m in the United Kingdom, the compensation fund amounted to £1 million whereas, in France, for a timber loss which was almost double, the compensation made available was 15 times greater. Those are significant figures

Mr. Wiggin: We are in a slight danger of confusing different schemes. The £1 million to which the hon. Gentleman refers relates to the Ministry of Agriculture, Fisheries and Food scheme for farmers. There is also the Department of the Environment scheme and others. Although we have criticised that £1 million sum, it would be wrong to say that that is all that the Government have given and to give too much emphasis to it, when it is simply one part.

Mr. Davies: I accept that, but I think that the hon. Gentleman will accept that the money available from the Department of the Environment was substantially for a different purpose and not for the type of woodland loss that we have seen in the counties of the south and east.

Secondly—I was interested in the comments made by the hon. Member for Daventry on this point, both earlier and in Committee — I should like to draw to the attention of the House a point which arose from the evidence given by Mr. Francis of the Forestry Commission in reply to a question from the hon. Member for Daventry. He was referring to the factors which affected the extent and nature of windblow damage. He said:

> "The other factor which is, in my mind, quite significant on this occasion is the fact that the population of trees which existed was, in a sense, a very vulnerable one, because it had a high component of trees which were over-mature and whose quality was often much deteriorated. Like any other living thing, trees as they get older become more susceptible to a variety of things, including in this instance stormblow. So that I think one of the implications of the storm in the long term is to consider that perhaps on occasions we might be keeping trees for far too long, simply because we treasure the appearance of them in the landscape - as we do - and that we do not readily accept the challenge of taking them away and replacing them."

The hon. Member for Daventry stressed that point. It is a difficult matter, which will have to be addressed.

I do not want to pre-empt next week's debate on the farm woodlands scheme, but it is worth saying that we must all consider the record of the Forestry Commission. I am not criticising officials who cannot defend themselves. In a sense, I am criticising politicians from both parties for the policies that they required and

[Mr. Davies]

encouraged the Forestry Commission to follow. Certainly, until the present decade, it was an accepted Forestry Commission policy to allow, with the encouragement of the Ministry of Agriculture, Fisheries and Food, the clearance of broadleaved woods and the conversion of that land to agriculture. That is not a criticism of the present Minister, but of all Governments of the past 20 or 30 years. It is ironic that, in 1988, the Government are embarking, with our full support, on a programme of taking that land out of agriculture and reconverting it to broadleaved woodland. That is one aspect of policy that the Forestry Commission had got wrong.

The second aspect that the Forestry Commission had got wrong was its policy of allowing the clearance of broadleaved woodlands and their replacement with coniferous afforestation. The third aspect that the Commission had got wrong was the fact that it gave little attention to the use of woodlands for wider purposes, either for the enjoyment of the environment, for habitat creation or for the recreation of those natural woodlands. Those are major areas where forestry policy has been wrong.

One of the consequences—it may well have been a Freudian slip on the part of the hon. Member for Daventry when he referred to timber preservation orders—has been the overwillingness of all of us, on both sides of the House and of all shades of political opinion, to think that tree preservation orders are the answer. Those orders preserve individual species and allow the woodland area to go without protection. It is a difficult matter. We do not want to lose the existing protection, but we should be looking to expand our forestry policy. The events of last autumn provide an opportunity for such reconsideration.

I wish to ask the Minister one particular question. Has his Department considered allowing management grants to be available under the Farm Land and Rural Development Bill for new woodlands which will be created by replanting in those areas where the existing woodland has been destroyed by windblow? The answer to that question would be interesting because it would show Opposition Members how the Government intend to approach future forestry policy.

By and large, I endorse the evidence given by the Royal Society for the Protection of Birds to the Select Committee on Agriculture when it said that, in some of the areas damaged — the hon. Member for Wealden referred particularly to the problems of access—there must be a strong case for allowing some of the timber which has fallen to remain and to rot in its place because it will have immense benefits for wildlife conservation and for the creation of a variety of wildlife habitats. That will be difficult, but, when the six-month period has elapsed and the timber starts to deteriorate on the ground, there must be a case for making the best of a bad job and leaving the timber there to provide environmental benefits.

I hope that the Minister will consider the opportunities in planting schemes generally for the creation of new habitats for flora and fauna. I hope that he will consider particularly the issue of phased stocking because, if there is agreement that one of the problems is the over-mature, even aged, nature of our timber stocks, one of the solutions must be a phased programme of restocking. I hope that the Minister will carefully consider the possibility of extending support under the existing scheme so that planting can take place over a five, 10, 15 or 20-year period.

My conclusion is that which many hon. Members have reached and which was put in a paragraph 16 of the Committee's summary of conclusions and recommendations:

"A more thorough and long-term Government strategy, particularly financial but advisory as well, is now needed."

All I can add is that Opposition Members warmly endorse that final recommendation from the Select Committee. We will certainly offer our political and non-partisan support to the Government if they are prepared to embark on that programme of rethinking their financial and advisory support.

7.9 pm

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Donald Thompson): This has been a good, most interesting and full debate.

I thank my hon. Friend the Member for Weston-super-Mare (Mr. Wiggin) for chairing his first Committee so effectively that he has managed to get its report debated in the House so urgently and so quickly. That cannot be bad. I shall mention in a moment all those hon. Members who have had experience of a Select Committee for the first time. Back in 1979, I served on what was then the new Trade and Industry Select Committee. I enjoyed every minute of it, although I am not eager to return to it.

I should like to thank the hon. Member for South Shields (Dr. Clark) for the way in which he responded to my hon. Friend the Member for Weston-super-Mare and I shall deal later with the various points that he made.

As the hon. Member for Caerphilly (Mr. Davies) has just said, my hon. Friend the Member for Wealden (Sir G. Johnson Smith) dealt with the important matters of taxation, insurance and time in his usual urbane way. I shall try to take up many of the points that he made.

The hon. Member for Ceredigion and Pembroke, North (Mr. Howells), representing the alliance, has left his apologies because he has had to leave the debate to go to another meeting. He mentioned horticulture and what happened in 1947. Unfortunately, some of us remember the days of 1947, although we did not know what the Government were doing. Indeed, I am not sure whether we were grumbling or cheering at the time.

My hon. Friend the Member for Horsham (Sir P. Hordern) raised the subject of householders and how bravely—I think that that is the right word—they met the disaster and managed to sort it out for themselves. I took his comment about points of public awareness relating to public areas of beauty.

I think that it was the hon. Member for Ealing, Southall (Mr. Bidwell) who said that I should give the Government's full and proper answer tonight. I cannot give the Government's full and proper answer tonight because the Government have not yet considered every aspect of the evidence that was collected by the Committee. I act in what is perhaps one of my proper roles as a sponge and a listener. If anybody else had said that, I think that we would have had another question of privilege.

Mr. Higgins: I wonder whether my hon. Friend can clarify a point about timing. We fully understand his point about the need for consideration of the report before the

Government give a full and considered reply, but at the beginning of the debate the hon. Member for South Shields (Dr. Clark) asked why the debate was taking place now. My hon. Friend will appreciate that the debate is taking place on an Estimate, which is a request by the Government for money and that that necessarily has a tight timetable so that the money can be provided. That is why the debate is taking place now. If we had not taken this opportunity, it would have been a considerable time before we could raise the matter again. The report has been produced at short notice—I am sure that it is worth while—but that is the reason for the hurry with which it has been produced.

Mr. Thompson: I thank my right hon. Friend. I could not have put it better myself. I cannot say for one moment that I was coming to that, so I thank my right hon. Friend, who, as Chairman of the Liaison Committee, has cleared up that point efficiently.

The hon. Member for Caerphilly mentioned the years to come. I fully agree with a great deal, if not with all, that he said about the years to come. I am talking not especially about paragraph 16, but about the way in which we must plan our forestry provision in the years to come. We must harvest it and use it as a resource. Planners and other people must not be surprised when a wood is suddenly chopped down tree by tree and when saplings and new trees are planted in their place. We must use all our present knowledge of woodlands to ensure that we leave cover for animals, the natural habitat and for the flora and fauna that the hon. Member for Caerphilly mentioned. That was a point well made and I am sure that he will make it even more forcefully to my right hon. Friend the Minister of State, who sends his apologies tonight from Brussels—*[Interruption.]* Well, I am sure that he would have been here if he had known that the hon. Member for Workington (Mr. Campbell-Savours) would be here.

I was surprised by the devastation when I recently went to look at woods in the south. I was surprised at the way in which whole swathes had been cut and trees had been broken up, smashed and twisted. I was also surprised at the neglect of some of the woods. This point was mentioned by the hon. Member for Caerphilly and by my hon. Friend the Member for Daventry (Mr. Boswell). I had not realised that there was such neglect. Now, when travelling home on the train — I travel by public transport whenever I can—I look most carefully at the trees and the woods and notice the amount of neglect and that they represent a great deal of money lying around that could be used in all sorts of ways. I was glad that my hon. Friend the Member for Daventry raised that point.

The hon. Member for Southall spoke about London. I am sure that we were all surprised to see the devastation in London parks and on London commons and to see the great trees that had been blown down. My hon. Friends the Members for Chichester (Mr. Nelson) and for Arundel (Mr. Marshall) were among the first into my office after the great disaster. I was pleased to hear my hon. Friends make their points so clearly and promptly. My hon. Friend the Member for Faversham (Mr. Moate) was also helpful at the time, although perhaps he would now like to be an astrologer.

I will not follow my hon. Friend the Member for Gravesham (Mr. Arnold) at present in what he said about the village of Vigo, but I should like him to write to me about that and we shall see what we can do, without making any promises.

I was glad to hear that the hon. Member for Carlisle (Mr. Martlew) had enjoyed his first Committee. I am sure that he will enjoy many more. I shall not follow him or be teased by him on the political points that he raised. I was glad to see the hon. Member for Western Isles (Mr. Macdonald) in his place, emphasising the unity of the United Kingdom, with the Western Isles supporting those in the south and casting a doubt on the ten-minute Bill this afternoon. I was glad to hear that.

My hon. Friend the Member for Daventry contributed in his usual efficient way and I have no criticism of what he said, even if the hon. Member for Caerphilly has.

We have had a useful debate. Last week Task Force Trees produced a beautiful document. It is available free from the Countryside Commission. I commend it to those who take an interest in trees, even to the hon. Member for Southall. The document is superbly produced. I had begun to think that the Department of Trade and Industry had a monopoly on such productions, but this is a very good document.

The Government were anxious to make clear at the outset their determination actively to encourage the restoration of our damaged landscape. My right hon. Friend the Secretary of State for the Environment announced on 21 October that £2·75 million would be available for tree planting through the Countryside Commission. At the same time, he was able to announce the intention of my right hon. Friend the Minister of Agriculture, Fisheries and Food to offer grants of up to 60 per cent. for the replanting on lowland farms of hedges, shelter belts and windbreaks, and for the replacement of stone walls in traditional materials. The rates are double those normally available in those areas under capital grant schemes.

On 30 November, we introduced the storm damage recovery scheme, which not only provided grants for the replacement of the damaged environment but introduced a new payment of £2 per tree for damaged fruit trees — and that payment is not cash-restricted. Additional assistance will be provided to the glasshouse sector, which was particularly hard hit.

My hon. Friend the Member for Weston-super-Mare referred to the French Government's offer of 280 million francs. At the new improved rate of 10 francs to the pound, that is £28 million. The Government have provided, or will provide, £32 million, so the French still have £4 million to go. I wish we could do as well at rugby.

We have provided £3 million for the Countryside Commission to plant amenity trees; £250,000 for the royal parks; £250,000 for Kew gardens; £2 million for the replacement of orchard trees up to 1991; a significant amount for glasshouses; £1 million for replacement of hedges, shelter belts and windbreaks up to 1990; £200,000 for the farm and countryside initiative; £250,000 for English Heritage; an additional £800,000 to the Countryside Commission for 1988-89—we are reviewing the need for a long-term programme; £400,000 for the National Heritage Memorial Fund; and £300,000 for historic gardens.

I am delighted to say—it will not be said often at the Dispatch Box—that the Treasury has been very good.

[Mr. Thompson]

Once the scheme was agreed upon, the Treasury has not nit-picked or gone through it with a fine-tooth comb, as other people have sometimes experienced it doing.

Mr. D. N. Campbell-Savours (Workington): Tell us more.

Mr. Thompson: I do not have time to go into details.

Many hon. Members have been concerned about the £25 million provided to local authorities under the Bellwin formula. Opposition Members have been wound up by their local authorities to shout foul and to say that the Government are making a profit. I know how much local authorities abhor the word "profit", even more if the Government are making it. Fortunately, in this case the authorities are not right.

We wrote to 200 local authorities and the Government made available a substantial and generous package of measures to assist them with storm damage. Special financial assistance is available at 75 per cent. of eligible expenditure above a threshold amount. Additional capital allowances are available for 1987-88 and authorities have been relieved of block grant lost on all storm-related expenditure in 1987-88 above the threshold and on loan charges resulting from capital expenditure incurred up to the end of 1988-89 for the remainder of the present rate support grant period.

Dr. David Clark: I am grateful for that reassurance. Is the Minister telling us that the London borough of Barnet will receive no penalty at all on its storm damage expenditure? The matter is of interest to all hon. Members.

Mr. Thompson: It is indeed. I was pleased to see my right hon. Friend the Secretary of State for the Environment in the Chamber while Barnet was being discussed, and I will put to him again the question of the hon. Member for South Shields. I cannot answer it in detail, but I reiterate that the Government do not intend to make a profit out of the storm damage.

The problem of clearance is enormous, and clearance cannot be accomplished overnight, as the primary responsibility rests with landowners, whether they be local authorities, public utilities or private individuals.

The report of the Agriculture Committee may have given a slightly misleading impression about the Government's contribution through the farm and countryside initiative. Many people think that the initiative has been of small import, but work is being done on sites which stretch across the wind belt, and a good job is being done. The initiative is being used as wisely as possible to clear up the damage.

I have heard what hon. Members have said about a transport subsidy to move trees, to find more readily available markets in other parts of the country. I will pass the concern of right hon. and hon. Members to my right hon. Friend the Minister of Agriculture, Fisheries and Food.

I welcome the Committee's endorsement of the special measures taken by the Government to help glasshouse growers. We will consider carefully the recommendation of the Committee and consider what more may be done, but I underline the help already offered. Glasshouse growers benefit from a higher rate of grant than other production sectors. For the past five years, we have paid grants of 50 per cent. of replacement for heated glasshouses, up to £136,000, which far exceeds the rate of grant provided under the relevant EC legislation, and we have been able to operate only on a special time-limited derogation from those rules.

Insurance plays some part and is the norm. Most growers are prudent men and were insured. I recognise that, given the extra demand arising from the storm damage, the cost of materials and labour may have increased considerably. However, insofar as the costs increase the amount of grant payable, which is fixed as a percentage of the total, that will increase. We recognise also that growers who already had improvement plans could face difficulty in meeting their commitments under those plans because of the shortage of labour and materials, so we have extended by six months the deadline for insurance claims.

The date for notification of claims under the storm damage recovery scheme is set at 31 March, but that does not mean that all the i's must be dotted and t's must be crossed by that date. People can make a general claim and then we can go through it afterwards. It would be impossible for people to go into such detail when, as hon. Members have said, the trees are still growing and their businesses are still flourishing. It is peculiar how quickly things come in at the end, and we are asking claimants not to make definite notification but to let us, have their schemes.

There is a need for a longer-term replacement strategy. The programme of assistance by Task Force Trees has made a useful and immediate contribution to that. For the longer term, the Government will take careful note of the Committee's observations.

My right hon. Friend the Secretary of State for the Environment is already discussing with the Countryside Commission the need for the continuation of its special programme of grants and to assess how this will fit in with the efforts of local authorities, other bodies and individual owners. The Government will make a statement of their intentions in good time for the start of the next planting season. They will be aided by the report, expected shortly, by the technical committee chaired by the Department of the Environment, which is preparing a comprehensive assessment of the damage caused to trees. We shall also take continuous account of the need to ensure that adequate advice is available on planting and aftercare. As an important step, we have the action pack.

This has been a wide-ranging debate and I am sure that it has given hon. Members a valuable opportunity to look at and talk through many of the problems caused by the great storm. I hope that I have been able to allay some of the fears expressed today, partly on what hon. Gentlemen were expecting to be the rigidity of the Government—it is clear that there is no such rigidity—partly on what was seen as the parsimony of the Government—obviously, in the light of the magnificent record and other action being considered, there has been no parsimony—and partly on how we shall treat other sectors.

I am going to see the vineyard owners myself—[AN HON. MEMBER: "The hon. Gentleman will not be going on public transport after that."] With any luck at all, I shall only be fit to go on public transport after that!

I have heard what has been said about the soft fruit and hop growers. There is, of course, aid available under the AIS plan for both those sectors—for polythene tunnels at the rate of 25 per cent. and for stakes and wirework for

hops and cane fruit at the rate of 15 per cent., with a ceiling of £50,000. No special help has been sought by the NFU for that sector, but I have heard what hon. Gentlemen have said about it.

I once again thank all hon. Members for a very good debate.

Question deferred pursuant to paragraph (4) of Standing Order No. 52 (Consideration of Estimates).

CLASS VI, VOTE 1

Coal Industry

[*Relevant document: Second Report from the Energy Committee (House of Commons Paper No. 306 of Session 1987-88) on Spring Supplementary Estimate: Assistance to the Coal Industry.*]

Motion made, and Question proposed,

That a supplementary sum, not exceeding £162,277,000 be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1988 for expenditure by the Department of Energy on assistance to the coal industry including grants to the British Coal Corporation and payments to redundant workers. — *[Mr. Norman Lamont.]*

7.32 pm

Sir Ian Lloyd (Havant): The House has been listening to a most interesting debate, introduced with his characteristic good humour and geniality by my hon. Friend the Parliamentary Under-Secretary, on the hurricane that blew through the fair forests of England. I wish that I had an equally interesting and congenial subject to present to the House, but I fear that I have not. I apologise for the fact that it is unavoidably dry and technical, although I think not unimportant.

The object of my Committee's report is the examination of a particular aspect of expenditure. The Committee's prime responsibility, under Standing Order No. 130, is to examine expenditure generally. This is a responsibility that we discharge with some assiduity and, I hope, accuracy.

Support for the coal industry continues to be a major segment of public expenditure. As the Secretary of State told the House not long ago, the Government are spending about £2 million a day on new investment in the coal industry. The particular subject of our report was a Supplementary Estimate for £162 million, made up broadly as follows: £100 million towards the increased deficit which is anticipated in the current financial year, and £60 million towards what is broadly defined as restructuring, but which is essentially the redundancy lump-sum arrangements which have been made by the industry. That is exactly what it means.

My Committee has been concerned with both these subjects and with three aspects of them. The first is the scale of the provision, and I shall come back to that in a moment. The second is the under-provision in the Main Estimates, despite our warning to the Government last year that we suspected that there would be under-provision. The Government were somewhat contemptuous of our view and said so quite openly. The third aspect with which we are concerned is British Coal's failure to achieve its goals, although we are fully aware of the size of the problem that the board has to face and of its recent achievements.

There is in the public expenditure White Paper a forecast of loss before deficit grant of £195 million. The latest Government memorandum suggested that this would be significantly in excess of £200 million, so Parliament voted £414 million in 1986-87 for deficit grant and a further £114 million in a Supplementary Estimate. The public expenditure White Paper has projected another £195 million loss in 1987-88 and warned that it could be substantially greater than £200 million.

[Sir Ian Lloyd]

The question is: when is this going to end, if ever? We know that during the first world war the men of the line were known as the Old Contemptibles. There is a group of beneficiaries in the Budget which I think we could call the "old reimbursables". It includes, certainly, British Coal, British Rail, Girobank, the common agricultural policy, the Northern Ireland Housing Executive, British Shipbuilders and a number of others.

So, when we look at the figures for British Coal in particular, we must realise that this is but the tip of a very substantial iceberg indeed. The total Treasury operating subsidy to British Coal from 1982 to 1987-88 was the staggering sum of £6,025 million — roughly £120 per head of the population, or £300 per family. If that target subsidy figure is met, it will cost each family £42, and if the subsidy that is concealed in the CEGB's purchase-of-coal arrangement is added, both those sets of figures are very substantially increased.

Mr. Dennis Skinner (Bolsover): The hon. Gentleman refers to these massive subsidies. I think he ought to bear in mind that many things are subsidised in this economy of ours. For instance, would he consider that the £550 per annum that is paid by every family in Britain to assist farmers, not only in this country, but indirectly in West Germany, France and elsewhere, is a massive subsidy? That is far in excess of anything relating to the coal industry.

Sir I. Lloyd: I quite appreciate the point made by the hon. Member for Bolsover (Mr. Skinner). If we look at these massive documents, the public expenditure White Papers and analyses, we see a wide range of subsidy. I do not wish to comment on the merits of any particular one, but it seems to me that in making judgments, as we are trying to do, about the scale of public expenditure, these figures cannot be neglected. Some are very large indeed, and all of us have views on the merits, or indeed the demerits, of particular subsidies, but I do not think that we can escape the obligation to look at them sanely and sensibly and to recognise and appreciate their scale and significance.

When Sir Robert Haslam was giving evidence to my Committee two or three weeks ago, he made the claim that by 1988-89 British Coal should effectively be operating out of the red and be in profit. He suggested that three fundamental conditions must be fulfilled if British Coal was to achieve that position. First, the dollar should not weaken; secondly, international coal prices should remain firm; and thirdly, there should be harmony in industrial relations.

Within the last few days it has become clear that, far from going in the direction that Sir Robert wishes, the dollar is falling, thus aggravating the problem. There is no sign of international coal prices firming. They, too, are tending to fall. And, sadly, industrial relations harmony is not exactly what everyone would hope. None of Sir Robert's conditions has been fulfilled.

What provision for deficit grant will the Government be likely to have to make in the main March Estimates this year? That question greatly concerns my Committee, and I believe that it should concern the House and the country. We would be grateful if my hon. Friend would give us as precise a figure as he can.

Let me deal next with restructuring. The Summer Supplementary Estimate for the redundant mineworkers payments scheme was £39 million, which covered the closure of 16 pits, with five expected in that year. The payments would be made to some 15,000 miners who left the industry. The Committee understands the reasons for that, but what future provision is now required? In his evidence Sir Robert Haslam predicted a further 20 closures and a further 15,000 redundancies, on the favourable conditions that he postulated. Even if the Government do not share the Committee's gloomy prognosis on the last occasion — which, unfortunately, seems to have been justified — our pessimism may have to be repeated on this occasion, and the Government may take a different view.

The Coal Industry Act 1987 provided about £300 million for restructuring grants, with a total limit of £700 million. The restructuring grants order will increase that sum to £500 million. If the protection of long-term contracts does not continue and dramatic increases in productivity do not occur, the number of closures could clearly increase. The Committee is, I think, entitled to ask what will be the cost to the nation. As the House has already discovered this week, that question has a particular, immediate and much more local application to Scotland.

The Committee reached two key conclusions in paragraph 10 of its report. The first was that, if there were more closures, there would have to be more restructuring support than appears to be anticipated at present. The second was that, if there were no more closures there would have to be more support of the deficit on the operating grant as the coal industry endeavoured to meet what are undoubtedly likely to be severe and challenging market conditions.

Mr. Tam Dalyell (Linlithgow): I do not wish to lead the hon. Gentleman into the current great Scottish problem, but has he any objective view on the use by an electricity board of short-term marginal costings?

Sir I. Lloyd: Whether short-term or long-term marginal costing is the appropriate technique for pricing electricity is a complex and difficult subject, and would lead me down many avenues and cul-de-sacs, so I do not think that I wish to pursue it tonight. The Committee will undoubtedly explore the subject with my right hon. Friend the Secretary of State and with other witnesses, and we shall return to it.

Can the Government now define the limits of the claims that they are prepared to allow the coal industry to make on the taxpayer, whatever the circumstances? As we know, those circumstances are widely unpredictable. The financial consequences of meeting the downside risk are prodigious, and it is for that reason especially that my Committee wished to bring the subject to the Floor of the House this evening.

7.44 pm

Mr. Alexander Eadie (Midlothian): It is always a great pleasure to follow the hon. Member for Havant (Sir I. Lloyd), as I have done on many occasions in these debates, for he always argues his case fairly and objectively.

I am sure that the hon. Gentleman has seen the headline in the *Financial Times* which, perhaps, described the position more dramatically than he did. It read, "More

subsidy or close pits"—or perhaps it was, "Close pits or more subsidy". I may not have got it exactly right, but I have got the sense right.

The hon. Gentleman has told the House that it will be the responsibility of his Committee to examine the matter in greater detail. I wonder whether he has had a chance to glance at *Hansard* of 23 February, when his hon. Friend the Parliamentary Under-Secretary of State for Energy answered a question put by the hon. Member for Meirionnydd Nant Conwy (Dr. Thomas). I do not intend to give details for every year, but if the hon. Gentleman examines the answer he will find that other nations pay massive coal subsidies in comparison with us.

In 1987, for instance, the subsidy in Belgium—which has a much smaller coal industry—was £57·55 per tonne. France, which has a slightly larger coal industry, paid £22·16 per tonne. The Federal Republic of Germany, whose coal industry is more comparable with ours, paid a subsidy of £29·45 per tonne. The United Kingdom subsidy is £10·12 per tonne. West Germany pays nearly three times as much. If we are to view the matter objectively, we should do so by taking into account what happens to other coal industries.

I remember hearing Sir Robert Haslam tell us that if we were to draw comparisons between our coal industry and others, West Germany was probably the fairest comparison in Europe. He said that our coal industry costs were 35 per cent. better than those in West Germany. He was also able to tell us that West Germany is not allowed to import a single tonne of coking coal.

Other nations take steps to protect their coal industries. For whatever reason, West Germany has decided to do so. A tremendous argument is taking place about this at present. For example, the hon. Member for Clwyd, North-West (Sir A. Meyer) said yesterday that if the policy of electricity privatisation were pursued, it would mean the complete demise of the coal industry. That was not said by one of my hon. Friends.

I should like, however, to deal with other aspects of the fine contribution of the hon. Member for Havant. Many doubts have been expressed in the coal Estimates. One was based on the decline in the value of the dollar, on which the hon. Gentleman commented. In 1987, the gap between the prices of British and foreign coal increased by 25 per cent., or £6 a tonne. As Sir Robert Haslam said in his evidence, it led to the loss of about £500 million-worth of sales. He is on record describing that loss of £500 million as

"pro rata to our size equivalent to wiping out the entire profits of ICI: one has only to imagine the effect of that on the United Kingdom's industrial and financial scene to recognise the severe problems we are facing."

One of the doubts expressed in the Estimates—I think Sir Robert Haslam said this—was based on the hope that the dollar would stabilise at about $1·50. There was a hoo-hah on the radio this morning about what has happened to the pound. It was said that the pound is leaping forward and that there is no restriction on it. For some hon. Members who recall 1981, when we experienced the massive slaughter of a large section of British industry, that statement will be of little comfort. I do not think that there is a hope in hell of the dollar reaching $1·50.

That doubt about the dollar is overshadowed by the doubt about British Coal breaking even, and I do not think that there is a chance of it doing so. The Government have left themselves open to the charge that they are anti-British Coal and, together with the Estimates, that is what we must debate tonight.

To some extent, we are having the same debate as we had last Wednesday. We are talking about finance, restructuring and deficit grant. I confirm what the hon. Member for Havant said. At the end of the miners' strike there were 169 pits. British Coal contemplates that by the end of March 1988 there will be 66 pits, even taking into account the three new pits in the Selby complex. Total manpower has fallen from 220,000 to 127,000—a reduction of 93,000, of which 78,000 were miners.

Those figures do not tell of the misery and pain that the closures have caused mining communities. Those closures were carried out under the name of restructuring. Those job losses are without parallel in recent times in any industry in the United Kingdom.

The figures that I have given are not entirely accurate because more pits will be closed and more jobs will be lost. When considering the Coal Estimates and the Select Committee's report we must consider the serious position in which the coal industry finds itself. The present average age of miners is 34. The perception of the coal industry among much of the public is that pit closures have involved aged men being offered an opportunity to leave on generous redundancy terms. That ceased to happen some time ago.

Further, much of the public's perception is that all the pits that have been closed were clapped out and were using mining technology of yesteryear. On the contrary, pits have closed that were not old and used modern technology. In general, they were not closed because of exhaustion of coal seams but because of market conditions.

Those closures have been accelerated by the promise of cheap foreign coal, much of which is heavily subsidised and sold at below the cost of production. I dealt with that matter in some detail in my speech last Wednesday.

Parliament must be made aware of the changing pattern that will emerge. British Coal has claimed that during the massive contraction of the industry all the redundancies have been voluntary and have been carried out under the Government's redundant mineworkers payments scheme. However, when the Government abandoned that commitment, redundancies proceeded under British Coal's own scheme, which was not so generous. It made offers to miners to stay in the industry, and some did.

The new dimension that overshadows the debate is that that offer has been withdrawn. For the first time since the 1930s, coalminers will be shuffled on to the dole. Many of those 34-year-old kids are faced with the prospect of their working lives ending because there are no other employment prospects in mining communities, and that is a scandal.

I used the phrase "those kids"; they are 34 years of age. I could say "my kids", because this year I will be 68 years old. Never in my wildest dreams did I dream that I would have to make a speech in this Mother of Parliaments while people are cold and dying of hypothermia. Those kids will end up on the dole and will be unable to find a job for the rest of their natural lives. What a prospect that is. It is a scandal.

All the evidence in the dispute between the South of Scotland electricity board and British Coal points to the fact that there was Government connivance in it. The Secretaries of State for Energy and for Scotland laid

[Mr. Alexander Eadie]

themselves open to a charge of conspiracy. The international coal report in the *Financial Times* said that the Secretary of State for Scotland gave assent not once but twice to Donald Miller to negotiate contracts for foreign coal. The Secretary of State for Energy, who is supposed to be the Minister with responsibility for coal, made it clear this year that he supports the British electricity supply industry being entitled to buy its coal from whatever source it chooses. The proposed slaughter of the deep-mine coal industry in Scotland or the fact that 3,500 jobs would be lost did not bother them one bit.

I have done various calculations about the effects of the slaughter of the British coal-mining industry, and we are talking about a loss of 7,000 to 10,000 jobs. Railway workers' jobs, and the jobs of those engaged in other aspects of the transport industry and in the light engineering industry, are in peril. When we look at the Scottish economy, we see nothing but a desert of hopelessness.

The matter took a further twist when British Coal took the SSEB to court on the basis that it had a valid contract for coal burning at the Cockenzie and Longannet power stations. It obtained an interim judgment from Lord Prosser. His judgment was based on the fact that the effect of that on the Scottish coal industry would be "catastrophic and irreversible." The learned judge showed more concern than the Secretary of State for Energy. Despite that judgment, the SSEB is to import 1 million tonnes of coal from China, Australia and the United States. That is why there was anger in the House last night. The Secretary of State for Scotland did not tell the House what had already happened in relation to that order for 1 million tonnes of coal. Some of us understand what happens in the machinery of government.

The Secretary of State for Scotland issued a press release on Sunday—an unparalleled action—and said that he would be winding up the debate on electricity privatisation on the following day. He gave the impression that when he did so he would give some hope to miners in Scotland. But he made what I have described as a sixth-form debating speech, and he gave no hope to Scotland's miners. All he could say was that he hoped both sides would come together and resolve their differences.

I remember the interjection by my right hon. Friend the Member for Glasgow, Govan (Mr. Millan) who said that we faced a similar situation when we were in government. He described how he brought both sides together. There was some knocking of heads, and agreement was arrived at. He forgot to say that I was present at that meeting as the Minister responsible for coal.

I could go on and quote what *The Scotsman* said, but I will say instead that what distinguishes the Secretary of State for Energy from the Secretary of State for Scotland is that, by virtue of his office in the Department of Energy, he meets the chairmen of the Central Electricity Generating Board and of British Coal. We understand, however, that the Secretary of State for Scotland will deal only with the chairman of the South of Scotland electricity board. Time and again he comes to the Dispatch Box and mouths its case. He has never seen representatives of British Coal in Scotland. The charge that I am making in relation to the coal industry in Scotland is that he has not been even-handed in his approach. It should be the duty and responsibility of a Minister to be even-handed in dealing with this great crisis.

I have described what happened in the privatisation debate last night. The Minister cheated by putting out that press release on Sunday and then saying that there was very little that he could do. There is little doubt that the future of the coal industry is tied to the future of the electricity industry, as the hon. Member for Havant said. More than 75 per cent. of sales go to the CEGB and SSEB, and since 1982-83, 70 per cent. of its total output has gone there.

It is a matter of public record that the CEGB told the Select Committee on Energy in 1986 that it could import 30 million tonnes of coal within three years. Since then, the Secretary of State for Energy has helped that process by giving permission for an 8 million-tonnes-a-year deep-water port at Fawley, Southampton. We know that there are two Bills before the House now to seek approval for two ports on the Humber, each for importing 5 million tonnes a year. We know that the SSEB claims that it has facilities to import more than 1 million tonnes.

I told Conservative Members on Wednesday that when one examines what it is possible to achieve and the international market, it is very difficult to see how we could indulge in importing coal. But I am not prepared to predict what will happen to coal imports in view of the way in which this Government are carrying on.

Mr. Peter Rost (Erewash): I have much respect for the hon. Member for Midlothian (Mr. Eadie) when he is speaking in coal debates. He has been easy and liberal in his criticism of the Government's policy towards the coal industry. Perhaps he would like to put it into perspective and tell us about the time when he was a Minister in the Department of Energy in the previous Labour Government. How many pits did he close, and how much less did he invest in the coal industry than we have invested since we took office?

Mr. Eadie: I shall have pleasure in telling the hon. Gentleman about that. I have already described, for example, what we did in relation to Scotland when there were problems in the coal industry. The hon. Gentleman asks what we did when we were in office. We started research and development into the coal industry. We started projects for making oil and gas from coal. Indeed, when I became Minister for energy—in answer to the hon. Gentleman's question about what the Government did then for the coal industry—the Labour Government introduced "Plan for Coal" to revitalise that industry, which was at the undertakers. We have nothing to be ashamed of in our attitude to the coal industry.

The Government seem to encourage these initiatives but they can see what will happen to British Coal and its long-standing arrangements with the electricity industry, and say that the free market is the optimum mechanism for planning the production of coal and electricity, despite the fact that Sir Robert Haslam among others has warned that the international coal market is not a free market and is unlikely to become one.

Mr. Allan Rogers (Rhondda): I thank my hon. Friend for giving way. He was faced with the question of how many pits were closed under the Labour Government. Would he not accept that during that period many coal mines needed to be closed?

Mr. Philip Oppenheim (Amber Valley): Oh.

Mr. Rogers: If the hon. Gentleman knew anything about the coal industry, he would realise why I am saying this. The seams were too small for the technology used today to operate in them. There was a need to close pits even on safety grounds, and on the basis of reorganisation so that central pits could do the winding. It meant that pits were more efficient.

But at present, efficient pits are being closed. They are productive, raising a profit and operating the most modern technology. The only reason why they are being closed is that there are sudden movements in the market price of coal, as a result of coal being produced in South Africa by slave labour and produced in Colombia by children. If that is what Conservative Members want, they must live with that on their consciences for the rest of their lives.

Mr. Eadie: I must come to what is at the back of what my hon. Friend is saying about the noises we are hearing from Conservative Members. I know that there is a lot of talk on Conservative Benches about 30 million tonnes of coal being imported into this country. I have already told them my analysis of the facts and that such a plan does not make much sense. Tonight, I want to fill in the scenario of what would happen to the British coal industry with that extra 30 million tonnes of coal coming in.

In Scotland, there would be no pits left. In the north-east, where there are six pits, one would be left. In north Yorkshire, eight pits would be threatened and they would have only six left. In south Yorkshire, eight pits would be threatened and there would be 11 pits left out of 19. In Nottinghamshire, nine pits would be threatened out of 19 and there would be 10 left. In the centre, and north of Derbyshire, five out of nine would go, and four would be left. In the western division, five would be threatened and six would be left. In south Wales, nine pits would be threatened out of 14 and there would be five left. Of course, the Kent pits would be wiped out.

I must ask why importing foreign coal is advocated. It is provided, as my hon. Friend the Member for Rhondda (Mr. Rogers) has said, by the sweat of South African labour and the work of eight-year-old children in Colombia. It comes from Poland, who are concerned only about getting currency, or from China or the Soviet Union. How can this Government even contemplate wiping out the coal industry to the extent that I have suggested? Are they advocating that we should import 30 million tonnes of coal? It would be the height of idiocy.

At Question Time yesterday and in the electricity privatisation debate, the Secretary of State for Energy said that we had to have a nuclear power industry because it was in the strategic interests of the country. Yet he does not believe that it is in the strategic interests of the nation to have a coal industry. He concedes that we may require 90 million tonnes or 80 million tonnes of coal and wondered what we were worrying about, but he did not say where that coal would come from. That is why I make the charge that, although the Government may say that they are pro-coal, they give every indication of being anti-British Coal.

The debate gives us the opportunity to talk about the coal industry. The Government seem to be financially conscious. I could give them figures to show what the slaughter of the coal industry would mean in Scotland. We would be talking not about millions but about billions of pounds, and not just that but the human misery that would go with it of 34-year-olds being flung on the scrap heap. I welcome the opportunity of opening the debate for the Opposition.

8.11 pm

Mr. Peter Rost (Erewash): I feel that I have been here before, year after year after year. Debates about Supplementary Estimates for the coal industry remind me of the debates which we used to have about Supplementary Estimates to prop up British Leyland. I am not making a point about whether it is right that we should approve the Supplementary Estimates. The question that we should ask is whether the endless subsidies of the past have helped to produce a more efficient, competitive coal industry. Have those subsidies helped to produce cheaper coal which could have saved hundreds of thousands of jobs in the rest of British industry which has suffered job losses and uncompetitiveness because our energy prices have been too high?

The answer has to be that huge subsidies have not helped to make the coal industry more efficient, but over more recent years there has been a change of policy, with the subsidies having had a few strings attached. The Government have insisted that the industry also plays its role and gets its house in order. That is the big difference.

When we consider the huge amount of taxpayers' money which has gone into the coal industry, we could say that it was justified if it had achieved a coal industry which could now produce a product which could compete not just in our own market but in Europe, our natural market. Unfortunately that has not happened because too many of the subsidies have been granted too freely by the House, without the proviso that the money went into the development of more efficient new faces, more automation and more restructuring.

Too much money has gone on featherbedding inefficient pits which should have been closed. Restructuring could have resulted in more coal being produced at a lower price, which would have meant more secure jobs in the coal industry. That is the tragedy of the endless, repetitive sessions which we have had year after year in debating the provision of more money for the coal industry. Thanks to the Government—my hon. Friend the Minister will confirm this shortly—at long last we are ensuring that we are getting value for money from the subsidies. The industry is becoming more competitive and more efficient.

Mr. Ronnie Campbell (Blyth Valley): As the hon. Gentleman knows so much about subsidies to British coal, can he tell me what subsidies there are on foreign coal coming into the country?

Mr. Rost: As the hon. Gentleman will know, imports of foreign coal have to comply with fair trading rules. If there is evidence of dumping, as there has been in the past which has led to unfair prices, and if it can be identified, it will be stopped. The coal board is happy to insist on that policy and I am sure that the Government support it. Certainly within the EEC the fair trading rules would ensure that there is a competitive market.

The point I want to emphasise is that British coal could be the cheapest in Europe. We can produce coal at about £20 a tonne in our most efficient mines. All we have to do is concentrate on opening up and developing more of our

[Mr. Rost]

enormous reserves. We could have lower-cost production with more automated machinery. The work would be less hazardous and less risky, with higher rewards for those who work in the industry. As a result, coal could be produced in excess of our demands. British Coal could compete against all imports and we could re-establish some of the long-lost export markets. That should be the Government's target, and I hope that my hon. Friend will confirm that that is the strategy. If it is not, the House should not approve further subsidies without ensuring that they are being put to good purpose.

Mr. Jack Thompson (Wansbeck): Is the hon. Member suggesting that coal reserves should be abandoned if the coal costs more to extract?

Mr. Rost: I am grateful for that intervention because I was coming to that point. As Opposition Members will no doubt agree, far too many pits which still have good reserves have been closed. Those pits could still be open. They were closed not because the subsidies were not generous enough but because they were too generous. Those subsidies allowed the industry to relax in a feather-bedded atmosphere instead of improving its management and its industrial relations, as it has done in the last two years.

British Coal's overheads and wasteful bureaucracy have been got under control, with an improvement in productivity. That has happened only because the Government have insisted that subsidies should have strings attached, that the industry had to make a contribution, that working practices had to improve, that restrictive practices had to end, that there should be flexible working and that the coal industry should operate in the industrial relations climate in which every other industry had to learn to operate to survive. There is nothing special about the coal industry which means that it should be protected from the natural forces of world competition. It would not need such protection if it continued to improve its productivity in the way advocated by management and more enlightened union leaders.

Mr. Rogers: The hon. Gentleman says that there is a natural market for coal, but the energy market is not a natural market in any way. He talks about featherbedding and support for the British coal industry. Does he not accept that it receives the least support of any coal industry in Europe, while its efficiency and production are the best in the world? Does he further accept that there has been considerable dumping? The hon. Gentleman talked about the Government taking action against dumping. That is codswallop. The Government have never taken any action against dumping—even when the European Community asked them to take action against dumped American and Polish coal.

Mr. Rost: I rather regret having given way to the hon. Gentleman because he appears to have used that opportunity to make his own speech. I think it might be appropriate if I got on and expressed my own thoughts rapidly so that hon. Members can make their own contributions. The hon. Gentleman is wholly wrong. He has completely missed the point. Subsidies are relative. One needs subsidies if one does not have the enormous potential coal reserves that we have in this country. With our opportunities for low-cost coal production, we do not need subsidies.

We have had subsidies only because the industry has not got its act together and because management has not been allowed to manage and trade union leaders have refused to co-operate in achieving higher productivity and threfore lower-cost coal as well as a better living standard for those who work in the industry. That is what has to happen now. I believe that the Government will insist that it does. One way of doing that is to make the industry face reality at long last, as every other industry has had to do. That does not necessarily mean more pit closures or lost jobs. It could mean the opposite.

If the industry seized the enormous opportunities that it now has—not just as a result of the privatisation of the electricity industry but as a result of the enormous future of new coal technologies—instead of trying to resist them, it could make the most stupendous comeback and could be exporting coal and creating more employment and more wealth.

I do not believe that that can happen entirely within the present structure of British Coal. I accept that enormous progress is being made with British Coal, and undoubtedly the industry will become more efficient so that it will be able to compete against imports when the electricity industry is privatised. However, I believe that something more has to happen. I regret that the Government have not responded to the Select Committee's report of last year.

We went into the coal industry in great depth and studied coal industries in the private sector abroad. We examined the potential of improved productivity. Our recommendations were not unanimous, and no doubt Opposition Members will express the opposing view. The majority view of the Committee was that we have suffered a handicap because we have handcuffed ourselves and prevented the private sector from contributing to coal production.

I have always maintained that it is not just ridiculous but an absolute scandal that major companies such as BP, which have worldwide experience in coal production and which produce almost as much coal as British Coal, although they have to produce it abroad, should be prohibited by statute from investing in the British coal industry. Think of the enormous opportunities that could have been opened up if we had allowed British private enterprise, with mining expertise, to go into partnership with the nationalised industry to open up new faces more quickly than British Coal has been able to do, and to help to produce more competitive coal. If we had done that, we would have a flourishing coal industry.

That does not necessarily mean that we have to privatise British Coal. However, by now, we should have allowed competition from the private sector to develop alongside British Coal. We should have allowed new investment from the private sector to come in. As with oil and gas, licensing should be with the Department of Energy and not under the patronage of British Coal.

Already, one or two area boards are interested in operating coal mines. An individual electricity generator may well wish to participate in the investment of British Coal. Opportunities from the private sector should be encouraged and not prohibited under the Coal Industry Nationalisation Act 1946. Licensing of coal reserves

should lie with the Department of Energy and should be given to those who wish to have a go on a competitive basis.

When British Coal decides that it wants to close a pit and abandon reserves of coal—it has done that only too often—the private sector should have the opportunity of taking that pit over and making a go of it. We know that private sector consortia — they could be mining co-operatives — would like to have a go at proving that some of the pits that British Coal has said are not economic are, indeed, profitable when run with less bureaucratic management and improved working practices. *[Interruption.]*

The hon. Member for Blyth Valley (Mr. Campbell) is shouting. I hope that he will have an opportunity to shout in a moment, when I finish my speech. Perhaps he has not visited one or two of the private deep-mine pits, as I have. I can give him an example of one such pit in Stoke, which is limited to employing only 30 miners because that is all that the law allows. As a result, that mine can work only one shift. It wants to work two or three and take on another 30 or 60 miners. There are unemployed miners in the area made redundant by British Coal yet the private operator is not allowed to take them on and operate two or three shifts thus creating more coal reserves at a competitive price.

The Government still force the British coal industry to work under such artificial restrictions. The restrictions should be removed and the private sector given the chance. The coal miners made redundant by British Coal should be given a chance of alternative employment opportunities, which many of them want.

Too many pits have been closed that could have been economic. British Coal alone has decided that they are uneconomic. The opportunities for the private sector have been frustrated when they should have been opened up and liberated. The British coal industry has an enormous opportunity to compete. The new technologies such as the fluidised bed, combined heat and power, city district heating and coal gasification are contributing to electricity production and energy supply in other countries, but are not going ahead in this country because we have a monopoly that is not as efficient as it should be and restricted competition from the private sector at the edges. When the electricity industry is privatised, the opportunities will begin to open up — if British Coal takes advantage of them.

I hope that my hon. Friend the Minister will tell us that at long last the matter is being reviewed and that the British coal industry will now be given an opportunity to participate in a future as exciting as anything that it has experienced since the industrial revolution.

8.28 pm

Mr. Terry Patchett (Barnsley, East): I promise to be brief, Madam Deputy Speaker, because I know that many of my hon. Friends who have constituency interests in the debate wish to speak. One item, which is of concern to me, has cost the coal industry much more than the grant is worth. Although I welcome the assistance to the coal industry, I have grave concerns about the Government's attitude to that industry.

Although the miners have been working very hard and producing record tonnages, their morale is very low. Why? Basically it is because of the Government's lack of a clearly stated energy policy that defines their prospects. In many cases it seems that the only reward for hard work is closures. I ask the House to remember that there has been a 60 per cent. increase in productivity. Why has there not been an increase of 60 per cent. in wages?

I am concerned that the money being contributed to the industry will be wasted by the chairman of British Coal, who seems more interested in manoeuvring trade unions into taking industrial action and using his public relations department to make the people of this country think that the unions are evil and irresponsible. In recent weeks he has successfully created unrest in a union renowned for its moderation. Like the Secretary of State, he harps on about the leader of the National Union of Mineworkers, accusing him of scaremongering about the present situation in the industry and flexi-hours.

Similar charges were made by a previous chairman and by a previous Secretary of State for Energy before the 1984 strike, when Mr. Scargill referred to 70 pit closures if the strike was lost. History has proved Mr. Scargill absolutely right: there was a pit closure programme. It was a strike that Sir Ian MacGregor himself has since admitted was manipulated, just as the problems in the industry are being manipulated today.

My concern is that a great deal of money is being lost by the arrogant bloody-mindedness of the chairman of British Coal, acting on behalf of the Government, to propagate anti-trade union political dogma. He appears to be desperately trying to attain the Prime Minister's beloved Victorian values, making himself the master whom the miners may serve subject to his will and without themselves having any say.

The proof of that lies in the chairman's heartless attitude to sacked miners and his insistence on a new code of conduct in place of a well-tried and fair one, which makes the board alone the sole arbitrator.

The chairman of British Coal has sought also, without consultation, to inflict weekend rosters on the deputies' union to replace another workable procedure. He dictated a small pay rise, again without any consultation, which illustrates his masterly arrogance. He is also refusing to backdate it to November, as has always been the procedure.

How can anyone on the Government Benches fail to see that deliberate manipulation on the part of British Coal, which has a public relations department of which Goebbels would have been proud? I include in that the Secretary of State for Energy, who I assume condones the chairman's behaviour. I condemn his attitude and that of the Government in their running of an industry as vital to the nation as the coal industry. I hope that British Coal and the Department of Energy will see sense and will ensure that this financial contribution to the industry is not wasted by their attitude towards the trade unions and the nationalised industries.

8.33 pm

Mr. Bill Walker (Tayside, North): I welcome the opportunity to speak in this debate and should like to place clearly on record my views concerning coal. I see coal as an important, essential and strategic national asset. I believe that we in this House, and as a Parliament and Government, have a duty to ensure that the nation maximises this great national asset.

There is no doubt that there will be differences of view and opinion as to how that should be achieved. I do not doubt the integrity of Opposition Members and of the

[Mr. Bill Walker]

views that they hold. I hope they will be generous enough to accept, and will not doubt, my integrity. I have a high regard for the hon. Member for Midlothian (Mr. Eadie). He brings enormous experience to the House. He will not be surprised if I say that one of the lessons I have learnt is to look at the mistakes made by others and try not to repeat them.

Some of the mistakes which were made were, sadly, made under the Government in which the hon. Gentleman was a Minister. He must face that. Of the 295 pits that were closed during the stewardship of the Labour Government, not all were worn out and required closing. I accept that many of them were worn out—let me make that clear.

What I cannot understand is how Labour Members can argue that closing pits on that scale is somehow acceptable if done by a Labour Government, but that any closures under a Conservative Government are made because we have a vendetta against the coal industry. It would be an odd sort of vendetta that required the British taxpayer to pay, because it is the taxpayer who pays, not the Government. The Government use taxpayers' money, or they borrow it, as did the last Labour Government. Fortunately, the present Government have not been borrowing, but have been spending £2 million a day to modernise our pits.

If I have any comment to make in that regard, it is that our massive reserves of coal should be exploited to the maximum. If any aspect requires to be looked at in greater detail with the hope of obtaining greater rewards, it is that of opening up areas of greatest potential.

Mr. Ronnie Campbell: Does the hon. Gentleman not understand that, when he talks about the Labour Government closing the pits in the 1960s, what actually happened was that the small pits were closed so that there were then super-pits in the same areas, mining the same coal? The miners from the small pits went to the super-pits, but under this Government the super-pits are closing, leaving reserves in them.

Mr. Walker: Sadly, unlike the hon. Gentleman, I am not an expert in the detail of these matters, but I assure him that I can understand the mathematics of investment, return on investment, productivity, and soon. Sadly, "super-pits" is a description given to something that happens to be bigger. Unfortunately, as anyone with any business experience knows, bigger does not always mean more efficient. That is one of the great tragedies.

The hon. Member for Barnsley, East (Mr. Patchett) spoke about a substantial increase in productivity—I acknowledge that that has happened—and asked why there had not been a similar percentage increase in wages. That is the economics of the madhouse. Nobody expects to increase productivity by a given percentage and for wages to increase by a similar percentage, because it all depends on the gearing ratios. Anyone who wants to work out the mathematics in that way ought not to be promoting any industry.

As I said earlier, I see coal as an essential, strategic national asset. There are massive oportunities to produce low-cost coal. Here I have to declare an interest, because in my constituency there are companies which use electricity on a substantial scale. Because of that, they want electricity prices to be held at the most competitive level so that they can compete in world markets.

Included among those companies—although it is not the largest user, it is a big user—is the whisky industry, which employs many more people in Scotland than the coal industry. In terms of the return to the taxpayer, that of the whisky industry is massive, because the taxpayer makes no direct investment in it, unlike in the coal industry. The taxpayer enjoys a return of £1,000 million per year from the whisky industry, which is obtained through revenue and taxes.

Labour Members know that we have recently taken an extensive look at the whisky industry, because Labour Members and I have combined to bring a Bill on that subject before the House. It is an all-party Bill and we have the same interests in common. We are concerned that our whisky industry should continue to prosper and survive. When I visited the whisky research laboratories, the cost of energy was discussed on two occasions. Until then I had not realised just how important energy costs were.

Perhaps the most emotive subject with regard to employment in Scotland is the steel industry. I think that all in Scotland are united in the belief that it is essential that we continue to ensure the well-being of Ravenscraig and all its associated suppliers. It is imperative that Ravenscraig continues to receive energy at competitive prices. Indeed, that is probably the most important single area affecting coal and electricity.

Mr. Ronnie Campbell: Does the hon. Gentleman agree that Ravenscraig must watch out, not for cheap coal, but for cheap steel, coming into Britain?

Mr. Walker: I happen to think that Ravenscraig——

Mr. Campbell: Answer the question.

Mr. Walker: I shall answer the hon. Gentleman's question, if he will only listen. One great problem, which was noticeable last night, is that Opposition Members do not want to listen. They think that they are the only ones who care. We care. We care very much about the whole of Scotland, not just about one narrow sector of it. We recognise that Ravenscraig, by its increased productivity and the way in which its work force has responded to the challenge that it has faced and to the miners' strike—we must remember that—has shown clearly that the men deserve to retain their jobs. We have a duty to ensure that the way in which coal is produced in Britain is not an impediment to the retention of their jobs.

That can be achieved through new work practices. I welcome the fact that miners at Longannet are prepared to consider the introduction of flexible working. The miners there, contrary to the advice that they are getting from some sources, recognise that their jobs can best be retained if they change to meet the changing times. The Government are prepared and willing to continue to invest taxpayers' funds on a substantial scale. No one can say that there has not been substantial investment. I am not opposed to helping any industry at any time. I am not opposed to what, in the House, are roughly called subsidies. I am opposed to a continuation of subsidies where there is no change and no willingness or preparedness for change, but where workpeople are used as an instrument to achieve political ends, whatever they may be and whoever is practising them.

No one should play God with other people's jobs and futures. No one should play God with other people's families. Anyone who imagines that the Government can

somehow create and continue to keep jobs in being on the false basis of continuous subsidies is not living in the real world. It is necessary to ensure that there is change in return for the massive investment of taxpayers' funds.

There have been substantial changes within the coal industry, on which it should be complimented. Productivity in some sectors of the industry now compares favourably with many other sectors overseas. Such returns are the only real yardstick.

The difference between the United Kingdom's coal industry and many others is that, sadly, our coal industry has been used for political ends at the sharp end of political activity. That is sad because miners, like many other tightly knit groups of people in Britain, are loyal to their mines and country, as they demonstrated effectively in two world wars. There is no question but that the mining communities have contributed handsomely to Britain's well-being. I believe that that loyalty has often been abused — *[Interruption.]* The problem of the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) is that he does not believe in anything. I speak from conviction. The hon. Gentleman does not know what he believes in and has no conviction. He persuades no one and convinces no one.

In any consideration of Scotland's coal industry, one must first acknowledge that at least half, if not more, is now opencast. The public are not concerned with how coal is obtained, but the industry is interested in the technicalities, and the experts can explain just why there is that great interest. I have a tremendous admiration for individuals who are prepared to go down the mines. It is not something that I would wish to do. I have been down a mine only once——

Mr. George Foulkes (Carrick, Cumnock and Doon Valley): On a point of order, Madam Deputy Speaker. As you are aware, many Labour Members with vital constituency interests want to speak before 10 o'clock. Is there any way in which you can ask the hon. Member for Tayside, North (Mr. Walker), garrulous as he is, to draw his remarks to a conclusion, perhaps on the basis of tedious repetition?

Madam Deputy Speaker (Miss Betty Boothroyd): What I can do is to advise the House that, with fewer interventions, more hon. Members would be called.

Mr. Walker: Thank you, Madam Deputy Speaker. I have attempted not to repeat myself. I have attempted to cover widely the areas of genuine concern in Scotland. There is no doubt about the genuine feelings of concern that were demonstrated by hon. Members last night. I can understand the deep feelings of the hon. Member for Midlothian. If I had his long experience of and attachment to the coal industry, I would feel as deeply about it as he does, and I respect that genuine concern and feeling. However, I have little respect for what I call the engineered feeling that one sometimes gets. I make it clear that I exclude the hon. Gentleman from that.

There is no question but that the Government have backed British coal massively since 1979, and any attempt to claim otherwise is to ignore the fact that over £8,000 million of taxpayers' funds have found their way into the coal industry in different forms. Consequently, I have no hesitation in saying that the taxpayers have every right to expect the United Kingdom's coal industry to respond to requests for changes in work practices and for a continued increase in productivity.

Other United Kingdom industries have responded to such requests. I have mentioned the steel industry, which has shown that it can compete effectively with its overseas competitors. We can prevent steel from coming into the United Kingdom by showing that other people cannot produce steel of the quality, and at the rate and the price, that we do. I am confident that the United Kingdom's huge reserves of coal can, must and should be exploited to the benefit of the industry and the people who work in it, but, more important, to the benefit of the nation.

Miners in the high-productivity areas who are now working flexible hours and a six-day working week are enjoying substantial pay returns. The hon. Member for Carrick, Cumnock and Doon Valley shakes his head. I have relatives in the Nottingham area who are miners. That gives me no knowledge of the mining industry, but they tell me what they are earning and how they have paid for nice new cars, houses and so on. They have explained to me that that has happened because they have been able to increase their earnings substantially since the introduction of the new scheme. I can say only that I have seen with my own eyes how their standard of living has improved and how they want it to continue to improve. *[Interruption.]* I wonder whether Opposition Members ever go anywhere. I wonder whether they have been to the mining community in the Nottingham area.

I am trying to explain as well as I can that in some parts of the United Kingdom there are high-productivity pits and the individuals who work there are reaping the benefits and the rewards. I should like other parts of the United Kingdom to enjoy the same benefits and rewards, because eventually the taxpayers, the users of energy and electricity, will benefit. It is essential that our electricity industry continues to improve and to provide manufacturing industry with electricity at competitive prices.

I welcome the opportunity to speak in this debate. I conclude by saying that I found yesterday's activities quite distasteful. Opposition Members were not prepared to listen to the speech of my right hon. and learned Friend the Secretary of State for Scotland, who was continually interrupted when he replied to the debate. As you, Madam Deputy Speaker, pointed out this evening, that has an effect on the debate. I also feel that it was in bad taste to suggest that somehow my right hon. and learned Friend does not care. He does care. I know that he cares.

Madam Deputy Speaker: Order. The hon. Gentleman is straying quite a way from the debate. Last night's debate is over. I ask him to confine his comments to this debate.

Mr. Walker: I was responding to the opening comments made by the hon. Member for Midlothian. When you, Madam Deputy Speaker, look at *Hansard*, you will see that the hon. Gentleman began his speech with comments about my right hon. and learned Friend the Secretary of State for Scotland, and you will also see what occurred during the debate. I thought that I should place it on record that I believe that that was in bad taste. My right hon. and learned Friend does care. Like me, he believes that the long-term future for coal and for the energy and electricity industries lies in the two sides getting together and making sure that they can produce a viable answer. In that way, we can see a future and a way ahead.

8.53 pm

Mr. Richard Livsey (Brecon and Radnor): I shall do my best to make a short speech in the limited time that is available, as a number of hon. Members wish to speak.

In my constituency, some working miners have been made redundant as a result of colliery closures. The Supplementary Estimate of £162 million for the industry includes a deficit grant of £100 million and a restructuring grant of £62 million. It is fair to ask why this money is needed.

The British Coal memorandum says that the money is needed because of additional colliery closures and industrial action by the NUM. I believe that it may also be needed because of the overtime ban, but I do not intend to dwell on that except to say that I think that the NUM was ill advised to take such a step. British Coal says that colliery closures are due to poor performance and prospects, to financial pressures—which I believe are as a result of phoney costings — and to deteriorating market conditions.

The hon. Member for Midlothian (Mr. Eadie), for whom I have the highest regard, has said enough about subsidised imports. Suffice it to say that those imports are coming from Australia, China and Colombia. The hon. Member for Rhondda (Mr. Rogers) indicated that to some extent that is the result of slave-type labour. In other times, when we in Britain took a better moral stance, that would have been totally unacceptable.

Mr. Neil Hamilton (Tatton): Will the hon. Member give way?

Mr. Livsey: No. I shall not give way as there is little time available and many hon. Members wish to speak.

The question that remains is what effect that will have on the coalfield communities. In my area in Wales, two pits are to close — Abernant and the Lady Windsor colliery at Abercynon — and 1,600 jobs will be lost. Some miners from Abernant live in my constituency.

Abernant mine has some of the best anthracite in the world, and the pit is only 30 years old. It would be a travesty to close the pit because it has enormous reserves. Millions of tonnes of first-class anthracite are still in the ground at Abernant. It will not be mined because of a lack of investment and 650 men with an average age of 36 who are all family men will lose their jobs. A Welsh-speaking community which is very precious to Wales will disappear overnight.

There is also the threat of the site being used for opencast mining. That will occur because of a combination of suspicious accounting and inducements through redundancy payments to weaken the resolve of the men working in that pit. British Coal should invest in the Margam pit and give opportunities for the 900 jobs that could be created there. The attitude of the south Wales NUM has been constructive in that regard and it should be given the opportunity to open that pit and create more jobs in the south Wales coalfield. What is happening is the destruction of communities and the butchery of the south Wales coalfield by British Coal.

Do the Government have an energy strategy which includes coal? The Minister should listen to my remarks. Is there a policy which is a balanced mix between deep-mined coal, opencast coal, oil, nuclear power and alternative sources of energy? I do not believe that the Government have properly thought through their policy at this time. The truth is that there is a reliance on imported coal. The electricity privatisation has driven a coach and horses through an energy strategy.

It is not as if the Government have merely moved the goalposts. They are beginning to saw them down as well. A short-term temporary gain in free-market coal will destroy our coalfield communities. Have the Government a conscience about the people in their prime who are being put on the scrapheap? From some of their remarks tonight, I do not think so.

Deep-mined coal should have a future lasting at least 200 years and I sincerely hope that the Minister will give us assurances about that when he replies. What about the position in Scotland with coal imports and the South of Scotland electricity board and privatisation? Four thousand Scottish mining jobs are on the line and there is electricity over-capacity in Scotland. Indeed, as the Torness nuclear power station comes on stream, it will add to the problems. The nuclear industry is subsidised and more pressurised water reactors are in the pipeline. Yet coal remains less well subsidised in comparison with the nuclear industry. The loss of indigenous energy resources in the coalfields will be great as many pits are being closed.

Electricity privatisation will also put the south Wales coalfield on the line. At least 12,000 direct jobs in the industry could be affected by subsidised coal imports. We believe that opencast is a blight and destroys the environment. It also destroys communities. In our part of the world it destroys villages and even chapels.

Referring to what might be regarded as the Government's hidden agenda, as elaborated by the hon. Member for Erewash (Mr. Rost) how could the Ryan company in south Wales have holdings invested in it by Consolidated Goldfields, which operates in South Africa, where it has an extremely dicey reputation in employment? It could be one of the companies involved in the privatisation of British Coal once it has removed some of the uneconomic mines.

Opencast mining produces a £500 million profit. We must settle the balance between opencast and deep mining. Deep mining is labour-intensive and that remains extremely important.

The effect on communities of the loss of jobs and closures will be immense in future. Reference was made earlier to the fact that 96 pits are left. Page 21 of the Select Committee on Energy report states that the standards that British Coal employs have an

"increasing emphasis on the £1·50/GJ parameter . . . we therefore regard British Coal's rules as robust."

There are 96 pits at present and when we consider the figures in the Select Committee report it is obvious that 36 per cent. of the coal produced in Britain costs more than £1·50 per gigajoule. That means that at least another 30 pits will close if the rules are to be applied strictly.

Underground coal reserves in Britain are immense and we believe that they should be worked. The coalfield communities believe that morale should be higher in the industry. They ask that the communities should not be destroyed and that sensible accounting methods should be used to judge the profitability of mines. Let those communities survive with collieries that pay. They should survive with support commensurate with the level of support given to subsidised coal that is now being imported into this country.

9.2 pm

Mr. Geoffrey Lofthouse (Pontefract and Castleford): The Order Paper tells us that the Select Committee on Energy report is relevant to the debate. Apart from the speech made by the hon. Member for Havant (Sir I. Lloyd), the Chairman of the Select Committee, that report has hardly been mentioned. I will attempt to bring it to the attention of the House.

The Select Committee on Energy produced a unanimous report and there were a majority of Conservative Members on the Committee. It is constructive and I am grateful to the Select Committee Chairman for the way in which he led the debate and for his constructive speech. He told us that the Estimates were equivalent to £162,277,000. I will not go into the figures in too much detail.

We are facing the probable demise of the coal industry. I do not want to appear to be going over the top or to be over-egging the pudding, but I believe that that threat exists. Hon. Members who are familiar wih the energy debates will be aware that the White Paper on public expenditure estimated that British Coal's loss before deficit grant would be £195 million in 1987-88. The Government's latest figures have increased that significantly to more than £200 million, which is different from the £414 million to be voted by Parliament in 1987-88 for deficit grant. That difference arises from the Treasury's practice of paying money to support British Coal in both cash and accruals. The Select Committee recognised that in paragraph 3 of the report.

The Committee went on to express some concern, and concluded paragraph 4 by saying:

> "However, we would welcome a further indication in the debate on the Estimate from the Government of their current thinking as to whether any new legislative provision for deficit grants will be necessary before the end of the next financial year."

Surely the industry requires such information. It needs to prepare. It has not been able to do that while the mining industry has been run down in the past four years. The Select Committee has never been as confident as the chairman of British Coal that British Coal would break even by 1988-89. It says as much in the report.

As recently as 3 February, Sir Robert Haslam continued to be optimistic that British Coal would achieve that target. As the chairman of the Select Committee pointed out, Sir Robert said that three things would be necessary for British Coal to achieve it: first, the dollar should not weaken further against the pound; secondly, international coal prices should be firm; and thirdly, there should be industrial relations harmony in industry.

The House will recognise, as did the Committee, that the first two factors are outside the control of the industry. On the third one, the Committee took the view that it was not its job to become involved in the details of industrial relations, but it did not detect much flexibility or evidence of the two sides working well together. It stressed its worry about that in paragraph 5.

The problems of industrial relations are always two-sided. I speak as one with 39 years of experience of the mining industry before being privileged to come to the House. For 10 of those years I was an NUM official, and for another 10 an industrial relations officer. So I think I can claim with due modesty to have a little experience of mining and its industrial relations.

Especially since the strike, there has been little harmony between management and men. If I had the time, I could highlight many incidents of deliberate provocation. A recent example of that caused me concern. It happened at the country's major pit, Kellingley colliery. After the pit deputies' union had been to the national reference tribunal, the judge had requested both sides to go back and work normally until further investigations took place.

The manager of the pit instructed the deputies to carry out duties that increased the area of the mine for which they were responsible from 3,000 to 6,000 m. The deputies took the view, shared by their union, that such an extension of their responsibilities was an unsafe practice and could possibly put men's lives at risk. Given my experience in the industry, I agree with them. Record after record of production achievements have been gained at that pit. In the previous five weeks before the dispute it was producing 55,000 tonnes of coal per week. If the manager's instructions are not provocative and an example of bad industrial relations, I do not know what is.

Sir Robert Haslam told the Select Committee that, without good industrial relations and without the prevention of disputes, there would be further pit closures next year. He said that up to 20 pits could close. If that is the case, surely Sir Robert Haslam should first put his house in order.

The Select Committee mentioned the restructuring grants. We are all aware that colliery closures result in a need for such grants. The increased provision for those grants has been necessary because of the increased number of colliery closures. Hon. Members will be aware that that increased provision is the second increase this financial year. In 1987-88, 16 pits were closed or merged, compared with an anticipated total of five. The manpower employed has fallen by 15,000. Paragraph 6 of the report acknowledges those figures.

Sir Robert Haslam told the Committee that it was possible that there could be 20 pit closures and 15,000 jobs lost. He said that at least a handful of pits — five — would certainly be closed. As Sir Robert Haslam has said that it is possible that another 20 pits will be closed, what sort of money will be needed in grant if the pace of pit closures continues? Indeed, the Committee was mindful of other factors that could create a mass pit closure programme.

The Committee was aware of the proposed privatisation of the electricity industry and expressed certain views about it. It is well aware that the privatisation could—I am not saying that it will—be the death gong of the mining industry. Whatever fancy clothes or fancy names are given to such things it is a fact of life that, unless there is a statutory agreement between the two major industries — coal and electricity — the result could be further colliery closures.

I am not suggesting that the supply of 80 million tonnes of coal to the electricity industry will be wiped out overnight — of course not. Nevertheless, some of the demand for coal from British mines will be withdrawn and there will be imports. Unless the Government are prepared to place a statutory obligation upon both industries regarding the supply of coal there will be further pit closures. There is no need to take it from me; read what Sir Robert Haslam had to say as recently as Monday this week.

Although Sir Robert Haslam braces himself and makes noises about his optimism for the industry, which is

[Mr. Geoffrey Lofthouse]

welcome, he goes on to warn that, without such an obligation, further job losses and pit closures will follow. We all know that, without such an obligation, the privatisation of the electricity industry will wipe out the major part of the coal industry.

Indeed, when the Select Committee was taking evidence for the previous report, Professor McClusky gave evidence to us that he forecast that mining production would be down to 60 million tonnes by 1992. It looks to me as if Professor McClusky will be right.

I shall wind up my comments as other hon. Members wish to speak. I hoped to have the opportunity of saying much more tonight, but, unfortunately, that has not been possible. I should like the Minister to say whether he will take into consideration the views and fears of the Select Committee regarding the protection of the supply of British coal to British power stations and whether he will take the advice of Sir Robert Haslam on the matter. Both the Select Committee and Sir Robert Haslam have listened to expert advice and gone into the matter in depth. Sir Robert, with his great knowledge of the industry, warns that, if there is no statutory obligation on the coal industry to supply the electricity industry in this country after privatisation, there will be no protection or future for the coal industry.

9.16 pm

Mr. Michael Brown (Brigg and Cleethorpes): It is a pleasure to follow the hon. Member for Pontefract and Castleford (Mr. Lofthouse) because, like me, he is a member of the Select Committee on Energy, although I do not agree with his final words, and because the debate refers in part to the report.

Let us consider the motion upon which the debate is based. Tonight, in a quiet, civilised manner, we are having a sensible debate in which Opposition Members can put forward their fears and concerns, but it is not a major parliamentary occasion. Many hon. Members are elsewhere and yet, by the end of tonight, we shall have voted through quietly the sum of almost £136 million-worth of additional resources to British Coal. That is not an insubstantial figure and it shows the Government's commitment to the coal industry. A Government who were not committed to the coal industry would not come along here on a fairly quiet parliamentary day and ask for approval to spend £136 million just at the drop of a hat. The Government's commitment to the British coal industry is beyond dispute.

It is up to each member of the Select Committee to work out his interpretation of the Committee's conclusions. One can be in favour of a Select Committee report whether one is a Labour Member or a Conservative Member. We can all quote various parts of the report and pray those parts in aid of our own arguments. However, the report is quite clear in its conclusions and states, in paragraph 10:

"The presentation of this Supplementary Estimate is an opportunity once again for the House to receive an account from Ministers of policy towards the coal industry."

We shall all look forward to my hon. Friend the Minister's response to the debate.

The report continues by saying that British Coal

"has made welcome improvements in productivity,"—

hon. Members on both sides of the House have noted that—

"and the Committee hopes that these will continue."

However, here is the important point. The report states:

"the industry's deficit and the number of closures necessary have both been considerably higher than was anticipated at the beginning of the financial year."

The Supplementary Estimate is in itself evidence of that.

"We do not believe that the coal industry should be sustained whatever the cost to public funds".

That is a major conclusion of an all-party group of Members of Parliament who have deliberated on the matter. Some have brought to bear their personal experience and knowledge of the coal industry, but we have all put our signatures to that important conclusion. The report makes certain qualifications which, obviously, represent the broad consensus among Members. In it we reiterated the conclusions of our previous report that the industry's future cannot be left wholly in the invisible hands of market forces. The Government are not doing that. The fact that the Government are putting £163 million of valuable public expenditure into the industry is a clear indication that this Conservative Government recognise the difficulties facing British Coal.

However, we have to put British Coal on notice. When I first came into the House nine years ago, I represented a steel constituency and from my experience of that I know that however much a Government—whether Labour or Conservative — are willing to support an industry through difficult times, the long-term future of that industry cannot for ever be secured by or be dependent on the begging bowl approach to its problems. As we vote through this considerable sum of public expenditure, we must be sure that there is a clear prospect of British Coal being able to succeed in the future.

Nobody, least of all me, who represented the steel industry for four years in circumstances that are not dissimilar to those facing British Coal in what was the Brigg and Scunthorpe constituency, which included the steel works town, can derive any pleasure from either Labour or Conservative Governments constantly coming to the House for large sums of public expenditure, because that is not good for the long-term future of the work force in that industry.

I fully accept that Opposition Members, with their long tradition of direct involvement in the coal industry, are genuinely concerned with the future welfare of the miners working in the industry. However, from my experience during my first four or five years in this House, I advise them that eventually their mining communities will thank them, as the steel workers of south Humberside thank the Conservative Government, for ensuring that the long run for the steel industry—and for the coal industry—is not based on the ability of the industry to persuade the House of Commons to pick up the tab when there are substantial losses. The long run for those industries, and for the secure future of the miners, is dependent on their being able to participate in selling their product at a price which the customer is prepared to pay and which competes in world markets.

With the efficiency and the high quality of management in British Coal, and with the high quality of mining expertise among the miners, there is no reason why Opposition Members should fear competition. There is no reason why it should be impossible for British Coal to compete on international terms.

I remember being told eight or nine years ago, by Opposition Members who took an interest in the problems of the steel industry, "British Steel will never be capable

of facing the world environment. We will always have to protect it." That has been proved not to be the case. For the first time, I sat this morning in a Standing Committee which is bringing that industry to the full benefits of a secure future.

I am not sure whether my hon. Friend the Under-Secretary of State will be able to say anything about this — possibly not — but if I were a miner I would look forward to the day when I, my future and that of my family, would not be dependent on the will of the House but on the abilities of the company in which I should like to have a say and be a direct owner — a shareholder. The prospects of the British coal industry are best secured in the long run in the private sector.

One day, Opposition Members who represent mining communities will come to realise, as have their colleagues who represent steel working constituencies — although they may not be able to say so—that their constituents' long-term security is best determined by a private company, answering to shareholders and customers. In that way the attitude and atmosphere will change.

British Coal does not need to fear privatisation, as sufficient coal resources are available to furnish the country's needs. The potential for opencast mining has not been fully developed. Resources are available, and it is important to recognise that we have the potential to reduce British Coal's costs by exploiting to the full the opencast resources so that we can meet the international threat. There is no use insulating ourselves from the international threat. We are a trading nation and we have proved that industries that we did not think would be profitable can be made to stand on their own, make a profit and face the international threat.

It is folly for us to say that the only role for British Coal is in the public sector, dependent upon the good will of Ministers and upon supplies of deep-mined coal. *[Interruption.]* I have said this many times, but unfortunately it must be emphasised time and again. I have said this about the steel industry in my constituency. It was difficult for my constituents to appreciate what I was saying, until they realised that their long-term job security was being affected.

The statistics show what has been achieved by British Coal. Since 1979 the Government have supported capital investment in the coal industry, with over £5·5 billion of public funds, and £2 billion of further support is planned for the next three years, so the Government are not turning off the tap. The industry must face up to the challenge of international competition and to the fact that its security and that of its workers ultimately will be best secured in the private sector.

9.27 pm

Mr. Ronnie Campbell (Blyth Valley): I hope that the nuclear industry can face the challenge that the hon. Member for Brigg and Cleethorpes (Mr. Brown) said the mining industry must face with the subsidies that it gets from the Government. Until two years ago I was a miner at the coal face. It is a great privilege to be elected and to come to the House with a knowledge of the mining industry, which Conservative Members do not have. The hon. Member for Brigg and Cleethorpes talked as though the mining industry were a car factory, with a production line that runs all the time. Miners in the coal industry work in the bowels of the earth, where anything can happen. Geological conditions cause constant changes, and it is not an easy industry in which to work.

About 70,000 miners have lost their jobs in the past four or five years under the Government, and 71 pits have closed. I begin to wonder why Arthur Scargill was criticised, because the man was darned well right.

Mr. Rost: He caused it.

Mr. Campbell: He was right in what he said before the strike, and he is saying it again. Sir Robert Haslam, who appeared before the Select Committee, in answer to a question about privatisation and foreign coal, said, "Well, life is uncertain." The Secretary of State for Energy said that British Coal would have to compete in the market place; in other words, on the foreign market. Foreign coal is coming in and competing with British coal, so the figures quoted by the hon. Member for Brigg and Cleethorpes will go out of the window.

We do not know what our competitors' figures are. The other week I asked the Secretary of State for Energy what direct subsidies or direct help foreign coal gets in South Africa, Australia, Colombia, America and Poland, and I was given a completely negative reply. When I collared him afterwards he asked me, if I got to know, to tell him. So we do not know what we are competing against.

What we do know is that deep-sea ports in this country are being changed into coal-importing ports. That is a fact. There is Fawley in Southampton, one in Bristol, one on the Mersey and two on the Humber. That sounds the death knell of the Nottingham coalfield. Once foreign coal gets a hold, once we become blind to foreign subsidies, we must be prepared to see the demise of our coal industry, because once the electricity industry is privatised it will go for the cheapest coal.

If South Africa can offer one of the electricity companies a price for the next five years that is better than British Coal can match, that will be the demise of nine to 10 pits in Nottingham and Yorkshire, making 20 in all. It will be the demise of all industry in the north-east and in Scotland as well. That is the danger facing the coal industry.

Another danger is that which is faced when a country destroys its own industry and is left in the hands of its foreign competitors, just as we were left in the hands of the Arabs during the oil crisis. We relied on oil, and Joe Gormley said that the Arabs would not always live in tents. We ignored him, to our cost, because up went the price.

The same will happen with the coal industry, because men cannot go back to a pit once it has been closed. Our foreign competitors will put up the price, and then we shall see what the cost of electricity will be to the consumer in this country.

9.33 pm

The Parliamentary Under-Secretary of State for Energy (Mr. Michael Spicer): I know that a number of hon. Members, particularly Opposition Members, want to speak and I am rising at this point because last week I was left by the hon. Member for Bolsover (Mr. Skinner) with three minutes in which to answer a three-hour debate. If I am not provoked, I shall attempt to sit down before 10 o'clock to give some other hon. Members a chance to join in the debate.

[Mr. Michael Spicer]

The Government welcome the attention given by my hon. Friend the Member for Havant (Sir I. Lloyd) and the members of the Select Committee on Energy, and indeed by hon. Members generally, to the finances of the coal industry. The finances are characterised, as the Select Committee has commented, both by their weakness and by the unsatisfactory nature of past forecasts of outturn. For reasons that I shall give in a moment, I cannot guarantee the validity of present forecasts. I can, however, give a firm statement of intent. I can also illustrate the consequences of failure to meet the targets that we have set.

There is no doubt that, as has been said, a great deal of taxpayers' money has been spent during the lifetime of this Government on the British coal industry. Expenditure of £9 billion in nine years is a rate of spend far higher than that of any other Administration.

Mr. Ronnie Campbell: The Minister has mentioned subsidies. Can he tell us what subsidies are paid by our competitors?

Mr. Spicer: The hon. Gentleman rightly said that the figures are not available for subsidies outside the Common Market. However, as the hon. Member for Midlothian (Mr. Eadie) pointed out, other Common Market countries such as West Germany give higher subsidies to their coal industries.

We do not model ourselves on the West Germans. The West German industry is increasingly looking to this country as a way of getting its coal industry out of the mess that it is in. There is no question of comparing ourselves with the countries mentioned by the hon. Member for Midlothian in determining our future policy on this great industry.

My hon. Friend the Member for Havant asked where it would all end. That is a pertinent question, which, I believe, was also asked by my hon. Friend the Member for Brigg and Cleethorpes (Mr. Brown). There is no doubt that this cannot continue indefinitely, especially if those employed in the industry, and those who lead them—through misplaced ideology or a mistaken appreciation of the strength of their position—repay the taxpayer with go-slows, overtime bans, marches to commemorate past strikes, as at Kellingley colliery yesterday, and a refusal to work properly the new equipment with which they have been provided. All that has this year cost British Coal £100 million in lost operating profit—enough to develop the new pit at Margam.

Yes, we will allow a privatised electricity supply industry to buy coal in the best markets, for two reasons: first, because we will not come between the electricity supply industry and its customers who want cheap electricity; and, secondly, because, having put vast sums into the coal industry and knowing that the industry is investing £650 million a year, we are confident that, if its employees so will, it can stand on its own feet against all comers.

We do not share the pessimism of Opposition Members. Hon. Members should contrast the speeches of my hon. Friends the Members for Erewash (Mr. Rost), for Tayside, North (Mr. Walker) and for Brigg and Cleethorpes with any speech from the Opposition. My hon. Friends the Members for Erewash and for Brigg and Cleethorpes, for instance, talked of the prospects for British Coal to improve its costs so as to be able to compete in the world market. By contrast, the hon. Member for Midlothian, with his deep and highly respected knowledge of the industry, seemed to be saying that it was all hopeless, and the hon. Member for Pontefract and Castleford (Mr. Lofthouse)—whose knowledge is massive—talked of the industry's probable demise.

Mr. Foulkes: The Minister says, and I agree with him, that British Coal can compete against all comers, provided that the all comers are competing on the same basis. The Minister has already admitted that he is completely unaware of the subsidies given to the coal industry in all the countries outwith the Community. Some of my hon. Friends have said that in South Africa it is slave labour, and in Colombia it is child labour. That is not fair competition, but it is the kind of competition that the Minister is forcing British Coal to fight with its hands tied behind its back. Will the Minister not concede that?

Mr. Spicer: This country imports a minuscule amount of coal from the countries to which the hon. Gentleman referred. From South Africa, for instance, we are talking about 200,000 tonnes of coal, against a total rising to hundreds of millions of tonnes.

Mr. Foulkes: Will the Minister say what the subsidies are in Australia, the United Stated of America, China and Poland? He admitted earlier that he was not aware of them. We are not proposing to import minuscule amounts of coal from those countries.

Mr. Spicer: This country substantially supports and subsidises its coal industry and imports a minuscule amount of coal from other countries. Therefore, it is capable of competing fairly against those countries. If it proves to be the case that there is unfair competition, the Government will take that matter seriously and will deal with it. At present, the industry is faced with little import competition.

Mr. Foulkes: Will the Minister give way?

Mr. Spicer: I should like to get on with my speech; otherwise other hon. Members will not have a chance to speak.

British Coal—this is the reason for our optimism—has vast commercially mineable coal reserves and all the advantages—perhaps this is the answer to the question asked by the hon. Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes)—of proximity to power stations that are enjoyed by other indigenous coal industries in the world. It is also serviced by the finest mining engineering in the world.

Coal, so far as it is possible to foresee, will continue well into the next century to fuel most of the electricity generated in this country. The cards are stacked in favour of British Coal, if only its workers will play them.

The Government demand that the industry should begin to pay its own way without a continuation of the present massive support of the taxpayer, about which the Energy Select Committee is understandably showing increasing concern.

We expect British Coal to break even in 1988-89 after payment of interest, and after that to generate increasing profits and cash flow to fund a greater proportion of its capital investment programme.

Having said that, we recognise that there are factors affecting the industry that are hard to predict. For instance, the need to meet competition from imported coal and other forms of energy will no doubt involve price concessions on a scale that cannot be forecast with certainty. Since April 1986, British Coal has had to reduce its prices by more than £500 million. Contrary to a belief of the Select Committee, that reflects the fact that British Coal is free to reduce prices to maintain market share.

A fair criticism has been made by the Committee that some estimates of British Coal's sales revenue have erred on the side of optimism. The Department of Energy frequently discusses that matter with British Coal. It is a fact of life that the coal market is volatile and uncertain, as is the market for bulk sea freight.

There is also uncertainty about costs. In recent years, British Coal has consistently increased productivity to record levels, reaching over 4 tonnes per man shift in December, and it has redoubled its efforts to reduce costs. Among other things, that has required the acceleration of the closure of high-cost capacity. It is expected that by the end of March there will be 96 pits in production, compared with 110 at the start of the year.

The hon. Member for Rhondda (Mr. Rogers) made a brave fist of distinguishing between pit closures under a Labour Government and those under a Conservative Government. The main difference between the two is that there were 285 closures under the Labour party and 127 under the Conservative party. I have a list that begins with "A" Winning and ends with Ynyscedwyn. I would not be able to complete my speech if I were to read out the long list of names. In the interests of clarity, I shall place in the Library the list of pits closed under Labour. It will clarify the matter once and for all.

Mr. Ronnie Campbell: Let me tell you why the pits were closed in those days and start with my own pit as an example. I want you to listen carefully.

Mr. Speaker: Order. I am sorry to interrupt the hon. Gentleman, but he must refer to the hon. Member and not to me.

Mr. Campbell: I apologise to you, Mr. Speaker. The hon. Member is getting me confused.

My pit, Bates's colliery, was classed as a super-pit and around it were three small pits or little holes in the ground, as we called them. They were closed under the Labour Government, and all the men were transferred to the big super-pit, where we worked the seams that they were working. The idea was to cut the costs, as Conservative Members have been saying all night. We were closing the small pits to make super-pits. Now this Government are closing the super-pits.

Mr. Spicer: The hon. Member has had a good try and a good run, but the fact is that his reasoning behind the closure of pits is really the same as ours, or British Coal's reasoning. It has to do with the increased efficiency and productivity of the industry.

The idea that there is some kind of immorality about the Conservatives closing 30 per cent. of the pits and some kind of morality about Labour closing 70 per cent. of pits eventually gets down our throats.

This accelerated restructuring has led to an additiona. depreciation charge of £150 million during the year, of which over £50 million has arisen in the past two months. We have discussed on three recent occasions in Adjournment debates Seafield, Wooley/Redbrook and Abernant. In each case the main factors were a combination of unexpected geological factors—and this is an answer to the hon. Gentleman — and difficult industrial relations, which is a euphemism. The write-off of Woolley/Redbrook alone accounts for some £70 million, which is nearly half of the extra charge this year.

Associated with these closures has been a policy of voluntary redundancy, which has contributed to an expected fall in manpower of over 20,000 between March 1987 and March 1988. As the Select Committee said, the cost of these redundancies has required the use of a significant proportion of the existing £750 million of restructuring grant facilities.

However, some of the redundancies this year arose out of an acceleration of events that would have come about anyway — for example, through the exhaustion of reserves. I see no need for further legislative provision for restructuring grants, although the position will be kept under review.

Returning to the deficit for the current year, the other major factor that has affected it has been industrial action by the NUM and, latterly, by NACODS. That has caused a loss of production of over 3·5 million tonnes and lost operating profits of more than £100 million. These losses were certainly not predictable when the Estimates for 1987-88 were prepared. In partial answer to the Select Committee on the matter of inaccurate estimates, it is not right to seek the approval of the House for expenditure on Votes for anything other than reasonably certain expenditure.

Mr. Foulkes *rose*——

Mr. Spicer: I shall give way to the hon. Gentleman, but he is wiping out the opportunity for other hon. Members to speak.

Mr. Foulkes: Unpredictable expenditure is an important matter. If the Secretary of State for Scotland does not intervene in the dispute between SSEB and British Coal and that results, as has been widely predicted by British Coal, in the closure of at least three deep mines, would not all the redundancy payments and extra cost involved be a catastrophe for Scotland and for British Coal and its finances? Therefore, does the Minister and the Secretary of State for Energy, who is sitting beside him, believe that it is the view of the Department of Energy, as the coal ministry — my hon. Friend the Member for Midlothian (Mr. Eadie) has said this before—that the Secretary of State for Scotland has a duty to intervene to get the dispute resolved so that the SSEB can use British coal rather than coal from overseas?

Mr. Spicer: The hon. Gentleman makes a point on behalf of one of the sides which are discussing the issue. Each has its own interests which it feels are in the public interest.

Mr. Foulkes: What about the national interest?

Mr. Spicer: That point was made last night. The atmosphere was inflamed—synthetically, I expect. When the question of a trade-off between the interests of the coal industry and the interests of the electricity consumer, particularly Ravenscraig which is a major employer, was

[Mr. Spicer]

discussed, there was uproar on the Opposition side. I still cannot understand what motivated it because there is a balance of interests.

Of course, it is understandable that the respective organisations and institutions representing the differing interests should be in discussion and should debate with each other. The point was made yesterday by a number of Ministers, including myself, that we would prefer the two interests to be sitting at a table discussing the matter rather than fighting each other in the courts and in the press. Surely that is common between us. To say that there is only one interest involved cannot be true.

Mr. Foulkes: I accept that. Of course there are interests on both sides, but because it has been fought in the courts and in the press it is difficult to get people round the table. Things have been said which perhaps would have been better not said. Surely in the national interest the Minister responsible has not just a right but a duty to try to get the parties together, even if it means appointing a conciliator or using the Government's good offices, to try to get an agreement in the interests of Scottish industry and Scottish miners. Does the Minister agree?

Mr. Spicer: I agree entirely that things have been said which people will regret and, I suspect, very much so on the Opposition side. I am sure that chickens will come home to roost for Opposition Members who are intent on inflaming the issue; that is what they are doing, a little synthetically in view of the conflicting interests which undoubtedly exist. When will Members from Scotland or elsewhere defend the consumer of electricity and saying that his interest should be paramount? How can Opposition Members say that on one occasion and on another occasion jump up with almost orchestrated violence, as was the case last night — *[Interruption.]* What will we do about it? We will encourage the two sides to discuss the matter and to come to a reasonable agreement which is in the interests of both. To that extent, I agree with the hon. Gentleman.

Mr. Foulkes: I think that the Minister has been very helpful. What I understand him to say is that he wants the two sides to come together to get an agreement which ensures that the S S E B continues to purchase Scottish coal. Is that what the Minister says?

Mr. Spicer: No, I was not saying that precisely, because that would be an unbalanced view. What I am saying is that there are interests on both sides. Certainly it is in the interests of British Coal to sell its coal to a customer. It is in the interests of the electricity supplier to make sure that he buys the coal at a rate which gives the best possible price for his electricity to the consumer. Those are two conflicting views. I am saying nothing peculiar or exceptional when I say that we would like the two sides to be talking to each other and trying to find a common position.

Mr. Bill Walker: Will my hon. Friend bear in mind the point made by my right hon. and learned Friend the Secretary of State last night — that the crucial point is the steel industry in Scotland and the future of Ravenscraig? It is vital that we are not taken in by the synthetic interest of the Opposition, who will scream if anything happens to Ravenscraig.

Mr. Spicer: My hon. Friend makes his point extremely well, and I agree with him. He has reminded me of a point that he made in his excellent speech—in which he spoke as the authentic voice of Scotland. At one point he said that parts of the coal industry were now engaged in flexible working and that if more of the industry was engaged in flexible working it would find it easier to become competitive, north or south of the border.

In that context, I have to say that unfortunately we do not know of anyone currently working flexible hours, although there has been some talk of flexible working north of the border. That is a problem; there is no question about it. The fact that the industry and those who work in it are apparently unwilling fully to utilise the equipment provided for them at the taxpayers' expense is a matter of great seriousness to anyone who wishes the industry well for the future.

Supplementary Estimates are the vehicle provided by Parliament for obtaining funds for expenditure that could not reasonably be foreseen when the Main Estimates were submitted. The financial effects of possible industrial action cannot be included in the Main Estimates. They are rightly a matter for a Supplementary Estimate.

The Select Committee raised a number of other points about future Estimate provisions and the financing of British Coal. As the House knows, the full amount of deficit grant available under the Coal Industry Act 1987 will be paid out this year, subject to approval of the relevant Supplementary Estimate. There is therefore no statutory authority for further provision of deficit grant.

Looking ahead, it seems to us that as long as the industry avoids gratuitous and damaging industrial action, British Coal has a realistic prospect of breaking even in 1988-89. Of course there are risks that it will not do so—for instance, as the hon. Member for Midlothian said, if international coal prices or the value of the dollar fall further. On the other hand, the restructuring and cost reductions undertaken in this financial year will enhance the prospects of break-even in 1988-89.

In answer to my hon. Friend the Member for Havant I would point out that if the corporation breaks even, the question of fresh legislative provision for deficit grant in next year's Main Estimates does not arise. Nevertheless, the Government very much take the point made by the Select Committee in this context and will continue to keep the financing of British Coal under careful review.

I must emphasise that the Government will not continue to provide funds indefinitely, irrespective of circumstances. The current rate of capital expenditure in the industry cannot continue unless fuller use is made of the existing equipment. The refusal of certain trade union leaders to consider modern methods of flexible working and their senseless industrial actions are jeopardising the industry's prospects and their members' jobs. *[Interruption.]* Opposition Members need to be reminded of that time and time again. *[Interruption.]*

I have told Opposition Members time and again that this Government have put more money into the industry than any other. To say that we do not care is a distortion of the facts, which the Government cannot accept. Having put that money behind the industry, we believe that it is about time that the industry and those who work in it accepted that backing for what it is and started to make full use of it.

Mr. Patchett: How much of the money given by the Government has been spent on redundancies rather than on the industry?

Mr. Spicer: I have been through the figures last week and this week. Of course, of the restructuring grant element, which is only one element, a large amount has gone on redundancies. But £650 million has been put into investment this year alone.

A sound thriving future faces British Coal. Apparently, the Opposition do not believe that. I agree entirely that our reserves of coal constitute a great national asset. That is why we have put so much of the taxpayer's money on the table. It is now up to those who work in the industry to allow the machinery which has been bought for them to be fully worked to the benefit of the industry, the country and themselves.

The Question was deferred, pursuant to paragraph (4) of Standing Order No. 52 (Consideration of Estimates) and order this day.

It being Ten o'clock, MR. SPEAKER *proceeded, pursuant to paragraph (5) of Standing Order No. 52 (Consideration of Estimates), to put forthwith the deferred Questions necessary to dispose of the proceedings on Supplementary Estimates, 1987-88 (Class IV, Vote 3 and Class VI, Vote 1).*

Class IV, Vote 3

Resolved,

That a supplementary sum, not exceeding £1,000, be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1988 for expenditure by the Ministry of Agriculture, Fisheries and Food on market support, grants and loans for capital and other improvements, support for agriculture in special areas and compensation to sheep producers, animal health, arterial drainage, flood and coast protection and certain other services.

Class VI, Vote 1

Resolved,

That a supplementary sum, not exceeding £162,277,000, be granted to Her Majesty out of the Consolidated Fund to defray the charges which will come in course of payment during the year ending on 31st March 1988 for expenditure by the Department of Energy on assistance to the coal industry including grants to the British Coal Corporation and payments to redundant workers.

MR. SPEAKER *then proceeded to put forthwith the Questions which he was directed to put pursuant to paragraph (1) of Standing Order No. 53 (Questions on voting of estimates, &c.) and order of 3 March.*

ESTIMATES, 1987-88 (ARMY), VOTE A

Resolved,

That during the year ending on 31st March 1988 an additional number not exceeding 8,000 all ranks be maintained for the Individual Reserves.

ESTIMATES, 1987-88 (AIR), VOTE A

Resolved,

That during the year ending on 31st March 1988 an additional number not exceeding 800 all ranks be maintained for the Royal Air Force Reserve.

ESTIMATES, 1988-89 (NAVY), VOTE A

Resolved,

That during the year ending on 31st March 1989 a number not exceeding 69,100 all ranks be maintained for Naval Service.

ESTIMATES, 1988-89 (ARMY), VOTE A

Resolved,

That during the year ending on 31st March 1989 a number not exceeding 179,450 all ranks be maintained for Army Service, a number not exceeding 5,000 for the Home Service Force, a number not exceeding 112,000 for the Individual Reserves, a number not exceeding 85,150 for the Territorial Army and a number not exceeding 5,000 for the Ulster Defence Regiment.

ESTIMATES, 1988-89 (AIR), VOTE A

Resolved,

That during the year ending on 31st March 1989 a number not exceeding 96,700 all ranks be maintained for the Air Force Service, a number not exceeding 8,000 for the Royal Air Force Reserve and a number not exceeding 2,260 for the Royal Auxiliary Air Force.

SUPPLEMENTARY ESTIMATES, 1987-88

Resolved,

That a further supplementary sum, not exceeding £1,311,899,000, be granted to Her Majesty out of the Consolidated Fund to defray charges for the Defence and Civil Services which will come in the course of payment during the year ending on 31st March 1988, as set out in House of Commons Papers Nos. 284 and 341.

ESTIMATES, EXCESSES, 1986-87

Resolved,

That a sum not exceeding £88,461,353·69, be granted to Her Majesty out of the Consolidated Fund to make good excesses on certain grants for Defence and Civil Services for the year ended 31st March 1987, as set out in House of Commons Paper No. 282.

Bill ordered to be brought in upon the four foregoing resolutions relating to Supplementary Estimates, 1987-88 and to Estimates, Excesses, 1986-87 by the Chairman of Ways and Means, Mr. Chancellor of the Exchequer, Mr. John Major, Mr. Norman Lamont, Mr. Peter Brooke and Mr. Peter Lilley.

CONSOLIDATED FUND (No. 3) BILL

Mr. Norman Lamont accordingly presented a Bill to apply certain sums out of the Consolidated Fund to the service of the years ending on 31 March 1987 and 1988: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed. [Bill 104.]

General Assistance Grants (Northern Ireland)

10.1 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Mr. Peter Viggers): I beg to move,

That the draft General Assistance Grants (Abolition) (Northern Ireland) Order 1988, which was laid before this House on 1st March, be approved.

The purpose of the draft order is to abolish the standard capital grants scheme by the repeal of part IV of the Industrial Development (Northern Ireland) Order 1982. Under this order grants are payable towards new fixed asset investment undertaken by businesses engaged in qualifying activities—in practice most manufacturing sectors — in Northern Ireland. The standard capital grants scheme is similar, although not identical, to the regional development grants scheme in Great Britain.

As announced in the recent Department of Trade and Industry White Paper, the regional development grants scheme will also be abolished, and indeed the Regional Development Grants (Termination) Bill has received its Second Reading and has just completed its Committee stage. Under the provisions contained in that Bill, no new applications for regional development grant will be accepted after 31 March 1988. Similarly, the draft order now before the House provides that standard capital grants will not be payable in respect of expenditure incurred after 31 March 1988.

We have been concerned for some time about the appropriateness of the standard capital grants scheme as a means of assisting industry in Northern Ireland. Indeed, my predecessor announced significant changes to the scheme in 1985 and made it clear at that time that those amendments marked only the beginning of a change in emphasis in the form of support to industry in Northern Ireland.

Our concerns related particularly to the high degree of deadweight and displacement that we saw in the scheme. Deadweight in a scheme means that the investment would have taken place in the company without the grant being made available to it, and displacement is a technical term that means that the Government are subsidising companies to compete with others in the local market. We saw a high degree of deadweight and displacement in the scheme, evidence of deliberate abuse from some quarters and the fact that the legislation for the scheme restricted its application to manufacturing industry in a rigid manner which took no account of the increasing difficulty of distinguishing between manufacturing and service activities.

We therefore commissioned a consultancy survey of standard capital grant recipients to assess awareness of the scheme and to obtain more detailed information about the nature, objectives and impact of the investment being assisted. The survey showed that about 70 per cent. of assisted projects would have proceeded in the absence of standard capital grant and revealed that the grant has largely aided Northern Ireland companies to compete against one another in a limited local market, rather than encouraging them to compete in markets outside the Province. These findings, together with the fact that the grant is not job-related, demonstrated that the standard capital grants scheme is no longer an effective means of stimulating the Northern Ireland economy and therefore does not make the best use of public resources.

While there are several differences in form and effect between the standard capital grants scheme in Northern Ireland and the regional development grants scheme in Great Britain, the decision to end the regional development grants scheme was based on similar conclusions about its effectiveness. This reflects a general and international trend away from automatic and poorly targeted capital grants.

On 12 January I announced the Government's decision to close the standard capital grants scheme in respect of capital expenditure incurred after 31 March, subject to parliamentary approval of the draft order currently before the House.

Northern Ireland, like its competitor regions, will concentrate increasingly on assisting strategic business developments that help companies to perform more successfully in national and international markets. The assistance will go beyond aid for capital investment and will develop the human capital of business through, for example, marketing, management and product quality development.

Together with existing selective assistance from the Industrial Development Board and the Local Enterprise Development Unit, the new forms of assistance will ensure that business in Northern Ireland continues to have the most comprehensive system of support to industry and enterprise in the United Kingdom. Public funds will be used more effectively on strategic business developments and on those firms which can compete with producers outside Northern Ireland.

Many companies which would otherwise have claimed standard capital grant will now turn to the Industrial Development Board or the Local Enterprise Development Unit for assistance, and those good projects which would not go ahead without assistance from Government will be eligible for consideration. I am satisfied that the revised framework for assistance will strengthen industry and enterprise in Northern Ireland.

I confirm that there is no wavering in the Government's determination to have the strengthening of the economy of Northern Ireland as one of their highest priorities. Subject only to the overriding requirement to work for an improvement in law and order, the improvement of the Northern Ireland economy remains our highest priority.

10.7 pm

Mr. Jim Marshall (Leicester, South): We welcome the Minister's statement on the need to continue to encourage and promote economic development in Northern Ireland. The whole House shares the concern about the high levels of unemployment and poverty in the Province. The only way to overcome that is by containing, and eventually defeating, terrorism and unrest, and by the promotion of a healthy authority in the Province.

I should like to take up a couple of issues which the Minister mentioned. He referred to the terms deadweight and displacement. I was certainly pleased to hear his definition of those terms. I found it difficult to find definitions in the summary that the Department of Economic Development gave me on the report by Coopers and Lybrand to which the Minister referred.

In regard to deadweight, the Minister said that 70 per cent. of the investment which benefited under the standard

capital grant scheme would have taken place anyway. Even with my lack of knowledge of arithmetic, that leaves a substantial percentage — 30 per cent. — on which no comment was made. Are we to believe that the 30 per cent. would not have gone ahead without the standard capital grant? If it had not proceeded, what further disadvantageous effects would that have had on the Northern Ireland economy?

I want to press the Minister further on his remarks about strategic business developments. I accept the need for greater targeting and selectivity in grants, but will he develop further his ideas and concepts about strategic business developments?

The Minister and the House will be pleased to know that we do not intend to divide the House. We are saddened by the demise of the standard capital grant system. My view and that of the Labour party can best be summed up by the announcement of the Confederation of British Industry in Northern Ireland on 12 January 1988:

"We are saddened to note that an old friend which has served the Northern Ireland economy well for many years is to be wiped out . . . The impact of the standard capital grant scheme has been very significant. Standard capital grant has supported development of many new manufacturers, helped existing companies expand and has been supportive of re-equipping much of Ulster's industry."

Mr. Roy Beggs (Antrim, East): Will the hon. Gentleman agree that the removal of standard capital grants will convey to the few people who would consider investing in Northern Ireland the idea that Northern Ireland is less attractive now than it once was? Is it not imperative that the Minister and the IDB ensure that the message goes abroad loud and clear that selective financial assistance will more than compensate?

Mr. Marshall: I am grateful to give my assurance to the hon. Gentleman on that point. I intend to press the Minister further on that later. There is a need to assure prospective investors in the Province and prospective investors throughout the world that the Government mean to assist investment within the Province.

I hope to receive an assurance from the Minister when he replies that the abolition of standard capital grant in no way undermines the Government's desire to continue to invest in the Province. I want an assurance that the Government will ensure that the level of financial investment available is not reduced as a consequence of the abolition of SCG. I share the hon. Gentleman's belief in the need to convey that opinion throughout the world so that we can provide encouragement and so further bolster the Province's economy.

We share the sadness felt by the CBI in Northern Ireland. However, we are prepared to reconsider the evidence which shows that the SCG system has obvious limitations and that refinements are needed in the grant system in the North of Ireland.

The order is the analogous legislation for the Province to the Regional Development Grants (Termination) Bill to which the Minister referred earlier, which applies to Great Britain. While we will permit the order to pass without a Division, we strenuously oppose the Regional Development Grants (Termination) Bill. We are convinced that the existing level of industrial assistance in the Province and the reasonably high levels of public financial support for industry there mean that there is a clear difference between the Government's commitment to economic development in the North of Ireland and their view of the need to encourage further industrial development in the less well-off regions of Great Britain. That is why we shall not oppose the order.

Before we permit the demise of the standard capital grant system the House should again be made aware of the contribution that that system has made to the economy of the North of Ireland. Since 1982, about £250 million has been injected into the economy in support of fixed capital investment. That is a large sum of tremendous significance, in view of the fragility of the economy. The Minister should also bear in mind that figures show that the return on invested capital in the North of Ireland is substantially lower than that in the rest of the United Kingdom. The existence of standard capital grant, and, I hope, its successor, will overcome the reluctance of entrepreneurs, because of the return on capital, to invest in the Province. We must ensure that there is enough return on capital to encourage inward investment.

We accept some of the criticisms of standard capital grant, of which I shall mention three. The first relates to Government decisions over the past two or three years. The decision to cut the rate and scope of grant in 1985, and again in 1987, greatly reduced its potential impact on encouraging investment. Secondly, we understand and accept the reservations expressed on all sides of industry, and particularly by the trade unions in Northern Ireland, to the effect that the standard capital grant system is not the most efficient use of public resources for industrial development. In particular, we accept the criticisms of the system that relate to its limited value as a stimulus for the creation of net additional jobs, because of its non-discriminatory nature.

Thirdly, the shortcomings of the scheme are confirmed in the report by Coopers and Lybrand, to which the Minister referred. Apparently, the report finds that the standard capital grant system has done little to encourage import substitution or stimulate exports, and that much of the investment would have been undertaken in any case. I think that that is the displacement that the Minister mentioned. We accept that these criticisms highlight the disadvantage of non-targeted, non-specific financial assistance.

I was grateful, as I have said, to receive a summary of the report, but I wish the Minister would relent on his insistence not to publish a full report. If we are all to be convinced of the need for change and of the statistical value of the report, it is essential that it be published in full and that hon. Members be aware of its findings, the methodology on which it is based and the assumptions and statistics on which it arrives at its conclusions. I press the Minister again to place a copy of the report in the Library so that all hon. Members can read it in full.

Turning to the future, we realise that there are advantages in having an industrial strategy that gives greater emphasis to development effort. We also recognise that the potential stimulus to the economy can be much greater with selective financial assistance and the setting and achieving of agreed expansion plans and employment levels. In that regard and in common with the Government, we recognise the achievement of the industrial development board and NEDO.

Given the need for further capial investment and in the light of the relatively low return on capital in the Province, will the Minister consider retaining the standard capital grant in certain industrial sectors where firms have proven their export capabilities and potential? The Minister may

[Mr. Marshall]

recall that I put that question to him in our written submission on the draft order. The Minister kindly replied to it as well as to other questions, but I believe that he was rather negative. Perhaps with a little further prodding and encouragement he may yet see the need and desire to continue some form of standard capital grant for those areas of the economy that have shown that deadweight and displacement are not the main reasons for the distribution of that grant. I hope that I can elicit an answer from the Minister about that.

We believe that if we are to get the best out of the economy of the North of Ireland, it is essential that the work force of the Province, through their trade unions, should be involved in the decisions and discussions that are allied to the dispersal of the new selective financial assistance. I asked the Minister about that in our written submission and I have already received a reply from him, but, needless to say, I am not satisfied.

The Minister said that the trade unions are involved through the Industrial Development Board, but we believe that that involvement should be extended so that trade unions are able to make representations on behalf of their members in small firms. We believe that it is in the interests of the work force and the trade unions for the selective assistance to succeed. We believe that there is a greater likelihood of success if the work forces are directly involved in the negotiations.

Even if the Minister is not prepared to accept my argument, and even if he gives a negative answer to my question, he must accept that the work force of the Province have most to lose from the failure of the Government's economic strategy there. Therefore, as they have most to lose or most to gain, I believe that it is only fair and proper that their voices should be heard at all levels of negotiations.

In common with the hon. Member for Antrim, East (Mr. Beggs) I must press the Minister further regarding the level of financial assistance that will be given on investment. I have pressed the Minister on this matter before and he has been somewhat equivocal. It would be dreadful for the North of Ireland if, as a result of the passage of the order, the level of capital investment in the Province was diminished.

I hope that the Minister will be able to reassure the House and Northern Ireland that the order and the abolition of the standard capital grant system will not result in a reduction in the global sum of money available for industrial development in Northern Ireland. Such development is of paramount importance if we are to encourage further investment in Northern Ireland.

We believe that the Minister should use the opportunity to provide the House with an unequivocal statement on this matter. The people of Northern Ireland and the elected Members from Northern Ireland deserve nothing less.

10.24 pm

Mr. William Ross (Londonderry, East): It appears that an order a night is becoming the standard for Northern Ireland, as we debated another Northern Ireland order last night. In that debate, the hon. Member for Kingston upon Hull, North (Mr. McNamara), whom I am glad to see has joined us, said that, because Labour Members had opposed the parallel legislation for Great Britain, they had to stay and oppose the corresponding order for Northern Ireland.

The House will appreciate that I listened with some surprise to the hon. Member for Leicester, South (Mr. Marshall) when he said that the Labour party would not oppose this order. As I understand it, from a perusal of the debate and of the voting list on 25 January, when the almost parallel legislation for Great Britain was discussed, 212 Labour Members voted in force against it. Although we were grateful for Labour Members' support last night, we should be even more grateful if they would support us on every occasion by opposing legislation for the United Kingdom as a whole, as is their duty as a national party.

As the House will appreciate, we are here purely and simply because of the misrule, or direct rule, under which Northern Ireland suffers. When I compare the situation of Northern Ireland today, in every aspect, with that which prevailed 16 years ago, I confess that I do not see much improvement. Indeed, I see a great deal of movement in the other direction. That is the clearest proof possible of how sadly the present system of government has failed.

The order is important. It should be a Bill. I would have preferred a United Kingdom Bill, so that we could probe the matter, in conjunction with other hon. Members who represent the rest of the kingdom, but if the legislation for Northern Ireland is so different that it cannot be encompassed in a United Kingdom Bill, there is no good reason why there should not be a Northern Ireland Bill for it. We would have an opportunity to contribute to that debate, just as I am at present participating in the debate in Committee — on a Bill that affects Britain but not Northern Ireland.

The Minister knows perfectly well that he cannot change a jot or tittle of the order. If he managed to persuade the House that the final date should have been 31 December 1987, or that it should be 31 December 1988, the Minister simply could not do anything about it. He would be completely stuck. If we had a Bill which dealt with all the nuances and problems, such an exploration in depth might have been sufficient to change his mind. However, that would be difficult, as the Government are not normally ruled by reason and logic. Despite the failures of the direct rule system, they continue to pursue the wrong policy.

I recently had an interesting conversation on a plane journey between Washington and Minneapolis-St. Paul with an American business man, who said that it did not matter two balls of blue what monetary inducements were offered. He said that the only thing that mattered was whether there was terrorism. He could not see many people shoving a great deal of money into Northern Ireland until that problem was resolved.

That is a matter with which the Government have steadfastedly refused to deal in the manner in which they dealt with it the other day, when another part of the British Crown colonies and dominions was affected. The Government must forsake the mistaken policies that they have pursued hitherto and get on with governing Northern Ireland properly.

After all, Mr. Haughey has recently made it perfectly plain that the Irish Republic has given the thumbs down to a devolved Government, so what is the point of trying to flog a dead horse to life? After all, the Government have now put themselves in the hands of that Government to a large extent in matters relating to the constitutional

position of Northern Ireland. Therefore, there is no point in trying to pursue these matters in direct opposition to Mr. Haughey's view that they should not come into operation at all.

I think that I have spoken for long enough on this matter, for I see no reason to help the Government in their efforts to put across the appearance of democracy, fair play and discussion by the procedure that we have followed so consistently for 16 years. This whole thing is a farce. It mocks and diminishes democracy, and the sooner that it is done away with the better. I see no point in, and have no intention of, trying to put clothes on this naked Government when it comes to legislation for the reduction of grants for Northern Ireland.

10.30 pm

Mr. Eddie McGrady (South Down): Once again, as the hon. Member for Londonderry, East (Mr. Ross) said, it is now the hour for Northern Ireland debates. I am getting used to speaking and thinking on my feet at this hour of the night. However, at least tonight we are spared the 39 pages of detailed legislation, the five schedules and the rest, because all that we are dealing with is paragraph 3, which is two lines. That is a simple thing to deal with when compared with the tremendous difficulty that we had with last night's legislation.

I intend to devote my remarks entirely to the subject at hand rather than to the constitutional and political issues of Northern Ireland. I suppose that the order is not unexpected in the wake of the changes in legislation that occurred in Great Britain earlier in the year. However, it is significant that the thought processes that have produced the Minister's introductory proposals seem to be those that have been fostered in many agencies in Northern Ireland over the past 12 to 18 months.

It is significant, for instance, that the Department of Economic Development produced a document entitled "Pathfinder" which has been adopted as a child by LEDU —the Local Enterprise Development Unit—and peddled with great courage and enthusiasm. It contains the ethos and the thinking behind the abolition of the standard capital grant for Northern Ireland. Indeed, it removes what is probably the only major remaining differential in grant aid between Northern Ireland and the rest of Great Britain. That means that an area that, because of its endemic and gross unemployment, was previously treated with some favour or encouragement in the way of extra grant is now having another prop removed from it.

The Minister's argument and presentation seem to be that the effectiveness of the standard capital grant is non-existent. I suggest that he considers the consensus of industry and manufacturers in Northern Ireland. My hon. Friend the Member for Leicester, South (Mr. Marshall) quoted the Confederation of British Industry. I am not used to quoting the CBI but I go back earlier than did my hon. Friend.

When the Government were changing the rate from 20 per cent. to 12·5 per cent., the consensus in the CBI was that that was

"nothing short of crazy and destructive".

It also stated:

"Over the years, the SCG scheme has been used to install the most modern machinery available. This has enabled Northern Ireland to turn in excellent productivity figures. This process must not be halted. This decision"—

that decision was to reduce the grant to 12·5 per cent., not tonight's decision to reduce it to zero—

"now reduces the capital grant rate below that available elsewhere. From today"—

certainly from tonight — today, then, was 13 October 1987—

"Northern Ireland is less attractive to investors in comparison with other development regions".

That is the concensus of manufacturing and engineering industries in Northern Ireland. We should take seriously the fact that that reduction was described as "nothing short of crazy".

I have a copy here of a letter dated, 26 November 1987 sent by the chairman of the CBI, Harold A. Ennis, to the Minister commenting on the proposed changes. Some comments made tonight have been relatively selective and I shall select the counter-arguments in the same paper.

The CBI did a survey of its membership and it was placed against a survey done by the Department of Economic Development. It reached, strangely enough, exactly opposite results and it makes a number of comments by way of example. It says:

"Four companies reported that investments totalling £1·8m were under serious threat due to reduction in Standard Capital Grant and another has cancelled a planned investment of £533,000."

Again, comparing the Department's figures with its own survey, it says:

"Whichever of our figures presents a truer picture, the fact remains that the companies having to find the extra 7½ per cent."—

now 25 per cent.—

"will be in weaker financial position to respond to other demands."

It goes on to point out that the main thrust of the Minister's and the Department's argument was that SCG was not job-targeted, but SFA — selective financial assistance—was no more targeted to job creation than SCG was.

That is the CBI's considered opinion, and the Department should be looking at not the creation of jobs coming out of the particular one-off grant-aid investment, but the totality of jobs coming out of the general basis of grant that is being applied.

The Minister referred to the fact that selective financial assistance would be managed through the Industrial Development Board and the Local Enterprise Development Unit. What has been said now is that, instead of being entitled to grant to assist production costs, employment ratios, and so on, schemes will have to be prepared and submitted to the IDB. But that can take up to two years. The norm is about 12 months, but it can take up to two years. Even small industries cannot work in that way. And even then the applicant is subject to vetting and interpretation. The CBI perceives that there would be a considerable amount of what it calls "non-qualification" of applicants.

If we examine the type of industry in Northern Ireland generally, forgetting for a moment the major industries — the shipbuilding and the engineering in Belfast and Derry—we are talking mainly of a work ethos which is small industry, with four or five to 10 employees, perhaps 20 at the outside, scattered in the rural countryside which comprises most of Northern Ireland. These are the people who the Government say are going to produce jobs; this is the area in which we are to get a decrease in unemployment. But it is precisely the small industry that is under attack through the withdrawal of SCG. The small

[Mr. Eddie McGrady]

man will have little time and little ability to do cash flows and balance sheet forecasts into the next millennium, as is sometimes required.

For the Minister to say that industry in Northern Ireland will be assisted by the redirection of the funds released from SCG into research and development and marketing is all very well, but it will be even less job-oriented than the present system.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): If the hon. Gentleman came from an area such as mine in the west midlands, he would know that Northern Ireland gets five times the amount of help per person that we do, so why do the Northern Irish go on whining as they do?

Mr. McGrady: I apologise if I was whining. I thought that I was just stating facts. I am not aware of the economic statistics relating to the hon. Gentleman's constituency; I can only talk about life as I know it in Northern Ireland. The figures are there to show, for Department after Department, social deprivation, unemployment and the consequences of terrorism. All are indicators. If the hon. Gentleman is interested, he should read the report of the Adjournment debate on 24 February, where he will see a significant number of factors that make Northern Ireland an area that requires particular assistance.

I have mentioned in other debates the requirement of extra money for the IDB. In an area that is acknowledged to have the worst housing conditions in Europe, budgets are reduced to such an extent that the automatic cost will be 3,000 jobs in the next year. We can add to that the unknown number of jobs that will be lost through budget cuts to health and social services, with ward and hospital closures. The current 21 or 22 per cent. unemployment figure will no doubt shoot up dramatically.

This seems a very regressive step towards helping industry in Northern Ireland to recover. I know that — as the hon. Member for Londonderry, East has said — my words will not change the Government's attitude, or the legislation, by one iota. However, I feel that the withdrawal of subsidies, coupled with other factors — such as the 9·2 per cent. increase in electricity prices about to be imposed in Northern Ireland, for no good reason — will impose a considerable burden on a struggling economy.

Apparently, I have caused annoyance by my repeated references to the high unemployment rate, for which I make no apology. That high unemployment will be exacerbated by this problem.

When the legislation goes through — as it obviously will — I ask the Minister to consider whether there is a better method of applying the funds available. Perhaps it would be possible to help the people I am talking about by providing an extra job or two — not 200 jobs — in a way that will cut out the massive bureaucracy involved in going through LEDU and the IDB. Perhaps a compromise scheme between SCG and the new financial assistance is possible. I ask the Minister to consider it as a matter of urgency.

10.42 pm

Mr. Viggers: I shall try to respond to the points that have been made during this short but significant debate.

The hon. Member for Leicester, South (Mr. Marshall) has studied the abolition of selective grant in some depth, and we have been in correspondence about it. The hon. Gentleman asked: if 70 per cent. of investments using standard capital grant would have been made anyway, what about the 30 per cent. that would not? The answer is that selective financial assistance will still be available in Northern Ireland, and can be given in all the cases to which SCG would be appropriate. Similarly, the Local Enterprise Development Unit has had a further £10 million allocated to it in the past 12 months, encouraging just the kind of smaller operation to which the hon. Member for South Down (Mr. McGrady) referred. Those are two of the forms in which assistance will still be available.

Mr. Jim Marshall: I am grateful for that information. I had half-expected the reply. Does the Minister not accept that the new system will be far more labour-intensive, in the sense outlined by the hon. Member for South Down (Mr. McGrady) — the need to go into detail with individual firms far more than with the standard capital grant? Will that mean that the length of time before approval will be greatly extended, or will more people be employed to make more rapid decisions?

Mr. Viggers: The hon. Gentleman is entirely correct to say that an automatic grant is the simplest form of grant which no doubt is why it is popular with business people, who want to be certain that their applications will be accepted. I have taken special steps to ensure that there is speed in response to the applications, and I shall deal with that matter later.

I mentioned two ways in which grants will be available to those for whom standard capital grant will no longer be available. We have undertaken that no worthwhile project will fail for lack of support from the Industrial Development Board, which is an important commitment.

The hon. Member for Leicester, South asked for some idea of the way in which we propose to spend the money that will not be spent by way of standard capital grant. Standard capital grant is being phased out, but a number of applications will perhaps be bunched around the period ending 31 March 1988. At present, standard capital grant is available to companies that can show that they have incurred the expenditure before that date.

I am very proud of the schemes that have been introduced during the past 18 months, during which time I have been responsible for the Department of Economic Development for Northern Ireland. I have a list of 21 schemes that have been introduced over the past 18 months, and I shall deal with the larger of them in terms of financial commitment. There is a quality initiative scheme administered by the IDB and the LEDU — the research and development grant scheme — to which £5·6 is allocated. The local enterprise programme concentrates on smaller operations, in which the hon. Member for South Down showed special interest. It is intended to develop one, two or three-man businesses, and it will generate considerable business. About £1·6 million has been allocated to local enterprise programmes.

The Technology Board for Northern Ireland has been allocated £500,000 and it is trying to promote further technological advance. About £1·6 million has been allocated to the IDB's marketing scheme, and £3·6 million has been allocated to the Antrim technology park, which

is proving to be a centre of excellence for high-technology firms. Some £500,000 has been given to the pilot manpower training scheme.

We are allocating more funds to specialist schemes that promote management, marketing and awareness of exports. The phasing out of standard capital grant will not lead to a diminution in our commitment to the growth of industrial development in Northern Ireland.

The hon. Member for Leicester, South asked why we could not make the Coopers and Lybrand report available. The survey was carried out on a confidential basis. The 300 companies questioned appreciated that they were being asked questions on a confidential basis. If we wanted to publish the whole of the report it would be necessary to seek the permission of those companies first, because they gave information which they expected to be used solely for the purposes of Government research.

Further, it would be easy to identify a number of the companies from the results if they were published. It would not be right to publish without their authority or to seek their authority purely for the purpose of publishing the whole of the report. We have published a summary, which we hope will show the way in which the survey was considered by the Government, and it is intended to provide the basis on which our action was taken.

Mr. McGrady: Is the Minister aware that the companies that were questioned — the CBI has confirmed this — had no idea that the research was in respect of capital grants?

Mr. Viggers: I am not sure whether that shows that the survey was carried out well, or badly. If the people who were questioned were not aware of the purpose of the survey, it shows that it was done in a canny way, if I may import a word from another part of the United Kingdom. Quite often, the purpose of market research is not to allow the person being interviewed to know the purpose of the interview. If the person being interviewed knows the purpose of the interview, it sometimes influences his response. If the hon. Gentleman wishes to discuss that matter further, I shall be happy to do so outside the Chamber.

The hon. Member for Leicester, South made the point in correspondence that we should retain the standard capital grant where companies have proved their export potential. As selective financial assistance is already available, and as his proposal would require the Government, or one of their agencies, to inquire whether a company had been diligent and successful in pursuing exports, that would import selective financial assistance similar to the existing scheme. The hon. Gentleman's proposal would not add anything, because we already have the opportunity, through selective financial assistance, to do more through the medium of standard capital grant. Therefore, I can assure him that nothing is lost and that his proposal would not add anything for companies in Northern Ireland.

Mr. Jim Marshall: I do not know whether to be grateful to the Minister for that reply: I am sure that I am not. The Minister will agree that we are talking, not about particular firms, but about sectors of the economy in Northern Ireland that have shown that they are able to use the standard capital grant system and be involved in import substitution or in stimulating exports. If the old system were to apply to industrial sectors, the criticisms that the Minister makes of my suggestion would not apply.

Mr. Viggers: I think that we are going wider than the hon. Gentleman wants. Standard capital grant is restricted to manufacturing, and the line between manufacturing and the service sector is increasingly blurred. Who is to say, for instance, that someone working on computer-aided design and manufacture is in manufacturing or in the service sector? There is much more freedom within the selective financial assistance system than within standard capital grant. I can assure the hon. Gentleman that his proposal would add nothing to what is already available under selective financial assistance.

Mr. James Kilfedder (North Down): I am grateful to the Minister, who has shown great concern about unemployment and industry in Northern Ireland since he took over his job. As he knows, there is a need to attract more high-tech industry to the Province, and as he is also aware, the Irish Republic is doing its best worldwide to bring high-tech industries to the Republic. Can the Minister say whether this change will put Northern Ireland at a disadvantage in attracting foreign firms?

Mr. Viggers: The purpose of the change is to promote further investment in Northern Ireland and to assist the efforts of companies within Northern Ireland. We hope that it will be possible for further assistance to be made available for companies such as those within the North Down development organisation in the hon. Gentleman's constituency, which I have visited twice in the past four months. It will be of benefit to us all if we can support enterprise in this way.

The hon. Member for Leicester, South asked for trade union representation and contribution to discussions. There are two trade union members on the Industrial Development Board for Northern Ireland and trade unions also have their members on the Northern Ireland Economic Council. There are trade unionists on the Local Enterprise Development Unit. They make a welcome and significant contribution to the work of those bodies, and they well reflect the views of trade union members.

Finally, the hon. Gentleman asked whether there would be any diminution of our commitment to industrial development in Northern Ireland. I repeat that that is not our intention. We intend to strengthen the economy of Northern Ireland.

The hon. Member for Londonderry, East (Mr. Ross), who is not in the Chamber at present, raised again the manner of dealing with Northern Ireland business by way of orders that cannot be amended in any way and which tend to be discussed in debates the latter part of the evening. The Government recognise that the way in which Northern Ireland business is discussed is by no means satisfactory.

We do not pretend that this method of legislation is perfect, and for that reason our existing procedures provide for extensive consultation in Northern Ireland, which took place in this case. We appreciate the difficulties posed by unamendable Orders in Council, but we believe that the problem is best addressed in the context of discussions about the future government of Northern Ireland, and we are always willing to talk about the issues to all interested parties and to consider constructive suggestions.

[Mr. Viggers]

The hon. Member for South Down made the point that standard capital grant was the only distinctive advantage held in Northern Ireland and implied that phasing it out was a diminution in our commitment. I repeat that there is no question of our diminishing our commitment to economic development.

The hon. Gentleman also quoted responses from the CBI. I quote back to him a report from the press in Northern Ireland, where the director of the CBI was reported as saying that changes in the national level of regional development grant, which are similar to our abolition of standard capital grant, represented a bold shift in the way that the Department of Trade and Industry supports industry in Great Britain. In many ways the Industrial Development Board, the Local Enterprise Development Unit and the Department of Economic Development are ahead of the game in the DTI. We certainly have a more generous support system.

I was asked by several hon. Gentlemen whether it would be possible to assure them that future applications for support would not be held up by red tape or bogged down in delay. The hon. Member for South Down mentioned periods of delay which he alleged were experienced by applicants to the IDB and the LEDU. I was concerned that that should not be the case, and I have personally reviewed with the IDB and the LEDU their procedures to ensure that they are as fast and as flexible as possible.

I am told, and we have checked, that the average time taken by the IDB to process an application from the time of first full application through to the time that the grant is awarded is an average of 16 to 17 weeks. It has a special, so-called green channel appraisal system which enables it to deal with matters much more rapidly. We are dealing with public money, and it is appropriate that there should be proper checks and balances in the application system.

The LEDU, with its business start-up scheme in enterprise grant cases, has an average application to completion time of three to four weeks. The possible delay in servicing the applications concerns the IDB and the LEDU, as well as the Government generally. I can assure the hon. Gentleman, who perhaps has been told by the occasional disgruntled applicant of an exceptional delay, that I have personally investigated every case that has been put to me and I have not found any cases of unjustifiable delay.

Mr. McGrady: The figures that I quoted were not my own, but those published by the CBI.

Mr. Viggers: I should like to see those figures. The figures were put to me by the CBI in Northern Ireland in the presence of the IDB, and we discussed them. We have been through the figures in question and I was satisfied that the IDB was performing differently from the manner suggested by the CBI. If there were undue delay, I would be concerned. As I said, I have personally investigated every case that has been put to me and I have not found an example of unjustifiable delay.

The Industrial Development Board and the LEDU have recognised the need to focus management attention on total quality, and both bodies have introduced programmes in the past year directed towards that end. I have already referred to the IDB's marketing support assistance. The LEDU is in the process of simplifying and streamlining its grant for research and development, marketing, management development and quality development, and will shortly launch these in a revised form, better shaped to stimulate firms to undertake projects with real potential for future increased employment.

Similarly, in industrial development, the Department of Economic Development has successfully tested a unique and effective aid to business development in the form of its pilot manpower training scheme. I am currently examining whether this scheme should be operated on a permanent basis. I am particularly anxious that small companies should not be disadvantaged by the change from standard capital grant to selective assistance.

Following consultation with business interests, the LEDU has devised straightforward arrangements for the smallest firms to apply for assistance on small projects that will create employment or have significant wider economic benefits, and these arrangements will be in place early next month. I have also asked both the IDB and the LEDU, as I have mentioned, to ensure that their procedures and resources will enable them to respond speedily and effectively to any increased work load.

Several hon. Members have mentioned the commitment that Government have to industry, energy, trade and employment in Northern Ireland. I can give the figures to reveal the extent of the Government's commitment. Northern Ireland has 268 per cent. of the average United Kingdom identifiable expenditure per head, and it is entirely right that Northern Ireland should receive that benefit during these times. I am satisfied with the quality of the investment that is being made at the moment, and I am satisfied that unemployment is falling. I believe that the proposals will assist in improving the economy of Northern Ireland, and I commend the order to the House.

Question put and agreed to.

Resolved,

That the draft General Assistance Grants (Abolition) (Northern Ireland) Order 1988, which was laid before this House on 1st March, be approved.

EDUCATION, SCIENCE AND THE ARTS

Ordered,

That Mr. Jack Thompson be discharged from the Education, Science and Arts Committee and Hilary Armstrong be added to the Committee.—*[Mr. Ray Powell, on behalf of the Committee of Selection.]*

BUSINESS OF THE HOUSE

Ordered,

That, at to-morrow's sitting, the Motion in the name of Mr. Neil Kinnock relating to Tribunals and Inquiries may be proceeded with, though opposed, for one and a half hours after it has been entered upon, and if proceedings thereon have not been disposed of at the end of that period, Mr. Speaker shall then put the Question. — *[Mr. Kenneth Carlisle.]*

PETITION

Rating Reform

11 pm

Mr. John Home Robertson (East Lothian): I come to the House to present a petition signed by 879 people in the burgh of Musselburgh, the "honest toun", calling for the repeal of the poll tax legislation in Scotland. The House should be familiar with the case against this grossly unfair and inefficient tax, and I have no doubt that people in Scotland will treat the latest publicly funded propaganda exercise by Scotland's minority Tory Administration with the contempt that it deserves. I join more than 2,800 of my constituents who have so far signed petitions calling upon the House to repeal this dangerous legislation before any more harm is done.

Before I lodge the petition, I should like to raise a point of order with you, Mr. Deputy Speaker. As I said, the Scottish Office is in the process of spending about £250,000 on distributing propaganda material supporting the poll tax legislation in Scotland, yet I have received a card from the Clerk of Public Petitions at the Journal Office saying that the Secretary of State for Scotland is refusing to respond to petitions lodged by my hon. Friends and myself against the poll tax legislation in Scotland. What can we do with a Department of State that refuses to respond to petitions lodged in the House? Is that not an abuse of the House and of the public petitions procedure?

Mr. Deputy Speaker (Sir Paul Dean): The hon. Gentleman knows that the Chair has no responsibility for ministerial replies. However, I can call upon him to present his petition.

To lie upon the Table.

Derbyshire County Council

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lennox-Boyd.]*

11.2 pm

Mr. Patrick McLoughlin (Derbyshire, West): The debate is intended to draw attention to the extraordinary spending levels of Derbyshire county council. The county council has already responded in its usual hysterical way in a press release issued today, in which it accuses me of hiding behind parliamentary privilege. I wonder how I can be accused of hiding behind parliamentary privilege before anyone knows what I am going to say. The county council's response is strange but we in Derbyshire have become accustomed to strange responses. If the county council thinks that that is how it will gag us so that we do not expose what we regard as some of the most serious abuses of local government expenditure, it is mistaken. It will have exactly the opposite effect.

The last time that I was fortunate enough to secure an Adjournment debate, it was on the future of Ecclesbourne sixth form school. Again, the county council was trying to destroy an excellent school of proven worth for the sake of following Socialist dogma. I am very pleased that my right hon. Friend the Secretary of State for Education and Science refused the application and that the sixth form school has survived because of the efforts of a Conservative Government to ensure that good education is made available.

I believe in the role of local government, which has an important part to play in British democracy. Local government is there to provide services. The problem with so many Left-wing county councils is that they try to become not a provider of services but an alternative to the Government. We are not a federal but a unitary Parliament and power is devolved from the Government to local authorities.

The spending levels of Derbyshire county council have caused its ratepayers nothing but distress over a number of years. We are now left with the highest precept in England. It is a staggering 297·5p this year. That increase was announced last Friday.

The county council is saying that that is not its fault, but the fault of the Government. The Government's proposals towards the end of 1987 implied that if Derbyshire holds its current expenditure broadly constant in real terms, its grant will increase by £17 million—over 13 per cent.—to £149 million, the third highest increase of any shire county. That would be consistent with a very low increase in its precept—less than half of 1 per cent. That is on the assumption that Derbyshire will increase its total expenditure by 3·9 per cent. to £435 million, which will be over 5 per cent. more than——

Mr. Dennis Skinner (Bolsover): Why does not the hon. Gentleman give the House the facts? The Tory Government have robbed Derbyshire county council of £107 million in the last seven years and £20 million in this financial year. They have cut the rate support grant from 61 to 46 per cent. That is why the ratepayers in the hon. Gentleman's constituency have had to pay more money.

Mr. McLoughlin: I am grateful to the hon. Gentleman for his intervention and I shall deal with his important point. However, let me continue.

The total expenditure will have increased by 3·9 per cent. to £435 million, which will be over 5 per cent. more

[Mr. McLoughlin]

than is needed to provide the standard level of local services — the grant-related expenditure assessment of £413 million. The GRE will increase by over 8 per cent. this year, reflecting the priority given by the Government to education and the police.

If Derbyshire county council was being treated unfairly by the Government, one would expect other county authorities to suffer in the same way. Therefore, I want to take a few minutes to compare Derbyshire with Staffordshire county council.

I had the privilege of serving on Staffordshire county council for some six years from 1981. The comparison between Staffordshire and Derbyshire is a good one. Staffordshire has a population of 1,021,000 and an area of 271,000 hectares. The population of Derbyshire is 916,000 and it has an area of 263,000 hectares. Both have a city within their county boundaries. Derbyshire has the city of Derby and Staffordshire has Stoke-on-Trent.

If the hon. Member for Bolsover (Mr. Skinner) is so interested in the subject, perhaps he should listen. Derbyshire county council's rate in 1981-82 was 111p, Staffordshire county council's rate in that year was 112·5p. Derbyshire county council's rate for 1988-89 is 297·5p and Staffordshire county council's rate for 1988-89 is only 215p. Derbyshire county council's rate has increased over that period by 168 per cent. while Staffordshire county council's rate increase has been 91 per cent. Inflation over that period has been 52 per cent.

If there is any logic in what the hon. Member for Bolsover said, one would think that those county authorities had been controlled by different parties, but both authorities are controlled and run by the Labour party. Is the hon. Member for Bolsover saying that somehow the Government have made specific legislation for Derbyshire county council? That is nonsense. The Government legislate for local government throughout the United Kingdom. They do not legislate only for Derbyshire county council. We need to get across to our constituents in Derbyshire the fact that the Government have treated county councils equally.

Why is it that we in Derbyshire have such a high level of rates? As we all know, education takes up the biggest percentage of the rates. As Derbyshire has a higher level of rates than Staffordshire, one would think that Derbyshire would be spending more than Staffordshire on education, but what are the facts? The latest figures available, the cash figures for 1985-86 from the Chartered Institute of Public Finance and Accountancy, show that spending on a pupil in a primary school in Staffordshire is £815, and for a pupil in a secondary school it is £1,125. In Derbyshire, where the county council should be spending more, it is spending less — £780 on primary education and the same as Staffordshire on secondary education. However, the rates in Derbyshire are far higher.

Derbyshire county council, together with its usual propaganda, has tried to make the case that ratepayers in Derbyshire do not pay the highest rates. The latest leaflet it put out last week after the county rate meeting says that in Buckinghamshire people pay more. On properties with a rateable value of £150, with Buckinghamshire's county precept, a ratepayer would pay £341·55. In Derbyshire, on the rate precept for the coming year the cost would be £446·25. It is only Socialist logic that says people in Buckinghamshire are paying more rates than people in Derbyshire. It is quite disgraceful that we have the highest shire precept county rate. There is no good reason for it. It is higher by a substantial margin.

Mr. Harry Barnes (Derbyshire, North-East): Will the hon. Gentleman give way?

Mr. McLoughlin: I have given way once already. This is only an Adjournment debate. If the hon. Member for Derbyshire, North-East (Mr. Barnes) wishes to apply for an Adjournment debate to put the case for Derbyshire county council, which I am sure his constituents would love him to do, he is entitled to do so.

The sooner the present rating system is changed, the better. It cannot happen soon enough for me or for my constituents. The important factor in the new system is accountability. I believe that Derbyshire county council is the highest and the most reckless spending county council in England. It is falling in line with some of the loony London boroughs with which we have to put up.

I want to draw the attention of my hon. Friend the Minister to what I believe is a blatant abuse of ratepayers' money to further the political ends of an election candidate. I understand that it is possible, under the county council's rules, to hold surgeries and that they can be charged to the county council. The level of £250 a year is allowed for that. Mr. David Bookbinder seems to have held quite a few of those surgeries. I understand that he has held 12. It is disgraceful that only four of them were held in the county division that he represents. The others were held in the parliamentary constituency of my hon. Friend the Member for Amber Valley (Mr. Oppenheim) where Mr. Bookbinder happened to be the prospective Labour party parliamentary candidate. That is a blatant abuse of ratepayers' money to further the political ends of one man. That abuse should be investigated by the Audit Commission. That kind of abuse is absolutely disgraceful. Despite Mr. Bookbinder holding all those surgeries, my hon. Friend the Member for Amber Valley achieved a most incredible election result. He secured a 9,500 majority in a seat which the Labour party expected to win. The House is better off with my hon. Friend's presence than it would have been with the presence of Mr. Bookbinder.

As my right hon. Friend the Leader of the House said last week, we could go on for ever and a day talking about some of the mad things being done by Derbyshire county council. I know that my hon. Friend the Member for Amber Valley wants to catch your eye, Mr. Deputy Speaker, so I will be brief.

I want to refer to a leaflet produced by the county council and given to schoolchildren to take home to their parents. I have received a number of letters about the leaflet. Far from the county council's propaganda reaching parents, it has had the opposite effect. To illustrate my point I will quote from some of the letters that I have received. For example:

"I enclose a letter that my son aged 15 brought home from school yesterday. I am sure you will have read it like others and I would like to ask you the following questions: Are the county council within their rights to send political propaganda via pupil post in an unsealed manner?"

Another letter that I have received states:

"Frankly I was disgusted that my son aged 5 was used to further"——

Mr. Harry Barnes: On a point of order, Mr. Deputy Speaker. The subject of this Adjournment debate is the

Government's monitoring of Derbyshire county council's spending levels. We have heard nothing yet about the Government's monitoring of those levels.

Mr. Deputy Speaker (Sir Paul Dean): I remind the House that the Adjournment debate is a very wide debate. I have heard nothing out of order so far.

Mr. McLoughlin: I can well understand the embarrassment that Labour Members must feel as they try to defend the indefensible. The fact that Labour Members have tried to score cheap points instead of answering the points that I have put before my hon. Friend the Minister shows that they have no idea what to do about Derbyshire county council.

I will continue to read from some of the letters that I have received from parents in response to the leaflet sent out by the county council:

"Frankly I was disgusted that my son aged 5 was used to further the Socialist ends of the county council in bringing home this letter and leaflet both of which give a very biased view of the possible effects of the Government's proposed legislation."

The sooner the legislation comes into force the sooner we shall be able to control Derbyshire county council.

Another letter states:

"Why was the letter delivered to me through my 7-year-old daughter bringing the letter and pamphlet home without the same even being put in an envelope? Was it intended that my daughter should read it? Was it intended as political indoctrination?"

Yet another letter stated:

"Our daughter returned from school today clutching among other circulars from her headmaster the enclosed piece of political propaganda. This method of delivery implies that the headmaster and school support this policy and it raises two important questions. Is it legal for the council to require a headmaster to distribute political propaganda to the school children in this way?"

We find that unacceptable. Is ratepayers' money being spent on the printing and distribution of such propaganda when it should be spent on books providing educational facilities for students and pupils in Derbyshire, who have to go through the state school system and who are being failed by the county council, not by the Government? A number of councils with precepts far lower than that of Derbyshire have already been rate-capped. It is high time the Government stood by the people of Derbyshire and considered rate-capping the county council.

Mr. Phillip Oppenheim (Amber Valley) *rose*——

Mr. Skinner *rose*——

Mr. Deputy Speaker: Order. Does the hon. Member for Bolsover (Mr. Skinner) or the hon. Member for Amber Valley (Mr. Oppenheim) have the agreement of the hon. Member for Derbyshire, West (Mr. McLoughlin) and the Minister to intervene?

Mr. McLoughlin: My hon. Friend the Member for Amber Valley.

The Parliamentary Under-Secretary of State for the Environment (Mr. Colin Moynihan) *indicated assent.*

11.21 pm

Mr. Oppenheim: I welcome the hon. Member for Bolsover (Mr. Skinner) to the Opposition Front Bench —a most unusual position for him. I suggest that he does not get too comfortable there because he is unlikely to stay there for long. While we have the attention of my hon. Friend the Minister responsible for sport, I want to say that when I recently turned out on the right wing for Amber Valley rugby club's third XV to play Bolsover rugby club, I was surprised to find that Bolsover thought it wise to send its first XV to play our third team. Imagine my disappointment not to find the hon. Member for Bolsover playing on the left wing against me. If he had played, the game would have been replete with possibilities and opportunities.

I know that the leader and members of the Derbyshire county council feel that my hon. Friend the Member for Derbyshire, West (Mr. McLoughlin) and I have some sort of vendetta against the council, but I assure them that we have not. We believe that it is our duty to represent our constituents. I hope that the council leader will listen to what we say tonight, will carefully consider our arguments and will agree that his council may be wanting in some areas.

On many occasions, the leader of the county council has professed that he is a great friend of freedom of information. He spent a large sum of ratepayers' money fighting a case in the courts to establish whether the banned book "Spycatcher" could be stocked in county council libraries. So one would expect him to be more than ready to purvey information about his county council as freely as possible.

Unfortunately, this is far from the truth. Last year, against the specific advice of investment experts, Derbyshire county council decided to invest £305,000 of county council pension fund money in a newspaper called *News on Sunday*, which was a cause célèbre among Left-wing councils and trade unions, which thought it would be a Left-Wing flagship newspaper.

Needless to say, the newspaper quickly ran into difficulties and was the subject of a rescue bid by a north-western estate agent by the name of Owen Oyston, who apparently bought a large share of the *News on Sunday* company, diluting the stake of the original investors, which were largely county council pension funds. I understand that in the process, Mr. Oyston, who is obviously a bright and assiduous business man, paid himself a consultancy fee of £4,000 a week for running the paper. So much for Socialist brotherhood.

The injection of cash kept the *News on Sunday* going until shortly after the election, when it ran into more embarrassing trouble. It appeared that the company concerned would have to go into liquidation and that all the money that the various pension funds had invested would be lost. But — surprise, surprise — Derbyshire county council managed to sell its stake back to Mr. Oyston for £400,000. What it did not say was that it had agreed to invest a further £400,000 of pension fund money in another of Mr. Oyston's ventures, with the possibility of another £2 million of pension fund money being invested by the council in another of his ventures called "Telemags".

I have written to the leader of the county council on several occasions to ask whether the repayment of £400,000 to the county council pension fund by Mr. Oyston was in any way linked with the council's commitment to invest another £400,000 of the pension fund in another of Mr. Oyston's ventures plus a further £2 million that it has agreed to consider investing. Despite those letters and several reminders, the county council leader has steadfastly refused to give the information. So much for the great friend of freedom of speech.

[Mr. Oppenheim]

In many other areas we have found that the wasteful council has been most unwilling to give information. In council-run libraries in my constituency the only national newspapers that are stocked are *The Guardian* and the *Daily Mirror*. I have written to the county councillor responsible, councillor Lennox, on no fewer than six occasions asking why a wider range of newspapers is not stocked. After the sixth letter the councillor wrote back and said that he did not seem to have received the previous five letters. I know how gullible the Opposition are and they can believe that excuse if they like, but my credulity was stretched by that reply.

There are many examples of waste by the county council and all too often it falls back on the spurious claim that the Government have cut rate support grant. All the figures demonstrate that, since the Labour party came to power in Derbyshire in 1981, far from cutting that grant, the Government have increased it substantially in excess of the rate of inflation. Indeed, that county council has been treated far more generously than many southern Tory-controlled councils. The claim that the Government have cut the rate support grant is total nonsense.

In common with most of my constituents, I believe that the improvement and proper management of our education system is essential to our recovery as an industrial nation. I wish to highlight one of many possible examples of what I consider to be political interference and mismanagement of state education by the county council. Recently it decided to close down a school in the neighbouring town of Ilkeston in the constituency of my hon. Friend the Member for Erewash (Mr. Rost). The council decided to use loopholes in the law to pack the shadow governing body of that school with as many of its supporters as possible. Four of the five parent governors from the previous board were appointed, but virtually all the remaining appointed governors were strong Labour party supporters. The county council was trying to pack that shadow governing body with as many of its political supporters as possible to ensure that its political will was imposed on that school against the obvious wishes of the parents and children concerned and against the best interests of the children and people of Derbyshire.

I have no vendetta against the county council. However, some of my constituents — retired miners — who live in small, terraced houses, ex-coal board houses and bungalows in areas such as Somercotes and Alfreton are paying between £500 and £700 in rates whereas in the next-door county of Staffordshire they would be paying between £300 and £400 only.

I appeal to the Derbyshire county councillors to be less profligate and less political in their spending and to consider, for once, the legitimate interests of the ratepayers and people whom they are meant to serve.

11.28 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. Colin Moynihan): Before replying to the many interesting and important points raised by my hon. Friends the Members for Derbyshire, West (Mr. McLoughlin) and for Amber Valley (Mr. Oppenheim), I should like to tender the apologies of my ministerial colleagues who normally deal with local government finance matters for not being here this evening. Hon. Members will be aware that they are unavoidably detained elsewhere with the members of Standing Committee E in considering the provisions of the Local Government Finance Bill.

As the Leader of the House said last week, we have, sadly, reached the stage at which nothing done by Derbyshire county council causes much surprise, but what continues to grow unabated is our disappointment. Derbyshire is the sort of authority that would seek praise from its ratepayers for increasing its precept by a similar percentage to other authorities, but omit to point out — although its ratepayers probably need no reminding — that this was only because the county's precept was already the highest in the country.

Last week, and again this evening, attention has been drawn to what may be yet another example of this council abusing its publicity powers to peddle Socialist propaganda. It is wholly inappropriate to use public funds for such a purpose. It is even more disgraceful if the council has used schoolchildren to help distribute such material.

I am pleased to say that both Houses of Parliament have now approved measures in the Local Government Bill which, when enacted, will reinforce the statutory ban on party political propaganda at public expense. These measures will also ensure that local authorities must have regard to the practice which Parliament recommends in the field of publicity.

Returning to the main issue under consideration, under the rate support grant settlement for the coming year, which was debated and approved by the House before Christmas, the county council stood to receive about £17·5 million more grant than it does this year if it fixed its budget in line with our spending assumption. That spending assumption would have allowed the authority to keep its current expenditure roughly steady in real terms, and it made special allowance for the extra cost of teachers' pay arising from the pay agreement made last year.

The county was also fortunate in having an 8 per cent. increase in its spending needs assessment, arising largely from the priority that we gave through the settlement to extra spending on county level services such as the police and education. Hon. Members present who do not represent the Derbyshire area may be surprised at, and perhaps envious of, the fact that we calculated that the extra grant would have enabled the county to increase its precept by less than a penny.

However, my Department has just learnt that Derbyshire decided on Friday to increase its precept by 35·5p — or, as it might say, "only 13½ per cent." — and thereby retained the doubtful honour of having the highest county precept. In so doing, it has fixed a budget nearly £18 million above our spending assumption and thereby chosen to forgo nearly £7 million in block grant, adding £25 million in all to the amount financed from the rates.

I wonder how the county's publicity machine will decide to present such uncomfortable facts to local people this year. Even as the Minister with responsibility for sport, I should perhaps not risk the controversy that offering dietary advice can sometimes arouse, but I feel bound to say that a change to a hard fact diet in Derbyshire would do a lot to improve the health of local democracy.

There must be many people in Derbyshire who believe that the county has already gone too far and would like to see some direct action by the Government to redress the

balance. Many may think, as my hon. Friend suggested, that rate-capping would be the most obvious course. Although the county has the highest precept in the country —and certainly very much higher than Camden's—that on its own is not enough to allow such exceptional action.

The motion having been made after Ten o'clock and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned at twenty-eight minutes to Twelve o'clock.

House of Commons

Wednesday 9 March 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BRITISH RAILWAYS (LONDON) BILL *[Lords]*

(By Order)

Order for Third Reading read.
To be read the Third time tomorrow.

Oral Answers to Questions

TRADE AND INDUSTRY

EC (Internal Market)

1. **Sir Russell Johnston:** To ask the Chancellor of the Duchy of Lancaster what representations he has received regarding preparations for the realisation of the Economic Community internal market in 1992.

The Parliamentary Under-Secretary of State for Corporate Affairs (Mr. Francis Maude): Since we announced our awareness campaign we have received an encouragingly large number of representations from all sectors of British business. All have warmly welcomed the high priority that the Government are giving to completing the single market in Europe and the steps that we are taking to make British business aware of the challenge.

Sir Russell Johnston: Has the Minister not read the comments made by the director general of the Confederation of British Industry, Mr. Banham, to the effect that he thinks that the Government are not taking the negotiations on standards seriously and are not spending enough resources or time on the problem? Surely this requires a rather wider answer than the Minister has given today, or was given to me by the Minister of State on 2 March, when I was told that the interests of the CBI were not necessarily those of the British nation. It is in our interest to be able to respond properly to the new training environment in 1992.

Mr. Maude: With regard to the hon. Gentleman's specific point about standards, we hold the chair of no less than a quarter of all the standards committees in Brussels. It is important that we should take an active role in setting European standards, and we do that. I assure the hon. Gentleman that that is a very high priority for us, and we are doing a great deal more now than we have done in the past.

Mr. Onslow: I am very glad to hear what my hon. Friend said about the importance of our preparing people and making them aware of what is involved between now and 1992 and the steps that we must take to take advantage of that, but does he agree that it is important that the EC should not distract us in any way by such time-wasting foolishness as trying to introduce a common European car number plate?

Mr. Maude: I note what my right hon. Friend has said. In asserting progress towards 1992, we must decide on priorities, and the kind of thing to which my right hon. Friend has referred is plainly not a high priority.

Mr. Barry Jones: Will the Minister assure us that the Government will not permit VAT on newspapers and books?

Mr. Maude: That is plainly not a matter for me to comment on here and now. It is a matter for my right hon. Friend the Chancellor of the Exchequer in due time. The hon. Gentleman is well aware of the remarks made by my right hon. Friend the Prime Minister about our right to impose our own VAT rates on our own products.

Dame Elaine Kellett-Bowman: Does my hon. Friend accept that it is good news that the awareness campaign is going well? Is he aware of the fantastic efforts being made by all the chambers of commerce and business organisations in other European countries to get their businesses off the ground and their noses in ahead of us? Does he believe that smaller businesses in this country realise the immense opportunities that will be available for them as well?

Mr. Maude: No, we do not believe that smaller businesses are fully aware of the opportunities, and that is why we are launching a major awareness campaign. That campaign has not actually started yet, but, because the issue is being discussed far more widely than before, awareness is steadily growing. The opportunities available to competitive British businesses for opening up Europe to the free exchange of goods and services are enormous. However, there is a threat for uncompetitive businesses because opportunities for competitive British businesses are also open to competitive businesses elsewhere.

Information (Sale and Access)

2. **Mr. Darling:** To ask the Chancellor of the Duchy of Lancaster if he will introduce legislation to regulate the sale of or access to information held on magnetic tape by the telecommunications industry.

The Parliamentary Under-Secretary of State for Industry and Consumer Affairs (Mr. John Butcher): I have no plans to do so. The Director General of Telecommunications would consider representations on this issue in the light of his general duty to consider these where they relate to telecommunications services or apparatus.

Mr. Darling: Does the Minister realise that those magnetic tapes hold far more information than is available on telephone directories and that British Telecom in particular holds a substantial body of information on each and every one of us? My information is that that may be against the guidelines on the data protection principles. Does he realise that unless he acts now we may face a national scandal in two years' time if fanatics or purveyors of junk mail manage to get hold of that information?

Mr. Butcher: The hon. Gentleman's question raises a number of issues, some of which are a matter for the

Director General of Oftel. I hope the hon. Gentleman agrees, because he and I have pursued the matter with the Director General, that he can act vigorously and is a fast-moving regulator.

The other aspect of the hon. Gentleman's question relates to data protection. Clear guidelines and requirements are placed on the holders of data to preserve the interests of data subjects. I shall examine very carefully what the hon. Gentleman has said, but in the first instance I feel that I should refer it to the Data Protection Registrar to see that nothing untoward is at risk.

Mr. Stott: As I understand it, my hon. Friend the Member for Edinburgh, Central (Mr. Darling) has contacted the Director General of Oftel, who, I understand, feels that he has no power in this regard.

This is a serious matter. British Telecom is not merely selling a telephone directory. What is contained on the magnetic tapes could be used for credit reference agencies, debt collecting and tracing agencies and other agencies wishing to examine the socio-economic groupings of certain individuals. There is much more on the tapes than is contained in the telephone directory, and, if it got into the wrong hands, it could cause distress and concern to many people. If, having looked at the matter, the Minister feels that the Director General can do nothing about the problem, will he consider bringing in legislation to protect these people?

Mr. Butcher: The Government discharged a major part of their duties during the passage of the Telecommunications Act 1984. The hon. Gentleman, who was a member of the Standing Committee, will remember the long debates on whether we should have a statutory body, which might be rigid and might constantly require updating through legislation, or a fast-moving freer body with appropriate powers, like the Director General of Oftel.

When matters have arisen that are legitimately for him, he has moved fast. He has not said that he has no remit to intervene. My understanding of his communication to the hon. Member for Edinburgh, Central (Mr. Darling) is that he accepts that two or three live issues have been raised which deserve consideration. However, I shall not second guess today precisely which body may take action to deal with the complaints that the hon. Gentleman has made.

Company Liquidations

3. **Mr. Oppenheim:** To ask the Chancellor of the Duchy of Lancaster how many company liquidations there were in Derbyshire in the years 1983 to date.

Mr. Maude: Company liquidations are not analysed by county, but Derbyshire is part of the area administered by the Official Receiver's office in Leicester, which processed an estimated 415 compulsory liquidations in the years 1983 to 1987. During this period compulsory company insolvencies fell by 27 per cent. No regional analysis is available of creditors' voluntary liquidations.

Mr. Oppenheim: Has there not been a substantial net increase in business activity in the area over the past five years? Has not that increase, which is very welcome, also gone hand in hand with a fall in unemployment, and has that not occurred despite the lack of regional assistance in the county of Derbyshire and the fact that many jobs have been lost in the coal industry, not just over the past few years but over the past 20 or 30 years? What conclusions does my hon. Friend draw from those facts?

Mr. Maude: I suspect that I draw the same conclusion as my hon. Friend—that industry in Derbyshire is very buoyant—and the fall in unemployment to which he refers is mirrored throughout the country. It is worth pointing out that between 1983 and the last year for which figures are available the number of new company registrations in Derbyshire rose by no less than 81 per cent.

Mr. Skinner: Is it not true that, in Derbyshire, company liquidations from 1983 until the year of the election—when some special measures were introduced by the Government for electoral reasons—were at an all-time record, along with company bankruptcies; that half the north Derbyshire coalfield has been closed; and that, if the Government remain in office, there will be not 4 million people unemployed, as was the case a couple of years ago, but top side of 5 million? Derbyshire will suffer, and the hon. Member for Amber Valley (Mr. Oppenheim) will be part and parcel of it.

Mr. Maude: The short answer to that is no, Sir.

Telecommunications Supervision

4. **Mr. McLoughlin:** To ask the Chancellor of the Duchy of Lancaster what discussions he has had with the Director General of Oftel on the implications for the system of telecommunications supervision of British Telecom's decision to ban its Talkabout telephone service.

Mr. Butcher: Since British Telecom's decision to suspend Talkabout no further discussions have taken place, although the Director General of Telecommunications has kept my hon. and noble Friend in touch with developments. The matters involved are for the Director General who has demonstrated that he can and does act effectively.

Mr. McLoughlin: I am grateful to my hon. Friend for that answer. Does he agree that that shows the effect that Oftel can have? The decision temporarily to ban Talkabout is welcome, and one hopes that Talkabout will never be reproduced.

Mr. Butcher: It has demonstrated just that. A growing number of people now recognise the value of Oftel and the conspicuous and important role played by its current director general, who I think now has the respect of most sections of the telecommunications community, including Members of the House.

Mr. Speaker: Mr. Terry Lewis.

Hon. Members: Hear, hear.

Mr. Lewis: It is clear that my presence has been noted, Mr. Speaker.

May I be one of the first to add my support to the Director General of Oftel, particularly for his role in banning Talkabout? However, I warn the Minister against complacency. I do that specifically because of the chat lines which exist over the telephone. Such lines are still in operation today under licence from the Department of Trade and Industry. The Director General of Oftel has referred those lines in the same way as he referred British Telecom's Talkabout. I expect the Minister and the DTI to exert all the influence possible in this matter in order to ban those private chat lines as well.

Mr. Butcher: The hon. Gentleman's presence on this whole issue has been significant and I congratulate him on the way in which he has pursued his campaign.

The question is whether the chat line services that are not sponsored by BT should equally be held up to examination. This is an important issue. It is open to the Director General, if he so wishes, to seek modifications to the licences of the public telecommunications operators, including BT, or—this goes some way towards meeting the point of the hon. Member for Worsley (Mr. Lewis)—he can seek changes to the class licences under which many of those services are provided.

Mr. Butler: When my hon. Friend next meets the Director General of Oftel will he discuss with him *Sunday Sport* magazine, which portrays itself as Britain's fastest growing family newspaper? It is full of hundreds of advertisements for telephone lines giving pornographic messages, which bring discredit on the telephone service.

Mr. Butcher: Under section 43 of the Telecommunications Act 1984 we have already made it a criminal offence to send messages which are grossly offensive, indecent, obscene or menacing. I assume that under that section and under other aspects of the law my hon. Friend's point could be examined. I take seriously what has been said and I will see that my hon. Friend's message finds the appropriate home.

Rover Group

5. **Mr. Andrew Smith:** To ask the Chancellor of the Duchy of Lancaster when he next plans to meet the chief executive of Rover Group to discuss the company's future.

The Chancellor of the Duchy of Lancaster and Minister of Trade and Industry (Mr. Kenneth Clarke): At the moment I have nothing to add to my statement to the House on 1 March.

Mr. Smith: Will the Minister tell the House what assurances the Government are seeking on future model developments in the British Aerospace talks? I am referring particularly to the update of the Rover 800 by 1992, the future of the R9, the Montego replacement, and other models. What would the Government do to make such assurances stick? For example, would they deploy their golden share in British Aerospace to safeguard the long-term position of vehicle production in the interests of balance of payments and employment in the industry?

Mr. Clarke: Future model development is a matter for the management of the company. It is a commercial rather than a political decision. British Aerospace has told us that it is interested in continuing the development of the Rover Group, and obviously it is seeking to acquire it as a going concern. If the negotiations result in a merger between the two companies, the new management will have to address itself to the question of model development in order to protect its role in the market in future. We would not use the British Aerospace golden share in any way, because it would not apply to new acquisitions. In the course of the negotiations we are considering what view, if any, we will take about the Rover shares when we sell them.

Mr. Miller: Will my right hon. and learned Friend, in discussions with the chairman of the Rover Group, ensure that any conditions relating to the deal with British Aerospace for the period prior to any final agreement will not exclude any offer that may be superior in terms of security to the work force or return to the taxpayer and that, in the period after such an agreement, they will not exclude future participation or joint venture by other motor companies?

Mr. Clarke: As I explained to my hon. Friend when I made my statement, we agreed that at present the negotiations between British Aerospace and the Rover Group should proceed on an exclusive basis. We shall have to await the outcome of those negotiations, but, if they were to be successful, and if we were considering a final offer, we would have to consider what other offers have been forthcoming from other interested companies.

Mr. Eastham: Having read about all the buying and selling that is going on between the Rover Group and British Aerospace, I should like to underline to the Minister the fact that the livelihoods and jobs of thousands of workers are involved. Does the Minister accept that there should be full consultation with the trade unions, and will he bear in mind the livelihoods of those thousands of workers, irrespective of who owns the undertaking?

Mr. Clarke: There is no pie in the sky involved. These are all serious negotiations. The hon. Gentleman is right that the negotiations concern important businesses and that the well-being of thousands of people depends on British Aerospace and the Rover Group continuing to be a commercial success. We believe that the Rover Group will be best placed in the private sector. The present negotiations are worth encouraging and we are awaiting the outcome of them. In the end, we shall make our decision about the holding in the Rover Group based on our best judgment of the interests of the taxpayer, the company and the work force.

Mr. Page: When my right hon. and learned Friend meets the chief executive of the Rover Group, will he discuss the amount of capital that is needed to update the Land Rover and Range Rover line, the van lines and the various new model developments? Will those costs be reflected in the price that is charged for the Rover Group to whoever may be buying it?

Mr. Clarke: Anybody contemplating purchasing a company of this size must address himself to exactly the kind of issues to which my hon. Friend refers. In deciding on the final price, and when we judge any offer that may be made, we must take an overall view of the value of the company to the taxpayer and the balance sheet that the new company will require. We shall bear in mind all the relevant considerations, including the ones that my hon. Friend has given.

Mr. Dalyell: What is the DTI's attitude to the disposal of the Bathgate site?

Mr. Clarke: My understanding is that there is a prospect of development on the Bathgate site, and I trust that there will be some new development on that derelict site. It is now a matter for planning law in Scotland; it is not the responsibility of myself or of my hon. Friends at the DTI.

Mr. Charles Wardle: Is it not important that the Government should now stand completely aside until negotiations between the two companies are concluded? Should not both companies be seeking to convince City investment institutions of the merits of their case, without the Government being involved?

Mr. Clarke: At present, the two companies are negotiating. Obviously, as the owner of 99·8 per cent. of the shares, we shall be closely involved. If the negotiations are successful a bid will be forthcoming for our shares, which we shall judge.

There is only one other way in which we are involved. My right hon. and noble Friend the Secretary of State is in Japan, or is about to land there, and no doubt he will repeat what we have been saying about our wish for Honda to continue to be involved in co-operation with the Rover Group, which has been welcomed by Honda and the Rover Group so far.

Mr. Austin Mitchell: If the Minister has thought about the Rover Group and its future in any sense other than how quickly he can wash his hands of it, and if he has thought about British Aerospace—the proposed partner in this illogical and silly union—will he say what effect the rising pound, which is now up 14 per cent. in real terms compared with the end of 1986, will have on the business of both those groups? Does he agree with the Prime Minister and *The Sun* newspaper that the rising pound is good for Britain? Is it good for Britain's manufacturing industry?

Mr. Clarke: I do not know whether the hon. Gentleman's only interest is to try to ensure that the Rover Group remains nationalised for as long as possible, or whether he is contemplating the renationalisation of British Aerospace. Such matters are best determined by making the best judgment of the commercial future of the companies in the private sector, and that benefits the work force as well. The rising pound certainly damages some industries and helps others, but the rising pound is a sign of the strength of the British economy. More stability in exchange rates is desirable, and my right hon. Friend the Chancellor of the Exchequer obviously welcomes the extent to which a strong pound keeps down inflationary pressures in Britain.

Link Programme Collaboration

6. **Mr. Robert B. Jones:** To ask the Chancellor of the Duchy of Lancaster how much the Government expect to spend on Link collaborations over the next five years.

Mr. Butcher: The Government expect to contribute about £210 million to Link over the next five years, provided industry matches Government funding.

Mr. Jones: Do not both partners benefit from such arrangements — the researchers, who see their projects come to fruition, and industry, which benefits from the research of universities and colleges? If that is the case, why are some universities and colleges not taking advantage of such opportunities, or not taking advantage of them in such a big way? What does my hon. Friend intend to do to encourage them?

Mr. Butcher: We should like to see far more use of the research base currently inside our higher education institutions. If one compares our experience with that of the United States, one finds that we have an under-utilised national asset. If the Link programme can help to build more bridges between industrial and commercial research-based companies and the higher education sector, we would welcome it. To a certain extent the programmes are demand-led and on their merits. Five have come forward which are worthy of support. If some universities are not tuned into this yet, it is their own fault. The resource is there. It is demand-led and it is up to them to bid for it.

Dr. Bray: Does this not represent a restriction on the way that already committed money is to be spent? It is in no sense an addition to research and development spending in Britain. Will the Minister acknowledge that a large number of industrial research directors are already warning that the attrition of the science base is threatening the viability of Britain as a base for applied industrial research? Finally, does he agree that the real need is for a proper incentive to industry to increase its support for research and development?

Mr. Butcher: The DTI's role is to encourage partnerships between the public and the private sector and to see that the critical mass of research is enhanced and applied with relevance to the market at large. The hon. Gentleman has been an observer, commentator and practitioner in this area for a long time and I should have thought that he would welcome the fact that our budget for the totality of research, development and innovation effort is now running at about £500 million. That represents a major shift over the past five or six years, and we are beginning to see the benefit of it. Perhaps I may write to the hon. Gentleman about the industrial research directors' point. As he knows, there has been a complex build-up to this in terms of how it will apply. We are now through that and some of the sources of confusion and alleged over-complexity may now have been eliminated.

Mr. Wood: Does my hon. Friend agree that the investment of private industry in projects such as Link is a vital ingredient to their success? Is it not the case that unless one ensures that, for example, pharmaceutical companies, such as those involved in the eukaryotic project, find that research is encouraged by the repeal of the full licences of right, they may feel that it is not in their interests to proceed with such research?

Mr. Butcher: I admire my hon. Friend's ingenuity in bringing the licence of right issue into this question. As he knows, we shall be addressing this matter at great length in Committee on the Bill that will come before the House after Easter. There is a eukaryotic genetic engineering programme within the five programmes that have been approved, and I hope that the pharmaceutical industry in particular will derive great benefit from that.

Inner Cities

7. **Mr. Andrew MacKay:** To ask the Chancellor of the Duchy of Lancaster if he will make it his policy to ensure that the inner cities are given priority in departmental decentralisation plans.

Mr. Kenneth Clarke: Yes, Sir. The Government's policy is that Civil Service work should be located where there is best value for money and best service to the public. However, when such locations are in areas which are the focus of the Government's urban and regional policies, they will be considered particularly seriously.

Mr. MacKay: While it is widely recognised that civil servants will do everything possible to resist moving out of cushy London, will my right hon. and learned Friend assure the House that the decentralisation plans will move forward apace? As he and his right hon. and noble Friend,

the Secretary of State for Trade and Industry, are making it clear that the private sector must play a major part in this rejuvenation, surely we must also play our part by moving as much as possible of the Department to inner cities in the regions?

Mr. Clarke: I do not think that the reluctance of civil servants is quite as bad as my hon. Friend says it is. One way or another, about 5,500 jobs have been transferred out of London since the Government came to power in 1979. The DTI recently announced the transfer of most of the Patent Office to Newport and part of the insolvency service to Birmingham. I am carrying out a review to look for further candidates for cost saving, while maintaining the quality of service in my Department.

Mr. Madden: May we assume from the Minister's reply that Bradford will be carefully considered for the relocation of any Government Departments? Can the Minister say in specific terms what benefits will flow to Bradford from the city action team being located in Leeds?

Mr. Clarke: As I said in my previous answer, whenever we look for alternative locations for Government offices we pay particular attention to places that are the target of the Government's urban and regional policies. I think that great benefits will flow to Bradford from the work of the city action team. Its headquarters are in neighbouring Leeds, but its activities are particularly directed to the urban problems of Leeds and Bradford. It has all the resources and competence to tackle the problems of both.

Mr. Steen: The Government will be successful with their macro-economic policy of inner-city regeneration, but will my right hon. and learned Friend say something about the neighbourhood regeneration, on which he has been concentrating? Surely the success of the strategy lies in encouraging local people to be involved in the regeneration of their neighbourhoods and streets.

Mr. Clarke: Civil servants have been posted to task force offices in 16 deprived neighbourhoods up and down the country. That approach has been particularly successful, not least because it has enabled those civil servants to get into close contact with local residents, and because it has targeted the Government's national programmes and additional money on projects where they are most needed in those districts.

Mr. Tony Banks: I am intrigued by the decentralised free breakfasts that the Minister will be offering as part of his inner-city initiative. How many breakfasts will there be, which Ministers will be involved, and how much will the free breakfasts cost the taxpayer? If the right hon. and learned Gentleman is looking around for a menu, in view of the damage that the Government's policies have done to the inner cities, may I suggest thin gruel, hard cheese, and poached bullshit?

Mr. Speaker: Order. That is a very unparliamentary word. Will the hon. Gentleman withdraw it and use another?

Mr. Banks: Tell us the menu, then.

Mr. Clarke: Breakfast is my least favourite meal; normally I do not eat it. The only reason why we are having these meetings at breakfast time is that that is the one time when all the leading citizens of a city tend to have their diaries clear, until they receive our invitation. We found that with "Action For Jobs" presentations—one gets a much better attendance if one turns up at breakfast time.

I can tell the hon. Gentleman that the menu is quite immaterial and entirely undistinguished on these occasions. What matters is the serious discussion that takes place, which I hope will lead in this case to follow-up action after the breakfasts bringing together leading industrial citizens of each city to help to steer the private sector contribution towards the Government's and the country's efforts.

Business Regulation

8. **Mr. Evennett:** To ask the Chancellor of the Duchy of Lancaster what further plans he has to lift the burden of regulation on business.

Mr. Maude: Active efforts to reduce the burden of regulation on business continue in all areas of the Government's work. A White Paper on deregulation in the summer will give further details of our strategy and programme of action.

Mr. Evennett: I thank my hon. Friend for his reply and congratulate the Government on their deregulation policies to date. There is a great deal more to be done, and we look forward to the White Paper. However, will my hon. Friend carefully examine the possibility of abolishing the statutory audit for small businesses?

Mr. Maude: We are certainly looking at that matter. A good deal of concern has been expressed to the effect that the statutory audit has placed an excessive burden on small businesses. I am grateful for my hon. Friend's remarks about the deregulatory programme. It is important. None of it is dramatic in itself, but the cumulative effect of lifting small burdens from business is dramatic.

Mr. Cryer: Will the Minister assure the House that the Government will in no way attempt to diminish standards of health and safety at work? As he knows, each year more days are lost through industrial injury than through strike action. It would be a savage attack on workers if there were any attempt in any businesses to lower the standard of health and safety at work.

Will the hon. Gentleman tell us about the curious situation whereby business organisations claim to want the Government off their backs, but invite retired civil servants on to their boards?

Mr. Maude: The latter phenomenon demonstrates that public servants have a great deal to offer industry. One of the things that we are trying to develop is a greater flow of personnel to and from the public sector. It would be helpful for business if more people from the private sector were to be seconded into the public sector, and vice versa. The public and private sectors have a great deal to learn from each other.

We continue to attach high priority to health and safety at work. There are advances to be made by simplifying the burden of regulations so that users find it easier to comply with them.

Mr. Grylls: Will my hon. Friend take encouragment from the deregulation programme so far? Does he accept that real obstacles and burdens make it difficult for firms to expand and grow, and that it is important to cut red tape? Will he consider placing before Parliament an annual

report on progress made in all Government Departments, so that Parliament can see how far the deregulation programme has gone?

Mr. Maude: I am grateful for my hon. Friend's remarks. The White Paper that we propose to publish in the summer will effectively amount to that. Since the deregulation initiative started three or so years ago we have published two formal White Papers and a further paper. These papers outlined the progress that has been made right across the board. We shall continue to do that.

Shipbuilding

9. **Ms. Quin:** To ask the Chancellor of the Duchy of Lancaster if he will make a statement on progress made in discussions of the European Commission's proposals entitled "Shipbuilding — Industrial, Social and Regional Aspects".

Mr. Kenneth Clarke: Our discussions in the relevant European Council of Ministers on regional measures within the programme known as RENAVAL are well advanced. I have stressed to the Council how important I believe it to be that we should make rapid progress. The Commission's proposals on other aspects of its programme have yet to come to Council. The Commission seeks to assure me that work within the Commission is well in hand.

Ms. Quin: Although help to enable new businesses to go to shipbuilding areas is to be welcomed, will the Minister assure us that it will in no way be a sop to allow a further rundown in British shipbuilding? May we be assured that the money will not be a substitute for the financial support that the industry needs if it is to survive and play an essential role in Britain's industrial future?

Mr. Clarke: I am anxious to get support from the Community for shipbuilding areas as quickly as possible. Obviously, we need the encouragement of other businesses in such areas. Looking back, no one can doubt the extent of the Government's financial commitment to British Shipbuilders. At the moment, its external financing limit is £180 million, which is about £20,000 for each employee working in the yards. As I told the House when I announced that figure last year, it is a heavy figure, and the outlook for British Shipbuilders is still difficult.

Sir John Farr: Will the discussions include the inducements offered by many European companies to attract custom and orders away from British shipbuilding and repair yards?

Mr. Clarke: We have agreed on a European sixth directive, which is meant to impose limits on the extent to which any Government within the European Community can give inducements to win orders. It is the British Government's view that the sixth directive should be adhered to, to stop pointless and wasteful competition, with taxpayers in each country pouring money into loss-making orders.

Mr. Millan: Will the Minister take this opportunity to repudiate the report that appeared in *The Guardian* a few days ago to the effect that the Government are contemplating removing all help to British shipbuilding? That would mean reneging on the sixth directive. It would also cause utter devastation in shipbuilding areas such as the one that I represent.

Mr. Clarke: Obviously, I have to keep in close touch with the trading position of British Shipbuilders because of the very large sums of money that are involved, as I explained to the hon. Member for Gateshead, East (Ms. Quin). We have taken no new decisions about the future of British Shipbuilders, but the position of the business has to be kept under review while it is in such a difficult state.

Mr. Brazier: Will my right hon. and learned Friend confirm, first, that the worldwide shipbuilding industry is in a state of extreme recession? Secondly, while I welcome his answer to an earlier supplementary question, will the Government strive to make certian that all the EEC countries conform to that directive once it has been signed and agreed and that there are no hidden subsidies from our EEC partners?

Mr. Clarke: The shipbuilding industry throughout the world is in a pretty parlous state, with major lay-offs and closures taking place in Japan and in Western Europe. Although there is some prospect of the market improving, there is a general lack of orders to match the present world capacity of shipbuilding. I agree with my hon. Friend that we must stop unfair competition breaking out within Western Europe. We seek to adhere to the sixth directive and the Commission seeks to endorse it. The last complaint received was against ourselves and the French.

Financial Advice Services

10. **Mr. Michael:** To ask the Chancellor of the Duchy of Lancaster what is his policy towards providing advice services for the growing number of people with financial and debt problems; how he intends to finance such services in the future; and if he will make a statement.

Mr. Maude: A great deal of advice and help on debt problems is already provided free of charge by citizens advice bureaux. The National and Scottish Associations of Citizens Advice Bureaux are funded by my Department to the extent of £8·9 million in the current financial year. They have been encouraged to seek additional funding for money advice services from the finance industry, and two money advice support projects, one in the south-east and one in the north-west, are already under way as a result of private sector funding. I understand that agreement has also been reached on two more major schemes, which will be announced soon. I believe that this will be widely welcomed.

Mr. Michael: Does the Minister appreciate that there are vast increases in the numbers of people experiencing debt problems, and that there is an increase in the complexity of those debt problems? Does he accept that a large number of Government decisions, particularly the recent social security decisions and the way in which the Government are implementing them are placing increasing pressure on people and increasing the likelihood of their getting further into debt, particularly those on the lowest incomes? Does he accept that the finance that he provides is to associations that give national back-up, and not direct to the services? The Minister should accept responsibility for providing proper funding for advice services in view of the way in which the problem is likely to accelerate under present Government policy.

Mr. Maude: The funding of local citizens advice bureaux has always been a matter for local authorities. They know about local needs and it is for them to decide how to allocate money within their budgets.

As for debt increasing, of course there are people who get into trouble with debt, but there are far more people whose problems have been alleviated by having access to credit. The fact remains that the principal protection against getting into debt is for people to think carefully before doing so, and to look around carefully for the best terms. There are widely differing ranges of interest rates available, and if people were to look around more carefully the problem of getting into debt would be reduced.

Mr. Knapman: Is the Minister satisfied that the Government are doing enough to control extortionate credit demands?

Mr. Maude: The courts have the right to re-open a credit bargain if the case is made to them that the terms on which the bargain was made are extortionate. That power lies with the courts, and we are looking to see whether it could be extended to give the courts the right to re-open a bargain on their own motion without a plea being made by the plaintiff. We have yet to see whether that is practicable. I believe that the Government are doing enough. Our system of consumer credit regulation is based on making the maximum information that is sensible available to the potential debtors so that they can work out whether the commitments into which they are entering are within their capabilities. That is the best protection we can provide.

Mr. Blair: Does the Minister accept the view of the citizens advice bureaux and of every reputable consumer organisation that there is an element in the loans market that behaves in a totally unacceptable way and peddles its loans to those who are desperate or ignorant? Does he also accept that many people are simply unaware of the powers of the courts to set aside high levels of interest demanded by some of these loans sharks? Why will he not take on board the representations of those bodies and introduce tough new legislation to protect the consumers and the public interest?

Mr. Maude: I have announced today some improvements to the advertisement regulations to make more, clearer and simpler information available to people seeking credit. As for making further advice available, I believe that it is helpful for advice bureaux to seek funding from the finance industry. There is much to be said for the finance industry making that money available, because if more people are helped to pay off their debts, obviously that is in the commercial interests of the industry.

Action for Cities Campaign

11. **Mr. Heathcoat-Amory:** To ask the Chancellor of the Duchy of Lancaster what response there has been from the private sector to the Government's action for cities campaign.

Mr. Kenneth Clarke: The Government have been working very closely with many private companies and private sector and voluntary organisations for many years. There has been an encouraging response from the private sector to the action for cities campaign launched on 7 March. Business organisations, including the CBI, Business in the Community, the Industrial Society and Investors in Industry as well as individual companies and business leaders have reaffirmed their commitment to work with the Government to make inner cities prosperous. With ministerial colleagues I will be taking our proposals further with business leaders in a series of regional meetings, starting on 13 April in Newcastle upon Tyne.

Mr. Heathcoat-Amory: To get the wheels of commerce turning, will my right hon. and learned Friend ensure that firms that are willing to invest in those areas, in the way that he has just described, have access to information about the extent and ownership of derelict land? If it is found that public bodies or Government Departments own any derelict land, will he ensure that it is auctioned off at an early date?

Mr. Clarke: It is certainly true that we still have far too much derelict land in our inner-city areas which, on examination, turns out to be in the ownership of some public body or other. It is for that reason that we started the register of land and, as I announced a few days ago, my right hon. Friend the Secretary of State for the Environment is taking steps to make sure that more public use is made of the information contained in the register and to ensure that the land is shaken out into development.

Mr. Litherland: Does the Minister recognise that it was the private sector and private entrepreneurs in the past that failed, especially in the north-west and in other manufacturing areas? People are not fools, and they will not fall for glossy packaging and the Prime Minister's own brand of clap-trap, because they know full well that that will not provide jobs, homes or the medical needs of the inner-city areas.

Mr. Clarke: The industrial prosperity of Manchester was based on the success of its entrepreneurs, industrial leaders and private sector industry. It is true that Manchester's economy has undergone considerable change and that it has gone through great difficulty in the upheavals of recent years, but, in my opinion, Manchester is now coming back strongly. It must be in the interests of the people of Manchester to attract leaders of industry, investors in new business and private sector activity back into the city. I hope that the hon. Gentleman will not react in the same way as his city council does from time to time, by being positively hostile to private sector investment in that city.

Mr. Summerson: While the Government's initiatives on the inner cities are welcome, will my right hon. and learned Friend bear in mind that certain local authorities obstruct the private sector through their use of planning powers? Will he take to himself powers to ensure that that obstructionism does not succeed?

Mr. Clarke: I agree with my hon. Friend. We are often pressed on the contribution that local government should make. Indeed, it needs to make a contribution, and the best contribution that it could make would be to be business friendly and to seek to attract to the cities the private sector investment that is needed by the residents if they are to have the hope of new jobs. I deplore any obstruction — through the planning process or in any other way — on the part of just a few councils to the idea of fresh private investment coming to their areas.

Mr. Caborn: Is the Minister aware that after the hype of the launch on the inner-city initiatives and all the gloss that went out, two sobering statements were made, by the Confederation of British Industry and by the Association of British Chambers of Commerce? The CBI stated:

"Firms will have to be able to justify their contribution to shareholders."

It was stated of the Association of British Chambers of Commerce, which represents 65,000 companies:

"The association was scathing about the lack of recognition of the chamber's key role in a range of business and social issues."

The Minister is asking local authorities to be business friendly but, quite honestly, when one considers the declaration of UDC status such as took place in Sheffield, when even the chamber of commerce was not invited to the launch, which it had to gatecrash, that type of co-operation does not appear to have been taken on board by the Government.

Mr. Clarke: I do not know what the opposite of hype is, but the Labour party has certainly been guilty of it in recent years with regard to just about every new idea for inner cities that has come forward.

The Parliamentary Under-Secretary of State for Industry (Mr. Robert Atkins): They whinge.

Mr. Clarke: I agree with my hon. Friend that the Opposition whinge about absolutely every measure that anyone proposes and they take the general view that it is all a waste of time.

Our major aim over the summer is to try to attract private companies to take part in inner-city activity. I agree that we have to get the message across to those companies that it is in their commercial interest to do so. It is sensible, commercial practice for a large company that wants, at the same time, to be a responsible corporate citizen, to take part in such activity. That is the American experience, and we and the CBI agree. That is the message that we shall be giving.

I am sorry if we did not acknowledge the valuable work of many chambers of commerce. I have worked extremely closely with chambers of commerce and their members in many parts of the country, and they have been actively involved in our work.

I must remind the hon. Gentleman that the announcement of an urban development corporation for the Don Valley is one of the best bits of news that Sheffield has had in recent years. It will bring that derelict land back into use because the decision-making processes of UDCs have proved, in practice, to be extremely quick and effective. There is, of course, a substantial commitment of Government money behind the UDCs.

Mr. Andrew Mitchell: Will my right hon. and learned Friend take this opportunity to praise the work of the private sector, especially in Nottingham, and in particular the work of David White and his colleagues on the Nottingham development enterprise board? That board has done much to ensure that the private sector responds to the need to renew those areas of Nottingham that require such renewal.

Mr. Clarke: I agree with my hon. Friend. David White chairs the Nottingham development enterprise board. He has got together a group of the leading business men of the city, who are financing their own secretariat, commissioning reports, as well as setting out a policy on how different parts of the city will be revived. They have the active co-operation of the Conservative-controlled city council and the Labour-controlled county council. I am glad to say that the completely negative attitude of the Opposition Front Bench has made no impact in the inner-city area of Nottingham.

Inner Cities

12. **Mr. Maxton:** To ask the Chancellor of the Duchy of Lancaster what representations he has received on the future of inner-city policy.

Mr. Kenneth Clarke: I have the benefit of a great deal of advice, solicited and unsolicited, on inner-city issues, some of which is reflected in the document "Action for Cities", published on 7 March, which has been very well received.

Mr. Maxton: In view of the praise that has been heaped on Glasgow in recent months by the Minister, the Secretary of State for Trade and Industry and the Prime Minister regarding the GEAR project and inner-city improvement, will the Chancellor take the opportunity to pay due credit to my right hon. Friend the Member for Glasgow, Govan (Mr. Millan), who instituted the scheme for GEAR when he was Secretary of State, the Labour-controlled Glasgow district council and the Labour-controlled Strathclyde region? Is not the lesson of Glasgow and the improvements that have been carried out there that the Government should give the resources and the powers to locally elected Labour-controlled authorities to get on with the job?

Mr. Clarke: I agree with most of what the hon. Gentleman has said. I gladly pay tribute to his right hon. Friend and to the local authorities. I trust that he will also pay tribute to the Government, the Scottish Development Agency, my right hon. and noble Friend for his major contribution, and to the private sector. The private sector has been the vehicle by which most of the investment has gone into GEAR. If we can maintain the sort of policy that has, in recent years, flourished in Glasgow we will make progress. I only wish that the hon. Gentleman would have words with some of his hon. Friends in cities such as Manchester and elsewhere who do not appear to have picked up the basic message of co-operation.

Mr. Wells: Does my right hon. and learned Friend's inner-city initiative include the ability to help finance the start-up costs of business incubators or business technology centres, which will help small businesses to establish themselves?

Mr. Clarke: It certainly does. The Government have a multiplicity of ways in which they can support business start-up premises, managed workshops and technology centres of the type described by my hon. Friend. Various Departments of state have their different agencies and funds and any projects that come forward will be looked at eagerly by all my right hon. and hon. Friends.

Ms. Mowlam: How does the Minister expect local authorities to be business friendly in the inner cities, and how does he expect them to finance debt services, when, after the introduction of the poll tax, central Government will control 75 per cent. of what was peviously local authority funding? Is it not time that the Minister became local authority friendly?

Mr. Clarke: But central Government and private business between them have always paid for the majority of local government expenditure. That is true under the present system and it will be true under the new system. Domestic rates and the community charge provide only for the minority of local government expenditure in any event.

Mr. Raffan: As my right hon. and learned Friend is aware, the serious problems affecting our inner cities also affect the centres of many smaller towns. Will he assure the House that the initiatives announced in the Government's "Action for Cities" campaign will apply to those smaller communities?

Mr. Clarke: The urban programme and urban priority areas can cover a wide range of communities. I agree with my hon. Friend that many of the problems affecting inner cities—lack of economic activity, high unemployment and so on—are found in other parts of the country as well. I hope that in England all those in urban priority areas are benefiting from our proposals, and I trust that my hon. Friend will find that my right hon. Friend the Secretary of State for Wales tackles the problems in his constituency vigorously.

Mr. Blair: The Prime Minister has told us that there is not a single new policy for the inner cities, and the Minister has been unable to tell us whether any substantial new resources will go into the inner cities, at least to compensate for the massive reductions in rate support grant. Why does the right hon. and learned Gentleman expect the same package of measures with virtually the same resources to succeed in the future when it has failed in the past?

Mr. Clarke: The hon. Gentleman is not the first to pick up a phrase used by my right hon. Friend the Prime Minister and use it somewhat incorrectly. As he knows, there were no fewer than 12 new announcements at the conference that we held on Monday. Although all the money came from the existing PESC provision, £250 million or thereabouts was directed to new policies in the inner cities to which it had not been directed before. The hon. Gentleman's wholly false analogy with arguments with local government over rate support grant represents another failed attempt to denigrate a very substantial policy.

Steel Industry

13. **Mr. Bruce:** To ask the Chancellor of the Duchy of Lancaster what was *(a)* the number of employees in and *(b)* the output of the steel industry (i) when last nationalised and (ii) for the latest year for which figures are available.

Mr. Atkins: The British Steel Corporation employed 251,000 people in 1968. At the end of 1987 it employed 51,500 people. Its liquid steel output in the first full year after nationalisation was 23·6 million tonnes. In 1986-87 its output was 11·3 million tonnes, although it will be higher this year. The reductions in part reflect the privatisation of certain BSC activities in recent years.

Mr. Bruce: I thank my hon. Friend for that reply. Now that quota arrangements in the EEC have failed to bring down output in certain countries that agreed to bring their output down, and now that our productivity in the steel industry is so good, is it not time that we pressed for quotas to be abolished and allowed a privatised steel industry to go in and clean up the market in Europe?

Mr. Atkins: I am grateful to my hon. Friend, who will know that my right hon. and learned Friend the Chancellor of the Duchy of Lancaster has been leading the way in doing just what he asks in Europe, and we shall endeavour to keep up that campaign.

Mr. Roy Hughes: Has the Minister considered the fact that, had the industry not been taken into public ownership—with all the investment that stemmed from it—it is unlikely that we would have a steel industry left today?

Mr. Atkins: Let me make it clear that most of the money that the Government have put in over the years has been to support uneconomic operations and maintain capacity that the market did not need. It is not, I emphasise, a debt; it is an accumulated deficit and it has gone for good.

Mr. Holt: Would my hon. Friend care to note that the excellent figures that he announced include those for Teesside steelworks, which has shown the best improvement in productivity of all and has become the most competitive steelworks in the country? The improvement would have been even greater if the Cleveland county council rate had not increased by 30p this year to cover the cost of an additional 2,000 employees engaged by Cleveland county council in the past two years, none of whom produces anything.

Mr. Atkins: My hon. Friend makes his point in his usual cogent way. I would point out that productivity has increased from 13·2 man-hours to 6·2 man-hours since 1979-80. That is an indication of the vast improvement in productivity in British Steel in recent years.

Mr. Flynn: Does the Minister agree that those figures represent a profound disturbance in the lives of tens of thousands of steelworkers and that we lack any authoritative survey of the social costs of the changes? Will he agree to consider initiating a scientific, objective study of the effects of those changes? A few people's lives were transformed for the better, but there have been enormous changes, including an increase in mental and physical ill-health and other problems among steelworkers' families. Will the Minister tell us that the social factors will be examined and included in the equation?

Mr. Atkins: The hon. Gentleman makes a fair point about the numbers of people who have left the steel industry as a result of the slimming down of the industry, improvements in productivity and a variety of other factors. I pay tribute to those within the work force, led by the trade unions, who negotiated and understood that productivity agreements and the slimming down that took place were necessary. Health and worries about unemployment are not matters for me.

European Regional Development Fund

14. **Mr. Knox:** To ask the Chancellor of the Duchy of Lancaster what is the value of grants allocated to England from the European regional development fund since its inception.

Mr. Atkins: The value of the grants is £1,482 million.

Mr. Knox: Is my hon. Friend satisfied that the size and extent of the grants, which are impressive, have been sufficiently well publicised? If not, what does he intend to do?

Mr. Atkins: I am satisfied that publicity arrangements for ERDF grants are satisfactory. As my hon. Friend will know, the grants are announced in batches at various times throughout the year by the Commission through press notices. At the same time, interested Government Departments issue press notices, and where appropriate local notices are issued as well. There is always room for improvement, and I am grateful to my hon. Friend for the opportunity that he has given me to re-emphasise the importance that we attach to the grants.

Local Authorities (Rating and Capital Expenditure)

3.31 pm

The Secretary of State for the Environment (Mr. Nicholas Ridley): With permission, Mr. Speaker, I should like to make a statement about three issues which will require amendments to be introduced to the Local Government Finance Bill. Two relate to recent court decisions affecting rating, and one relates to the control of local authority capital expenditure in England and Wales.

First, it is central to the rating system that the value of a hereditament should reflect the physical condition of the property and the "state of the locality" at any particular time. But the basis for the valuation should be the property market conditions as they were at the date of the last revaluation.

For many years now the view has been that the expression "state of the locality" related to its physical state and its amenities, and that in order to make a case for a change in rateable value appellants had to show that there had been physical changes to the property or its locality.

This view was recently tested in the case of Addis *v.* Clement, which turned on whether a factory on the borders of the Lower Swansea Valley enterprise zone could rely on the introduction of the EZ to seek a reduction in rateable value. The Court of Appeal upheld the traditional view by holding that the establishment of an EZ was not a change affecting the state of the locality. The House of Lords, however, took the opposite view.

Following that judgment, it appears that ratepayers may obtain changes in rateable value to reflect changes in market conditions since 1973. Many thousands of new proposals may result. In my view, changes in economic circumstances should be taken into account at the general revaluation in 1990.

I therefore propose to bring forward amendments to the Local Government Finance Bill so that, with effect from midnight tonight, proposals to amend current rateable values will be determined according to the law as it was understood to be prior to the decision in the Addis case. This means that changes will be taken into account only in so far as they relate to the physical state of the hereditament and its locality. Changes in economic factors will be taken into account in the 1990 and subsequent revaluations.

Proposals already made will be decided, where relevant, in the light of the law as decided by the House of Lords in the Addis case.

The second issue affects the rating of water hereditaments. Most such hereditaments are currently rated by statutory formula. Others, particularly sewage treatment works, have, however, always been treated as excluded from the formula and rated conventionally. The Court of Appeal has now held, in the case of Severn Trent Water Authority *v.* Cakebread, that the Water Act 1973 changed the statutory definition of a water hereditament so that those hereditaments previously excluded from the formula are covered by it, even though the formula did not make allowance for that.

This decision would give a continuing windfall benefit to water authorities. We have therefore decided to restore the law to the position previously accepted for many years, also with effect from midnight tonight.

These two decisions will affect the revenue of the local authorities concerned. Rateable values are of course constantly changing as a result of the appeals process and net additions to the rateable stock. Ordinarily, and by agreement with the local authority associations, rateable values, once set for a year, are not changed for rate support grant purposes, for that year or earlier ones. Exceptionally there is provision in section 67 of the Local Government, Planning and Land Act 1980 for authorities to be compensated if they suffer a reduction of more than a prescribed proportion of their rateable value in any year. This proportion is presently set at 2·5 per cent. It is not yet clear whether, as a result of these decisions, any authority will lose rateable value in excess of that level and, therefore, whether the existing arrangements will be triggered. While my right hon. Friend the Secretary of State for Wales and I are prepared to listen to representations on this, we see no need to extend the existing arrangements for compensation. We intend, by making our proposals effective from today, to limit the losses which might otherwise arise.

Thirdly, I have to inform the House that, once again, a minority of local authorities are employing artificial devices to incur capital expenditure and to undertake borrowing over and above the levels permitted to them under the existing capital control system.

Only a minority of authorities are involved, but the sums involved are large. Individual deals can give rise to future expenditure of several hundred million pounds. If all options granted under agreements recently entered into are taken up, several billion pounds of capital expenditure may be incurred. No Government could ignore evasion of their expenditure controls on this scale.

A number of different devices are being used. They fall into two classes. First, there are schemes under which local authorities are acquiring capital assets on terms which are outside the letter of existing capital controls — for instance, by the taking of medium term leases or by barter. Secondly, there are schemes under which local authorities are raising money by lease and leaseback or sale and leaseback of their operational assets. This is borrowing in fact, although it may not be borrowing in law. In effect, money is being borrowed by disposal of capital assets in order to finance deficits on revenue account.

Mr. Tony Banks (Newham, North-West): That is exactly what the Government are doing.

Mr. Ridley: Amendments have been made to the prescribed expenditure regulations for England and Wales. These will take effect from midnight tonight. But the amending regulations will be temporary in the first instance. My right hon. Friend the Secretary of State for Wales and I will consult local government and other interested parties about whether any changes or clarification are required before the amendments are made permanent. We have adopted this procedure to avoid any repetition of the events of 1986-87, when consultation preceded a change in the regulations and when nearly £2 billion worth of deals were rushed through in the interim.

The main changes made by the regulations are that, with some exceptions, acquisition of a leasehold interest in land for a term of more than three years will score as prescribed expenditure. The present limit is 20 years. And, regardless of term, prescribed expenditure will be scored on acquisition of a lease of property in which the authority

[Mr. Ridley]

holds a superior interest or which has during the previous five years been the subject of a development agreement to which the authority was a party. There are also some changes in the provisions about capital receipts where acquisition of the assets concerned did not involve prescribed expenditure.

Some authorities may as a result of the new regulations incur prescribed expenditure as a result of the exercise of options provided for in agreements already entered into. I and my right hon. Friends will consider issuing additional capital allocations where we are satisfied that the agreements were not entered into for the purpose of evading capital expenditure or borrowing controls.

Subject to the approval of Parliament to the necessary provisions, we propose to supplement the changes in the regulations with certain changes in the primary legislation. Those changes are as follows: to clarify that, when a local authority acquires land in terms other than freehold for cash, the amount of prescribed expenditure scored is the value of the interest acquired on the assumption that it was acquired freehold and for cash. That was the intention of the Local Government, Planning and Land Act 1980; to provide that where a local authority acquires property, or where works are carried out on a property which the authority owns, and valuable consideration for the acquisition of the works is given but not in money, then prescribed expenditure will be scored; to clarify that, where a local authority acquires an interest in or right over land and the interest or right does not confer a right of occupation, nil prescribed expenditure is scored only if the interest is neither a freehold nor a leasehold.

In addition, we intend to widen the statutory definition of prescribed expenditure to include the acquisition of share or loan capital in a body corporate and expenditure incurred in the discharge of obligations under a guarantee or indemnity relating to borrowing by a person other than the local authority.

All the legislative changes that I have outlined will be included in the Local Government Finance Bill. They will, however, be made effective from midnight tonight.

Dr. John Cunningham (Copeland): Is the Secretary of State aware that the effect of enterprise zones, which he now complains of and which he seeks to change by changing the law from midnight tonight, was always predictable and was forecast by my right hon. Friend the Member for Birmingham, Sparkbrook (Mr. Hattersley) speaking for the Labour party in 1980 when the Local Government, Planning and Land Bill became an Act? After eight years, the enterprise zone problems in that regard are now coming home to roost. They have resulted in increased rental values inside the zones, decreased rental values outside the zones and a consequent very large and continuing loss of income to local authorities as a result of rateable values being depressed.

Is the Secretary of State aware—I am sure he is—that the city treasurer in Swansea has calculated that the loss to the city's finances could be in excess of £1 million? Is the Secretary of State also aware that in Salford—another enterprise zone — the local authority has calculated that the Secretary of State's decision is likely to result in very large rate increases or a continuing loss of income to the city's finances?

There are 19 enterprise zones at the moment. In all those areas, local authorities and ratepayers have sustained and continue to sustain very large losses in income and therefore sustain extra penalties as citizens of those communities. In addition, is the Secretary of State aware that enterprise zones continue to attract the transfer of firms and companies across the boundaries, simply relocating companies from one area to another without necessarily or very often creating new jobs?

Why will the Government not recognise that attempts to ring-fence the economic effects of enterprise zones have failed and will continue to fail? Apparently the Government recognise that—at least privately—because in Monday's glossy press release document on policies for the inner cities enterprise zones are relegated to a single sentence in 32 pages. The Government have abandoned their attempts to monitor the impact and effect of enterprise zones.

Will the Secretary of State make clear what redress will be available to local authorities and ratepayers in those areas? Although I welcome his commitment to listen to representations from the local authorities — that is certainly the right thing for him to do—it seems clear that in most cases the provisions in section 67 of the 1980 Act will not be adequate to allow him to compensate them. I ask him to reconsider the provisions to ensure, through legislation if necessary, that the local authorities and their ratepayers can be properly compensated.

The Secretary of State has also decided not to accept the decision of the courts. That means that, unless he makes arrangements for adequate compensation, the people involved will not be able to benefit from the court judgment. That is his intention, but if he does not intend them to benefit from the decision it is surely incumbent on him to arrange for them to be properly compensated in some other way.

The Secretary of State has made an important and complicated series of technical financial announcements about local authority finance. Will he confirm——

Mr. Tony Banks: What about Westminster and the cemeteries, then?

Mr. Speaker: Order.

Dr. Cunningham: Will the Secretary of State confirm that the local authorities to which he refers have been acting within the law? Is it not strange that he has uncomplimentary things to say about them, but nothing to say about the banks in the City which are falling over themselves to facilitate these deals?

Mr. Dennis Skinner (Bolsover): That is because they are their friends.

Mr. Speaker: Order. Let us have an end of this chat across the Chamber.

Mr. Skinner: Why not speak to the bookie's runner?

Mr. Speaker: Order. I am referring to hon. Members on both sides of the House.

Dr. Cunningham: Why is it that yet again the Secretary of State has made a statement without mentioning the range of effects that are likely to follow? Will he confirm, for example, that his proposals will affect large and small local authorities right across the country, under Tory as well as Labour control? Will he confirm that the proposals will affect the capital programmes of many of those

authorities, including house-building programmes, redevelopment programmes and capital expenditure on leisure centres and other such facilities? Will he also confirm that the statement has implications for budgets that have already been fixed, and rates that may already have been announced for the coming financial year? Will that not cause severe problems in some local authority areas?

I welcome the Secretary of State's proposal that these matters should be the subject of amendments to the Local Government Finance Bill. But what are the Government's intentions with respect to the tabling of those amendments? Will he assure us that they will be tabled in the House of Commons, so that we have the proper time and facilities to debate them in Committee, rather than being pushed into the Bill in the House of Lords at the last moment, as the auditors' powers have in the Local Government Bill which will be before us later today?

May I also have an assurance that the Committee will have additional time to consider these important proposals? Will the Secretary of State guarantee that his amendments are tabled in good time for us to consider all their implications before they are debated in Committee? We are fed up with important decisions on local government finance and powers being bounced through the House without our having adequate time to discuss them.

Several Hon. Members *rose*——

Mr. Tony Banks: On a point of order, Mr. Speaker. On documentation, the Secretary of State's bag-wallah has been moving around passing out copies of the statement. Why——

Mr. Speaker: Order. I do not know what the term means.

Mr. Ridley: The hon. Member for Copeland (Dr. Cunningham) made some comments about the merits or demerits of enterprise zones, which do not arise on the statement. His comments may or may not be true. The point is whether the state of the locality should be taken into account when considering a revaluation proposal or whether only the physical state of the land or property should be the subject of a revaluation. It is that legal point that has caused me to make this statement. The Court of Appeal thought that the law was as we all thought it was, but the House of Lords has decided otherwise. Therefore, it is necessary to put it right.

I welcome the hon. Gentleman's implied support for putting this right through an amendment to the Bill. It was clear that he was concerned about the local authorities whose revenue would be affected if we did not put it right in the future. That is what we want to do, and we look forward to his support.

In relation to compensation, as I said in my statement, there are precedents for dealing with the matter. I have nothing further to add to that.

The hon. Gentleman asked about the court judgment. Yes, I am accepting the court judgment; that is why it is necessary to legislate. *[Laughter.]* Those who have benefited in the past will be able to enjoy their lower rateable values; those decisions are not being upset.

The hon. Gentleman asked me about sale and leaseback and lease and leaseback. The transactions we have all read about, including the question of Brent town hall, appear to be legal at present, although they will not be legal from midnight tonight. That is all we are seeking to do.

I join the hon. Member for Copeland in condemning those who have felt it to be a good investment to make major loans to local authorities because they must realise that they are at risk, partly because the Government do not stand behind local authorities and partly because some of the deals are based on options, which it might be more difficult to exercise in future. Of course, the regulations and the new legislation will apply to all councils. However, only a small number have been abusing the system, and I think that they are all under the control of the Labour party.

The amendments will be produced as soon as possible and I am hopeful that they will be available for the Report stage. Since the Committee has not been able to fill the time allotted to it, I can hardly believe that the hon. Gentleman is asking for more time.

Several Hon. Members *rose*——

Mr. Speaker: Order. I draw the House's attention to the fact that we have a full day ahead of us. I ask for brief, and single, questions on this matter.

Sir George Young (Ealing, Acton): Is my right hon. Friend aware that ratepayers in Ealing will warmly welcome the third of his announcements this afternoon. A £100 million deferred purchase loan has recently been taken out by the Labour council, the repayments of which will total £20 million a year but not until after the lifetime of the present council. Can my right hon. Friend confirm that existing negotiations, details of which have been sent to his Department, cannot now proceed without his consent?

Mr. Ridley: I am grateful to my hon. Friend. In the case of Ealing, the deal has been done; therefore, it is legal and stands. However, the deal contains options that are not of a legal nature until they are exercised. It may be more difficult for the council to exercise those options after the statement I have made today.

Mr. Matthew Taylor (Truro): Does the Secretary of State accept that many local authorities are forced to engage in leaseback and barter deals not because of outrageous overspending but because they simply cannot provide even the minimum level of service demanded by the Government? Moreover, is he aware that many of those councils are in that state because they are historic low spenders, not because they are overspenders? Will the Secretary of State give the House time to debate these important new principles on the Floor of the House?

Mr. Ridley: I do not quite understand the hon. Gentleman's point of view. In the main, councils that engage in these massive borrowing exercises—which is what they are—are, at the same time, councils that massively overspend; they are borrowing to finance their overspending. I have listened with patience to the hon. Gentleman for many hours already, and no doubt I will have to listen to him again on the subject of these clauses.

Mr. John Heddle (Mid-Staffordshire): Does my right hon. Friend accept that today's announcement will be welcomed not only by the ratepayers of Ealing but by all honest local authorities throughout the country? Does he agree that creative accounting amounts to municipal deception, and will he confirm that appropriate steps are

[Mr. John Heddle]

being taken in the Committee on the Housing Bill to ensure that local authorities are not able to transfer their council estates to other side-by-side companies to evade the provisions of that Bill and the rights of tenants?

Mr. Ridley: I am grateful to my hon. Friend. These practices represent massive borrowing of capital moneys to finance revenue expenditure, which will then have to be paid back in later years by councillors who may not have been elected and by ratepayers who may not be ratepayers at present, and that would be to mortgage the future in an unacceptable way.

Mr. Merlyn Rees (Morley and Leeds, South): The first part of the Secretary of State's statement concerned the effect of a legal decision arising from the setting up of an enterprise zone in Swansea. We have now heard that there is to be a mini UDC in Leeds, with many of the results which flow from an enterprise zone. Do I deduce from that that the amendments—when they are revealed to us at a later stage—will affect the result of a mini UDC in Leeds?

Mr. Ridley: No, Sir, because urban development corporations do not have de-rating as part of their attractions. Firms in urban development corporation areas pay full rates, so there can be no conceivable valuation effect in the sense that there has been with the enterprise zones.

Mr. Robin Squire (Hornchurch): My right hon. Friend has already referred, in answer to the hon. Member for Truro (Mr. Taylor), to the coincidence of a number of these authorities also being high-spending authorities. May I tease my right hon. Friend to add a little more? Will he confirm that a high proportion of those authorities have been identified by the Audit Commission as delivering an inefficient and incompetent service? If they were simply to deliver the services that most authorities do, they would not need these arrangements.

Mr. Ridley: My hon. Friend, as always, is absolutely right. Those authorities are not only incompetent in providing current account services but, as the Audit Commission has recently pronounced, extremely inefficient at managing their capital assets and have not been able to manage their portfolios of land and buildings in such a way as to produce maximum advantage to the councils.

Mr. Ken Livingstone (Brent, East): Is the Secretary of State aware that the budget and rate of Brent council, which he has just rendered illegal, were agreed under the law that he brought before the House and that was agreed by the House, and that they were taken out on legal advice, which pointed out that the budget was lawful? Is he aware that the budget includes cuts of 19 per cent. in services? Those cuts will lead to the loss of teachers' jobs and social service provision being slashed and are at the margin of what is tolerable. They were kept below 20 per cent. only by the leaseback arrangement, which was organised by the lead banker, Guinness Mahon. In condemning that, will he talk to his colleagues who have a financial interest in that firm?

Is the right hon. Gentleman aware that if the budget is ruled illegal it will mean that those cuts will increase from 19 per cent. to 38 per cent.? I remind the Secretary of State that Brent has managed to avoid, by the efforts of Labour and Conservative councillors, all the upheavals and riots in London during the past decade. What does he think the response on the streets will be when those cuts of about 38 per cent. hit to the bone of people's lives, and will he take responsibility for it?

Mr. Ridley: The hon. Gentleman should listen to what is said. I said that the deal that Brent had carried out is legal. I regret that it is legal. I have to admit that it is, but it will not be legal for others to do the same in future. However, there is no question of upsetting that deal or of Brent's budget being illegal as a result of anything that I have said today.

Mr. John M. Taylor (Solihull): Does my right hon. Friend accept that many of us welcome an end to devices for avoiding financial discipline and will he say now that, if any Japanese banks get into difficulty as a result of municipal default, they will be on their own?

Mr. Ridley: Yes, I look forward to seeing any merchant bank, be it British or Japanese, or from Leeds, taking over the council house toilet fixtures, the town hall or whatever has been mortgaged for the loans. I look forward to seeing them making a physical repossession of those factors if they ever need to secure their security.

Mr. Paul Boateng (Brent, South): The Secretary of State has been quick to rush to the House to condemn Brent council for attempting to preserve its services. Why has he been so tardy in failing to come to the House to condemn Westminster city council for selling off its assets? Why is it that those who seek to preserve life through the provision of nurses, discretionary grants for schools and decent houses and services for all the people are condemned, while those who sell off the dead are applauded?

Mr. Ridley: No, far from being quick to come to the House, I have been tardy. I am afraid that Brent has got away with it.

Mr. Phillip Oppenheim (Amber Valley): Is it not true that when the enterprise zones were set up they were, in many cases, eagerly bid for by local authorities, including many Labour local authorities? Is it not also true that they were not forced on local authorities? Indeed, Derbyshire county council refused to have one. Therefore, why do we suddenly have this display of whingeing self-righteousness by Labour Members?

Mr. Ridley: My hon. Friend is quite right. However, the statement is not about enterprise zones; it is about a technical point on rating and valuation law. It is extraordinary to hear the Opposition railing about enterprise zones at this time when they have provided many thousands of jobs in their areas.

Mr. John Battle (Leeds, West): Is not the Secretary of State in effect using the budget mechanism effectively to draft a national leasing agreement which will tightly define all local leasing and freehold arrangements? Where is his concern for local conditions and local discretion? Is not this, in detail, another prime example of dictatorship from the centre for local government?

Mr. Ridley: The 1980 Act and the Act that went before it controlling local authority capital expenditure were all attempts to define exactly what functions local authorities had in raising and investing capital. The point is that they

have been evaded. Labour Members are keen to condemn those who evade the tax laws, but they seem to have a rather different view on those who get round the laws on capital spending.

Mr. Simon Burns (Chelmsford): Does my right hon. Friend agree that the banks' behaviour in lending money to irresponsible local authorities is a disgrace and that ratepayers and residents will have to live with the consequences for many years to come? Will he have no sympathy whatever with any of those banks if they get their fingers burned?

Mr. Ridley: My hon. Friend is right. I cannot condemn people who do things that are perfectly legal, but I do wonder whether some of the banks have understood the great risks they face and the great difficulties that they would have if it came to repossession.

Mr. Andrew Welsh (Angus, East): Since the changes stem from court cases in Wales and England and a House of Lords' decision is involved, will the proposals also apply to Scotland? Given that the Minister is waiting until 1990 to introduce changes in economic factors as part of the procedure, is he aware that Scotland has regularly devalued every five years? Therefore, in fairness, should not the ability to have lower rateable value apply to Scottish businesses right now? Will they lose if his proposals are applied to Scotland?

Mr. Ridley: This statement does not apply to Scotland. Scottish law is quite different and the judgment does not apply to Scotland. In no sense does anything that I have said today have any Scottish implications.

Mr. Jonathan Sayeed (Bristol, East): Is my right hon. Friend convinced that he has closed all the leaseback loopholes so improperly and callously misused and exploited by Left-wing councils to the long-term detriment of the ratepayer? If he cannot give that assurance, will he consider tabling enabling legislation in a local government Bill to allow him to deal with future fiddles by Left-wing councils?

Mr. Ridley: The measure that I have announced today will deal with all known abuses of the capital control system, but my hon. Friend will know that, if time permits, we intend to legislate in the autumn for a total reform of the capital control system. It may well be a good idea to take powers in that legislation to stop up some of the abuses, but that is a matter that has not yet been decided upon.

Mr. Terry Lewis (Worsley): Will the Minister take it from me that the ratepayers of Salford will see his announcement today as an unnecessary penalty upon their local authority and that they will now question whether it was sensible to have co-operated all the way down the line with the Government?

Mr. Ridley: No, Sir. Today's announcement comes to the relief of the ratepayers of Salford and everywhere else who otherwise would have continued to lose rateable income if we had not stopped up the loophole.

Mr. Irvine Patnick (Sheffield, Hallam): Does my right hon. Friend agree that the legislation has been a long time in coming and that the actions of councils, such as Sheffield city council, which placed the city in hock several years ago to the Bank Paribas, should have led to legislation being brought in before this?

Mr. Ridley: I never knew that the hon. Member for Perry Barr (Mr. Rooker) had a bank. I congratulate him. I hope that he will not go on lending to Sheffield.

Mr. Tony Banks: When will the Secretary of State's campaign of hatred against Labour local authorities end? Is he aware that local authorities have become involved in various financial arrangements in order to try to defend jobs and services in areas that are desperately being deprived of them by the Government? Since he is so quick to condemn those local authorities, why does he not answer the question put to him by my hon. Friend the Member for Brent, South (Mr. Boateng) on the actions of Westminster city council, which sold off the cemetaries for 5p and is now trying to buy them back? Will he be ordering an inquiry into that piece of financial chicanery?

Mr. Ridley: Far from my hating Labour local authorities, when will the hon. Gentleman stop hating ratepayers?

Hon. Members: Westminster!

Mr. Speaker: Order.

Mr. Richard Holt (Langbaurgh): As a councillor in the London borough of Brent from its inception in 1963 until 1974—a borough which, during the whole of that time under both Labour and Conservative administrations, never entered into the sort of chicanery that we are debating today—may I tell my right hon. Friend that the people of Brent will be most grateful, not least my mother and the other elderly people who live there, for his statement today? The only criticism that I have is that it is far too late and should have been made years ago.

Mr. Ridley: With my usual humility, I plead guilty to the charge that my hon. Friend lays against me.

Mr. Skinner: Is it not significant that it is the Secretary of State who, during the course of his tenure in office in the Department of Transport and now in the Department of the Environment, has had to come to the Dispatch Box on at least six occasions because he has become involved with the courts, mainly because of the continual battle which is going on between local democracy and the Government who are taking away powers on every possible occasion? Is it not also ironic that the Government, who give £1 billion in tax relief to the banks that are rescheduling debts with countries that cannot pay them back, are now hammering Labour local authorities because they have taken part in a similar exercise? Surely there are double standards here.

Mr. Ridley: I have news for the hon. Gentleman. The major judgment with which we are dealing today—the Cakebread judgment—arises out of an error made in the Rating (Water Hereditaments) Order 1975, produced by the Labour party, signed by Mr. Anthony Crosland, which would cost all local authorities dear.

Mr. Patrick McLoughlin (Derbyshire, West): Does not my right hon. Friend agree that the effect of the third part of his statement will be to protect people who do not now have the vote or enjoy the accountability of their local authorities? Does he agree that his announcement will have a great impact on people when they come to pay the community charge? That protection will save them from the perils of Socialism, which says that one can spend today and pay back later.

[Mr. Patrick McLoughlin]

Will my right hon. Friend give the important assurance that the amendments will in no way block the implementation of the Local Government Finance Bill? The sooner it gets to the statute book the better.

Mr. Ridley: My hon. Friend raises a serious point. It is of great concern to me that some authorities are prepared to borrow massively in order to have to repay in later years, when the present councillors may no longer be in office, thus landing their successors and those who will pay the community charge in future with very large bills. I believe that this House owes it to future community charge payers to prevent that sort of thing.

Mr. Keith Raffan (Delyn): May I welcome my right hon. Friend's clarification of the position following the Addis *v.* Clement decision, which will be widely welcomed in my local authority, which contains an enterprise zone? But would he agree that the negative comments of the shadow Secretary of State, the hon. Member for Copeland (Dr. Cunningham), irrelevant though they may be, will cause dismay in areas where there are enterprise zones—particularly in my own? The Delyn enterprise zone has played a significant part in reducing unemployment by 42 per cent. in the past four years. Is Labour now against enterprise zones?

Mr. Ridley: I entirely agree with my hon. Friend. It does not matter what the hon. Member for Copeland (Dr. Cunningham) says, because he will never do anything except sit on the Opposition Benches.

Dr. Cunningham: May I ask the Secretary of State to reconsider his announcement that these amendments will be presented to the House only on Report? As there are several more weeks of Committee proceedings, why is the Committee being denied the proper time in which to scrutinise his proposals and debate them properly in detail? If the right hon. Gentleman insists on bringing them to the House only on Report, I hope that he will arrange with his right hon. Friend the Leader of the House to provide more time.

What will the right hon. Gentleman say to the council leader from Surrey, who told me a few days ago that what the Secretary of State did on capital controls did not matter, because with bankers like his council's — Rothschild's—it would always be able to find a way to do what it wanted, and to finance deals anyway?

Is not the right hon. Gentleman's concern for the ratepayers in inner-London authorities a little partial? Why does he not show any concern for the ratepayers of Westminster? Why does he not intervene there, as he is so keen to intervene elsewhere? Why is he content to allow asset-stripping of cemeteries at a cost of millions of pounds to the ratepayers? Should he not be inquiring into those events, too?

Mr. Ridley: Since the hon. Gentleman appears to be going to support the new amendments that I have said will be tabled, I cannot think why he wants such a great deal of time in which to debate them — particularly as the Standing Committee has not found it possible to fill the time allotted to it. I can assure the hon. Gentleman that we shall do our utmost to get the drafting done and bring the amendments before the House as soon as possible, but I cannot promise precisely when that work will be completed. Of course, I must discuss matters of time with my right hon. Friend the Leader of the House.

The hon. Gentleman knows full well the limit of my powers in relation to the Westminster matter.

Gaming Machines (Prohibition on use by Persons under Sixteen)

4.15 pm

Mr. Jimmy Dunnachie (Glasgow, Pollok): I beg to move,

That leave be given to bring in a Bill to prohibit the use of gaming machines in cafés, small shops, amusement arcades, snack bars, fairgrounds and other places by persons under the age of 16 years.

In this way I hope to tighten a loophole in the present law and so protect schoolchildren, at least, from what has become a form of hard gambling. Although the law restricts the availability of jackpot machines to adult licensed premises, schoolchildren have easy access to AWP fruit machines, for they readily find them in fairgrounds, amusement arcades, small shops, cafes, fish-and-chip shops and snack bars, which are established features of their everyday lives.

Schoolchildren are lured to gaming machines by their flashing lights and beckoning noises, but what begins as a game can all too often develop into a tragic addiction which ruins the lives of the young and innocent and puts unbearable strains on their families. Every study which has examined the problem among schoolchildren has shown that young people can get hooked on gaming machines as quickly as they can on drink or drugs, and the effects are no less devastating.

The addiction created by machine gambling has been compared to the compulsion experienced by animals used in reinforced learning experiments in psychology. Young machine gamblers, like the animals, will play with mindless repetition and furious speed in their determination to get it right. Modern technology encourages that, because the nudge and hold features delude the young person into believing that he or she can beat the system.

The addiction produces its own social problems. As children meet regularly in the same places to play machines, they can easily become pick-up targets for the unsavoury and run the risk of gang formation. Many are tempted into lives of crime when they realise that this sort of craving cannot be satisfied from pocket money funds. School-age machine gamblers are children at risk. It is on that risk that recent media campaigns, such as the one launched in Glasgow by the *Evening Times*, have focused. The media are right to alert public opinion to the need for a moral crusade to change the law before even more young lives are caught in the net of hard gambling.

The urgency of the need to end this form of child exploitation is also stressed in the evidence of the many surveys that have examined the nature and scope of the problem. I refer to the National Council on Gambling's survey of state schools in four London boroughs, to the survey conducted by the Spectrum Children's Trust among 2,500 schoolchildren in the south-west, and to the study of 10,000 schoolchildren that was recently carried out in various parts of the country by the National Housing and Town Planning Council.

The evidence of these and other studies is frightening and demands that we take immediate action to end this growing social menace. Machine gambling is shown to be the major gambling problem in every age group from 1. to 16. Evidence also shows that these young schoolchildren gamble not only in amusement arcades and funfairs but congregate every day in small shops, snack bars, fish-and-chip shops and cafes to spend their lunch money feeding not themselves but the insatiable appetite of the machines.

Schoolchildren who gamble share common problems —poor work, aggressive behaviour, truancy, emotional disturbance and stealing. It is sad to note that all the evidence confirms that those who become addicted to machine gambling were introduced to the machines before they were 13 years old and, in some cases, when they were even younger. The addiction also leads to lying, deceit, shame and mistrust, which are commonly found in the homes of young gamblers. Those problems have become so acute that a support group, Parents of Young Gamblers, has had to be formed.

Addicted children do not suddenly kick the habit when they leave school. Many progress to the betting shops and gambling casinos, while desperation for the money that their addiction consumes drives others to commit serious crimes of violence. The law is lax on this matter, not through any deliberate attempt to exploit but merely because no one foresaw the scale of the potential danger when the machines were first introduced. The problem of school-age gambling is the proverbial one of Topsy—it just grew. If it is not halted quickly, it will produce a gambling epidemic in the not too distant future.

A trade code of practice forbids schoolchildren to gamble on machines, but all the evidence proves that that code is not working. Machine gambling is every bit as common among children wearing school uniform as it is among those who are casually dressed.

The absence of an effective trade code of practice is aggravated by the nature of local planning laws. Although they can take account of factors such as noise and congestion when considering applications, they cannot pay attention to factors of morality. Thus, schoolchildren can become the easy prey of unscrupulous fairground owners, arcade managers or shopkeepers who choose to obey the dictates of their pockets rather than those of their consciences.

Let us not forget the huge profits that can be made from gaming machines. One example of profitability was noted in the recent statement by the chief executive of the Rank Organisation. Referring to bingo profits, he admitted:

"Only 30 per cent. of our profits actually come from bingo. We make most money from the AWP, or 'fruit machines', followed by food and drink."

We can be sure that gaming machines in fairgrounds, arcades and small shops are no less profitable for their owners.

It is easy to see how schoolchildren can be exploited, but it is the duty of the law to protect the young and immature from being led into harmful situations, especially those that can ruin their lives. Therefore, with the lives of schoolchildren in mind, I ask the House to pre-empt any long-term measures that might result from the current Home Office review. The weight of the evidence before us and the strength of public opinion in support dictate that we cannot afford to wait and see. By waiting, we shall put even more young lives a risk.

Therefore, I ask the House to act to prevent young persons under 16 years gaining access to gaming machines in fairgrounds and amusement arcades, and to remove such offending machines from snack bars, small shops, cafes and fish-and-chip shops, which are the regular haunts of schoolchildren. Again, I stress the urgency with which I ask the House to act. If even one more life is lured

[Mr. Jimmy Dunnachie]

into the horrendous net of hard gambling as a result of our failure to give protection, it will be a tragedy, not only for the individual and his family but, now that we have been alerted to the scale and dangers of the problem, for the conscience of the House. I ask the House to support the Bill.

Question put and agreed to.

Bill ordered to be brought in by Mr. Jimmy Dunnachie, Mr. Don Dixon, Mr. Alan Meale, Mr. John Hughes, Dr. John Reid, Mr. David Marshall, Mr. Allen Adams, Mr. Thomas McAvoy, Mr. Michael J. Martin, Mr. Bob McTaggart, Mr. Robert Litherland and Mr. Stanley Orme.

GAMING MACHINES (PROHIBITION ON USE BY PERSONS UNDER SIXTEEN)

Mr. Jimmy Dunnachie accordingly presented a Bill to prohibit the use of gaming machines in cafes, small shops, amusement arcades, snack bars, fairgrounds and other places by persons under the age of 16 years: And the same was read the First time; and ordered to be read a Second time upon Friday 22 April and to be printed. [Bill 116.]

Orders of the Day

Local Government Bill

Lords amendments considered.

4.22 pm

Mr. Simon Hughes (Southwark and Bermondsey): On a point of order, Mr. Speaker. I raise with you a matter of which you are already aware, the selection in relation to what was clause 28 when it left the House and will now be clause 29 of the Local Government Bill. You have given considerable thought to the amendments that I have tabled. For one last time, I shall briefly put to you the argument for taking one or both of the amendments that I propose.

May we be allowed to debate whether, instead of the word "promote" in clause 29, as it will now be, we should have an alternative word, "commend", as was suggested in another place? The dictionary makes it clear — perhaps I did not make this argument clear before — that, whereas "commend" has only one meaning, "promote" is open to a variety of meanings. The ambiguity of the word "promote" could render the legislation controversial and problematic in a way that "commend" could not. The "Oxford Dictionary" makes it clear that there are different types of meaning of "promote", but "commend" has only a positive, welcoming or recommending sense. That word would seem to restrict the ambit of the clause and, therefore, raise a different issue about its reach.

The other matter relates to the grouped pair of amendments that were tabled by me, amendments (b) and (d) to Lords amendment No. 10. The proposed amendment would delete the word "homosexuality" and replace it by

"sexual activity between persons of the same sex."

That matter, too, was debated in the other place. To paraphrase the argument in the other place, to promote or commend homosexuality is arguably scientifically impossible in the sense that, if homosexuality is a condition or an orientation, it cannot in any way be promoted or commended with any concrete effect. The alternative would be to make it clear — it would accord with the mischief with which the original proposer of the new clause sought to deal in Committee — that what was intended to be dealt with by the legislation was the promotion or commendation of sexual activity between people of the same sex. That clearly falls to be considered within the context of the legislation, and certainly — I do not think that there is any dispute — should not be promoted or commended by local authorities.

But there is a difference. In practice, it would be the difference between a local authority properly allowing a teacher, for example, to respond to a proper question, and the local authority going on with its present duties and responsibilities in commending specific activity and being seen to endorse it.

I am aware that you have given thought to the matter, Mr. Speaker, and I am grateful. But I ask you, particularly in respect of the first point, which I may not have put clearly enough before, to consider one more time whether we could have an opportunity to have what would be the

only possible debate on the substance of the legal wording and interpretation of a controversial clause to a controversial Bill.

Mr. Speaker: As the hon. Gentleman knows, we have had discussions about the matter. In the light of what he has said to me, I have looked at the matter again. I am afraid I cannot change my selection.

Dr. John Cunningham (Copeland): On a point of order, Mr. Speaker. My point of order arises out of the fact that we are discussing the business at all today. The Lords amendments were available to Members of the House of Commons only some time on Friday of last week. That meant that it was impossible for hon. Members, particularly Opposition Members, since the Government knew what the situation was, to table amendments until the sitting of the House on Monday. Clearly, the Clerks of the House had to judge whether the amendments were in order. Such decisions were, broadly speaking, communicated, at least to me, yesterday—I make no criticism of the Clerks in that respect—by which time, of course, it was impossible to table any further amendments and have them on the Order Paper to be accepted by you for debate. That cannot be a reasonable way for the House to deal with its business.

The problem was raised by my right hon. Friend the Leader of the Opposition with the Leader of the House during the business statement last Thursday. The Leader of the House said:

"The Bill will be available in the Vote Office first thing tomorrow".—[*Official Report*, 3 March 1988; Vol. 1440, c. 1156.]

I am not sure that it was available first thing, but it was certainly available during Friday. That is simply not good enough to enable all Opposition parties proper time to scrutinise the implications, to table amendments, to discuss them with the Clerks, to seek advice, and to secure debates on issues that we believe to be of importance to us and to our constituents.

Like the hon. Member for Southwark and Bermondsey (Mr. Hughes), I regret that some amendments standing in my name and in the names of my right hon. and hon. Friends have not been selected. Had the business not been concertinaed in such a way, the problems could have been avoided. It cannot be an acceptable or satisfactory way in which to proceed with important legislation affecting not only aspects of local government finance and contract compliance but people's civil rights and other matters of fundamental importance to us all in a democratic society. Although it is probably too late to do anything about today's proceedings, I hope that somehow these problems can be eliminated in future. The position of the House is weak and growing weaker vis-a-vis the executive—whichever party forms the executive. I cannot believe that Members of Parliament or the public want Parliament to grow weaker and weaker, especially with a mounting load of legislation from any Government. I raise this matter with you, Mr. Speaker, because it is important to put it on record and to seek ways of ensuring that these problems do not arise again in future.

4.30 pm

Mr. Speaker: I fully appreciate what the hon. Member has said about time. I think that it is important that the Opposition, and indeed the whole House, has time to table properly drafted amendments. I shall look again carefully at the starred amendments, but at first sight I do not think that I can change my selection.

Mr. Frank Dobson (Holborn and St. Pancras): Further to that point of order, Mr. Speaker. No one is criticising your selection of amendments or the advice that the Clerks have put forward. What is causing great concern to Opposition Members is the deliberate efforts by the Government's business managers to make it difficult for Opposition Members to table amendments that are in order on difficult matters, and the totally slipshod approach by the Department of the Environment and the Office of the Leader of the House. Those are the only possible explanations as to why you, Mr. Speaker, and the Clerk have been put in some difficulty, as have Opposition Members.

We have heard today from the same Secretary of State on a different Bill. He made an announcement about three matters he wanted to introduce into the Local Government Finance Bill, but he cannot even promise that they will be brought forward in time to be considered in the already guillotined Committee. He is proposing, or at best promising, that they will be brought forward to be discussed in the already guillotined report stage of the Bill. That statement follows the problems that we have had with a major announcement of new policies which are to be incorporated into the Education Reform Bill so that we had to change guillotine motions and God knows what else.

The House is being treated with contempt by the Government's business managers, who are not one jot interested in giving the House the opportunity properly to scrutinise the legislation. They want simply to push through slipshod amendments as rapidly as possible. It is simply not good enough. If necessary, will you, Mr. Speaker, call a meeting of the usual channels so that we can avoid what is happening at the moment occurring again and again?

Mr. Simon Hughes: Further to that point of order, Mr. Speaker. As amendments to Lords amendments are by nature the most difficult to draft satisfactorily because of the limited scope of what is before us, is it not the normal practice for the period between Lords amendments coming to the House and being debated by the House after Third Reading in the Lords to be two weekends and a full week in which we can, as the hon. Member for Copeland (Dr. Cunningham) argued, consider any amendments that we wish to table, see whether they are acceptable in drafting terms for consideration by you, Mr. Speaker and table further amendments if they are not? I seek your ruling about whether the timetable was complied with in this case and whether any course is open to us whereby we could proceed with this business for some time, see how far we get and resume it on another day while we deal with the remaining Orders of the Day.

Mr. Speaker: I fully appreciate the importance of time to the Opposition and to the whole House in tabling amendments, particularly to Lords amendments. Although the matters that have been raised have my sympathy, they are not matters for me. Perhaps they should be pursued with the Leader of the House when he is here tomorrow.

Clause 1

DEFINED AUTHORITIES

Lords amendment: No. 1, in page 2, leave out line 13.

The Parliamentary Under-Secretary of State for Wales (Mr. Ian Grist): I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Speaker: With this it will be convenient to discuss also Lords amendments Nos. 6, 31 and 33.

Mr. Grist: The Development Board for Rural Wales is established to operate as a development agency with economic and social functions in rural Wales. The DBRW is akin to the Highlands and Islands Development Board and the Development Commission in England, which are both precluded from the Bill's provisions.

My right hon. Friend the Secretary of State for Wales ensures that the board exposes its activities to competition and uses private contractors wherever it is possible and reasonable.

The opportunity has also been taken in amendments Nos. 31 and 33 to remove the board from the competitive tendering provisions of part III of the Local Government, Planning and Land Act 1980 governing building and maintenance by direct labour organisations. The part III provisions have little practical impact on the board as they apply to bodies with direct labour organisations of about 30 employees. The board has only 12 employees in its organisation.

Mr. Dafydd Wigley (Caernarfon): Will the Minister confirm that the board is seeking these amendments?

Mr. Grist: Yes.

Mr. Wigley: That being so, can the Minister provide any enlightenment as to why the provision was included in the Bill in the first place?

Mr. Grist: I believe that it was a slight oversight.

Question put and agreed to.

Clause 3

OTHER DEFINITIONS

Lords amendment: No. 2, in page 3, line 38, leave out "a parish or community council".

The Parliamentary Under-Secretary of State for the Environment (Mr. Christopher Chope): I beg to move, That this House doth agree with the Lords in the said amendment.

When parish and community councils were added to the list of defined authorities in clause 1, it became necessary to delete the reference to them in clause 3 which implied that they were not defined authorities. This was only noticed after the Bill had left this House.

Question put and agreed to.

Clause 11

REPORT FOR FINANCIAL YEAR

Lords amendment: No. 3, in page 10, line 11, leave out "the first relevant date" and insert "30th September".

The Parliamentary Under-Secretary of State for Scotland (Lord James Douglas-Hamilton): I beg to move, That this House doth agree with the Lords in the said amendment.

Madam Deputy Speaker (Miss Betty Boothroyd): With this it will be convenient to discuss also Lords amendments Nos. 4, 5 and 28 to 30.

Lord James Douglas-Hamilton: These amendments bring the Scottish report dates into line with those applicable to England and Wales.

There was some discussion about this in Committee, and a plea was made by the hon. Member for Glasgow, Maryhill (Mrs. Fyfe) for a consistent approach north and south of the border. Although the amendment was tabled by the hon. Member for Maryhill, the hon. Member for East Lothian (Mr. Home Robertson) also spoke about it. He said:

"The date of 31 December specified in the Bill could give rise to practical problems. The Bill does not say, 'By the last post on 31 December'—if there is a last post . . . Can the Scottish Office confirm that an official, or at least a Minister will be present in New St. Andrew's House and that the doors will be open to receive the hundreds of annual reports at one minute to midnight on hogmanay?"

I am glad that in response to that my hon. Friend said:

"throughout the year Scottish Office Ministers are available."

We did see the force of the argument of the hon. Member for East Lothian. It is no part of my desire to see the terms of the Bill impinge on the happiness of Scotsmen at hogmanay, hence the amendment.

However, a more weighty argument was made by the hon. Member for Maryhill who said that we should have consistency north and south of the border.

What was a practical proposal by the Accounts Commission has simply been rendered redundant by the introduction into the Bill of a further refinement of the audit process.

As previously drafted, reports by Scottish authorities were to be prepared by 30 November and submitted to the Secretary of State by 31 December. The Bill now requires reports by all authorities, including Scottish authorities, to be prepared by 30 September and sent both to the Secretary of State and to auditors by 31 October. The Commission for Local Authority Accounts in Scotland takes the view that it is no longer necessary to have different dates for preparation and submission of reports for Scotland. This is because the Bill now makes provision for auditors to check the statements of rate of return for those activities covered in the Local Government, Planning and Land Act 1980, as well as those covered by this Bill and to highlight any discrepancies in the report. This will ensure that the reports received in the Department are subject to scrutiny and based on audited figures. I am sure that the House will agree that that provides welcome consistency north and south of the border.

I hope that the House will agree that these are uncontentious points. Indeed, they are in response to the hon. Member for Maryhill who spoke, not only on behalf of herself, but the Opposition when she said:

"The Opposition believe that it is only fair that England, Scotland and Wales should keep to the same dates, whatever they may be."—[*Official Report, Standing Committee A*, 10 November 1987; c. 620-24.]

It is perhaps slightly ironic that I am responding to the representations of those hon. Members when they are absent today. However, I am sure that in due course the hon. Member for Glasgow, Springburn (Mr. Martin) will bear that news to his colleagues—[*Interruption.*] Yes, I

realise that they are in Scotland at a conference. The amendment does precisely what they asked and I commend it to the House.

Mr. Andrew Welsh (Angus, East): In response to the Minister, although Labour Members are not present *[Interruption.]*—although the hon. Members who raised those points are not present—I am sure that they will appreciate what the Minister has said because it shows that the Government have at least some sense of humour. I am glad to note that Scottish custom, tradition and long usage has been taken into account in producing the changes.

Mr. Simon Hughes: I wish that the Minister would convey to his colleagues the same willingness to make sure that the same rules apply north and south of the border and in Wales in other pieces of legislation. On the Housing Bill, for example, it has been strongly argued—but not yet accepted — that what is happening in Scotland should happen in England and Wales. Perhaps the Minister could use his best offices to secure similar provisions across the border in that Bill as he has now secured in this.

Question put and agreed to.

Lords amendments Nos. 4 to 6 agreed to.

Clause 17

LOCAL AND OTHER PUBLIC AUTHORITY CONTRACTS: EXCLUSION OF NON-COMMERCIAL CONSIDERATIONS

Lords amendment: No. 7, in page 14, line 17, at beginning insert

"Subject to the provisions of sections 18 and *(Questions relevant to code of Practice on Employment of Disabled)*,".

Madam Deputy Speaker: With this it will be convenient to discuss Lords amendment No. 8.

The Secretary of State for the Environment (Mr. Nicholas Ridley): I beg to move, That this House doth disagree with the Lords in the said amendment.

Hon. Members will have noted that, apart from these two amendments, no substantive changes to the provisions of part II of the Bill were made in the other place. Their Lordships accepted the principle behind the provisions, as did this House, that local authorities should not be in the business of setting themselves up as extra-statutory enforcement agencies on matters which are already the subject of existing statute and which have, where appropriate, their own enforcement processes.

The position in relation to the Race Relations Act 1976 is quite different. In it, the local authorities are given a specific statutory role of enforcement, and this is acknowledged in the Bill in clause 18, where the local authorities may ask specific questions of contractors, and take into account the replies that they receive.

However, the statutes directly relating to the employment of the disabled are the Disabled Persons (Employment) Acts of 1944 and 1958 which do not include such a role for local authorities. I shall give reasons why that is correct later. Their Lordships accepted, as did this House, the principle that local authorities should not assume the role of enforcing the provisions of those Acts, a role which rightfully belongs to the employment service of the Department of Employment.

What we are all seeking—their Lordships, this House and certainly the Government — are the best possible opportunities for the disabled to be able to gain employment. I would like to emphasise our total commitment to the principle that disabled people should have every opportunity to obtain useful and gainful employment. Our record on positive measures to help disabled people gain those opportunities is strong.

For example, last month sections 5 and 6 of the Disabled Persons (Services, Consultation and Representation) Act 1986 came into force. Those measures include a requirement to assess the needs of disabled school leavers, taking account of a range of services including education, vocational training and employment. We have also recognised that disabled people on income support should be able to earn more money without it affecting their benefit, and next month that disregarded sum will be increased from £4 to £15 per week.

In 1986-87 nearly 84,000 disabled people were placed in work through MSC general programmes, and over 17,000 disabled people were in sheltered employment. In 1987-88 the MSC will spend some £133 million on programmes specifically for the disabled, of which some £87 million will have been spent on sheltered employment; £22 million on employment rehabilitation; £15 million on resettlement services; and almost £9 million on training at residential training colleges.

4.45 pm

Nevertheless, it is clear that the other place felt strongly that more should be done to help disabled people with employment. There was concern about this in this House too before the Bill left here. The Government accept that they should respond to this clear feeling of both Houses. My right hon. Friend the Secretary of State for Employment is announcing a review within his Department of the policies and programmes that he supports for disabled people in employment. The review will take account of the recently completed study by the National Advisory Council on Employment of Disabled People. It will also take account of the conclusions that the Public Accounts Committee reaches on the National Audit Office's examination of the quota arrangement and other arrangements made for the benefit of people with disabilities.

In the light of this, I hope that the House will be willing to accept that it would be appropriate for the amendments to be reversed.

Mr. Simon Hughes: The Secretary of State may be coming on to this point, and I apologise for intervening if he is, but does he accept that what he has said so far relates only to national Government policy and to employment by central Government, whereas we are obviously concerned about local government employment policies and local government's ability to take on disabled people and employ then adequately?

Mr. Ridley: Yes, I am coming to that, but if I do not satisfy the hon. Gentleman when I do come to it, I shall happily give way to him again.

If the amendments agreed in the other place were to be accepted, it is our belief that they would do nothing to further the interests of disabled people, but would in fact provide a possible means whereby local authorities could discriminate against contractors that they did not like for other reasons. Amendment 7 merely paves the way for the new clause introduced by amendment 8. That new clause empowers authorities to ask questions of potential contractors about the non-commercial matters set out in

[Mr. Ridley]

clause 17(5)*(a)*, in order to ensure that contractors have due regard to the Manpower Services Commission's code of good practice on the employment of disabled people.

When the amendments were debated in the other place, the argument in their defence was that there was no contract compliance requirement in the amendments; no extra-statutory enforcement rights; no compulsion for local authorities; and no interference with the efficiency of the companies concerned. Hon. Members will recognise that that is simply not the case. If the Bill was now to remain unamended as their Lordships have sent it to us, an authority could decide to refuse to do business with a particular company on the ground that, in the authority's view, the company did not have proper regard to this particular non-statutory advisory code. In our view, that is an open invitation to local authorities to exercise covert discrimination against contractors of whom they disapprove possibly for other reasons.

If all a local authority wishes to do — this was the expressed reason for the clause when moved in the other place — is bring the code of good practice to the attention of firms with which it is considering doing business, there is nothing in the Bill which prevents that. Indeed, that part of the new clause in amendment 8, which would allow authorities to refer prospective contractors to relevant agencies, is entirely superfluous. Nothing in the Bill stops authorities referring contractors to the employment service or the Manpower Services Commission — the relevant agencies — if they consider that contractors need advice or guidance on employment of disabled people.

Nor is there anything in the Bill to stop authorities calling together employers in their area to discuss ways in which the various recommendations and suggestions in the code of good practice can best be implemented. That sort of action seems far more relevant to local government, and indeed much more likely to have an effect on the local people whom local authorities exist to serve, than crude contract compliance measures applied to contractors in general. Many contractors will be supplying goods made in factories miles from the authority's area and some even overseas. No system of local enforcement regarding disabled employment is sensible when a national policy is essential, and that is what we have.

The amendments are not about local authorities dealing with employers in their area. They are not even concerned with authorities' own role as an employer of disabled people — in no sense affected by the amendments — or with the way in which the 1944 and 1958 Acts are observed. They are about giving local authorities the power to discriminate against certain firms by imposing their own views on how an advisory code of good practice should be observed, and refusing to do business with them if the authority does not agree with those firms' interpretation of the code. I do not believe that the amendments would result in any more jobs for disabled people. They would give the most intransigent of authorities a new weapon with which to discriminate against contractors in a subjective and non-commercial way.

It is at the heart of part II of the Bill to deny authorities the chance to do such things; and it would be very difficult to defend not extending the practice embodied in the amendments to other matters, such as sexual discrimination, nuclear-free zones, apartheid or anything else. We would have lost the logical distinction upon which the Bill is based.

Mr. Simon Hughes: Can the Secretary of State explain the relevance of the amendments to the local authorities? If the amendments were accepted, they might not produce more employment for the disabled, but they certainly would not produce less. Indeed, they could result in more employment possibilities. The amendments would not have automatic consequences, but they would at least challenge local authorities and their contractors to consider whether they are doing enough. That is the great merit of the amendments and why they got all-party support in the other place.

Mr. Ridley: I believe that the amendments could easily result in fewer jobs. The harassment of firms could result in them being unprepared to tender for a local authority contract. Therefore, the result could be possible employment losses and even job losses for the disabled.

Mr. Peter Thurnham (Bolton, North-East): Does my right hon. Friend agree that, although the amendments are well-meaning, they might risk undermining the whole basis of the Bill — to stop political discrimination — and generally weaken Government policies that have resulted in an 80 per cent. increase, in real terms, in spending on the long-term sick and disabled?

Mr. Ridley: My hon. Friend has summarised the case that I put at greater length. We have tried to recognise the concern felt by hon. Members and the Lords that more could be done for the disabled. Indeed, my right hon. Friend the Secretary of State for Employment has introduced a new intitiative to find ways to help the disabled nationally. I believe that such help is better given nationally rather than through patchy and sometimes unhelpful attempts to use contract compliance for that purpose.

Ms. Jo Richardson (Barking): I support the Lords amendment. I was amazed by the Secretary of State's defence of the present position. First, he went through a long catalogue citing the so-called generosity of the Government towards disabled people. The disabled people in my constituency do not find the Government very generous.

The right hon. Gentleman has hinted that the Secretary of State for Employment will undertake a national review of disabled people's ability to get jobs. Why has the Secretary of State for Employment not done that before? Why has he waited all this time? I am sure that that question will not be lost on disabled people.

The Secretary of State for the Environment has suggested that the Lords amendment may allow local authorities to threaten contractors. What we are discussing is opening up opportunities for disabled people. If nothing else, the Lords amendment helps to raise the awareness of contractors, which is at the heart of the matter, to their obligations and to the common decency of allowing disabled people greater opportunities in the job market.

The Lords amendment is not strong. It merely allows local authorities to draw contractors' attention to the code of practice on the employment of disabled people, to consider their employment policies in the light of that code

and to enable the authority to refer them to the local disablement advisory service. There is nothing earth-shattering about that. There is no provision in the amendment that would allow a local authority to refuse a contract if it considered that the contractor was not complying with the code.

Employment quotas, as set out in the Disabled Persons (Employment) Act 1944, are also excluded from the amendment. In short, the amendment is limited, but it is extremely important. It puts a marker down to ensure that local authorities and contractors who submit tenders should consider closely the needs of disabled people in the community. If we pass the amendment, it would provide an extra encouragement — not a statutory duty — to employers to employ disabled people and reduce discrimination against their employment.

It is unbelievable that the Government are contemplating the removal of the amendment, especially when we are aware that an increasing number of employers are failing to meet the disabled employment quotas, and therefore their legal obligations under the 1944 Act. In 1986, only 27 per cent. of employers carried out their legal obligations. Unemployment among disabled people is double the rate among their peers—for some disabled groups the difference is even greater.

In such circumstances, given the emotional implications for the disabled, their economic dignity and well-being, it is nothing less than a disgrace that the Government should seek to change the law not only to outlaw practices that are presently lawful, but also to seek to throw out an amendment that attempts to encourage employers to meet existing legal obligations and encourages compliance with a voluntary—I stress that word—code of practice. That code of practice was launched in 1984 with the support of the Prime Minister, the CBI, the TUC, the Institute of Personnel Management, Royal Association for Disability and Rehabilitation and the all-party disablement group of which my right hon. Friend the Member for Stoke-on-Trent, South (Mr. Ashley) is joint chairman. That code of practice encouraged employers to establish a written policy for the employment of disabled people and the rehabilitation of those who had become disabled.

Throughout what has passed for a debate on this subject and on sex discrimination, the Government have monotonously repeated that they accepted, reluctantly, racial equality as part of contract compliance because, under section 71 of the Race Relations Act 1976, local councils already had an existing statutory duty to act thus. However, by the same token the Government would not accept that disabled people or women should be included in the Bill because there was no equivalent to section 71 that related to them.

Yesterday, the Equal Opportunities Commission published the report that it has sent to the Home Secretary regarding the urgent reforms that are needed to our sex equality legislation. It has recommended contract compliance. The report is addressed to the Home Secretary and I do not know whether the Secretary of State for the Environment has received a copy. I have a copy with me today. It was sent to me this morning and it makes very good reading. It pleads with the Government to introduce contract compliance as a statutory duty on all local authorities, health authorities and other public bodies.

I understand that the Government said that if the Equal Opportunities Commission recommended contract compliance, they would consider it. There could be no better time than now — during the week of international women's day—for the Minister to honour his assurances to the Equal Opportunities Commission and to the women of this country on this matter and to bring forward an amendment in line with what is proposed in "Equal Treatment for Men and Women — Strengthening the Acts."

5 pm

It is ironic that last week the Government announced their intention to bring forward a Bill later this year to introduce contract compliance—the very same policy—in Northern Ireland. The Government hardly bother any longer to deny that their actions in Northern Ireland are being prompted by strong pressure from the United States, where a campaign to boycott investment, or even to encourage disinvestment, has been gaining ground because of persistent discrimination against the Catholic minority. The introduction of contract compliance in Northern Ireland is meant to head off that pressure.

I appeal to the House to consider what message we shall be sending out to people with disabilities and to women if we reject the Lords amendment. It is invidious and highly divisive to appear to be elevating one form of discrimination above another. The Government have been shown today to be hiding behind empty formalism to cover their opposition to contract compliance — and even to voluntary codes of practice — to improve opportunities for disabled people and for women, and we shall never forget their actions on these issues.

Contract compliance has shown its tremendous value to women in the United States. It has been welcomed in this country by a great many people, including the Institute of Personnel Management, which sees it as a valuable mechanism for spreading good and more professional codes of practice.

Baroness Platt of Writtle, who chairs the Equal Opportunities Commission, is not, I may say, a supporter of the Labour party—far from it. She said of the Bill:

"Because local authorities will have the power to impose requirements and ask questions about issues of racial discrimination but not sex discrimination, their customers will inevitably concentrate on the former to the exclusion of the latter. This would be a most retrograde development, given the very serious problems of discrimination against women that still need to be tackled. It could seriously prejudice the position of women".

That comes not from a Labour peer but from Baroness Platt, who is a Conservative.

We commend the amendments to the House. We welcome the initiative on Northern Ireland, and we want the Government to act even-handedly. If they are introducing contract compliance in one form in Northern Ireland, they should introduce it in this other form on the mainland. We shall reserve judgment on the question of ethnic minorities until we see what comes of the Secretary of State's list of questions. We urge the Government to think again about the totally incomprehensible exclusion of people with disabilities and of women from the Bill. We shall oppose the Government and support the House of Lords. I know that my hon. Friends will join me in the Division Lobby, as, I hope, will those Conservative Members who believe that people with disabilities need the maximum encouragement and support and that those of

[Ms. Jo Richardson]

us who do not share their problems should be constantly aware of them nevertheless. I hope that for once we might defeat the Government.

Several Hon. Members *rose*——

Madam Deputy Speaker: Order. I remind the House that the amendments deal specifically with the disabled and not with women.

Dame Elaine Kellett-Bowman (Lancaster): As a long-time member of the all-party disablement group, I am naturally interested in the amendments. I was intrigued when my right hon. Friend the Secretary of State pointed out that these are the only two substantive amendments that their Lordships suggested to this part of the Bill. I should have thought that that would give added weight to them.

When I first read the amendments, they seemed likely to help disabled people who are seeking employment. All of us must know that disabled people, once employed, are diligent and valuable employees—probably the best on the payroll—but that it is far from easy from them to get the job in the first instance. It seemed to me that the amendments might help disabled people, and I therefore proposed positively to support them. However, I listened carefully to what my right hon. Friend said and was interested to hear that my right hon. Friend the Secretary of State for Employment is to bring forward a review of policies for the disabled. I cannot bring myself to vote with my right hon. Friend the Secretary of State, but I am seriously considering abstaining, because I feel that he gave a very good explanation of his reasons for opposing the amendments.

Mr. Eric S. Heffer (Liverpool, Walton): The hon. Member for Lancaster (Dame E. Kellett-Bowman) was absolutely right in her initial decision fully to support the amendments. She is wrong to say now that she will abstain. She should have sufficient courage, as many of us have done over the years, to vote against the Government whom she supports if she thinks they are wrong. She accepts the assurance that the Government will bring forward proposals in the future, and perhaps they will. However, this is here and now and she should support the amendments on that basis. The amendments will do something positive at this moment, so why wait for proposals to emerge in the distant future which, knowing this Government, will get more and more distant? Why not give the benefit of the doubt to the amendment No. 7, which is extremely good?

I can understand the Government's being vindictive in relation to contract compliance when it comes to whether an employee should or should not be a trade unionist. I can understand it when they say, "You cannot seek contract compliance in relation to those who deal with regimes pursuing policies of apartheid." I can understand that, because that is the Government's nature, and such decisions are perfectly acceptable from their point of view. However, I find it difficult to understand why they should be vindictive to the disabled, which is what their attitude amounts to. I suppose that I know the real reason: their friends may find that their profit margins will be down a little if they have to employ some disabled people.

Dame Elaine Kellett-Bowman: That is an absolute insult to disabled people. Will the hon. Gentleman give way?

Mr. Heffer: No. If the hon. Lady will not join us in the Lobby, I am not giving way.

Dame Elaine Kellett-Bowman: But it is an insult.

Mr. Heffer: It is not an insult. It is my view of the Government's attitude, based on the bitter experience that we have had since they came to power nine years ago. They put profits before the interests of ordinary people and concern themselves only with their friends in the City of London and those who make profits at the expense of the mass of the people. That is what is behind the clause. It is disgraceful that the Government are not prepared to give the amendment their support. I welcome the fact that my hon. Friends on the Front Bench are prepared to do so.

Mr. Jack Ashley (Stoke-on-Trent, South): A number of us spend much of our time dealing with disabled people, including the hon. Members for Exeter (Mr. Hannam) and for Caernarfon (Mr. Wigley) and myself. We have discussed this issue at a meeting of the all-party disablement group and there is a difference of opinion between us that will probably emerge during the debate.

The Secretary of State was ill advised to speak of the Government's record of helping disabled people. He was on extremely weak ground. The right hon. Gentleman spoke of the Disabled Persons (Services, Consultation and Representation) Act 1986. He was not in the House yesterday when the Minister for Social Security and the Disabled was condemned for failing fully to implement that Act. That is a failure by the Government. The Secretary of State mentioned what the Government had done in terms of income support. Practically everyone who is involved with disablement is concerned about the Government's failure to provide adequately for disabled people under that head. The right hon. Gentleman referred to the jobs that have been found for disabled people under the general programme of the Manpower Services Commission. He did not mention the thousands who have not been helped through that programme. The right hon. Gentleman was wrong to speak of the Government's successes in this area.

I am amazed that the Secretary of State should be opposed to the amendment. It is incredible that he should object to it. The proposed clause would be helpful to disabled people and damaging to no one. It reflects badly on the Government that they have chosen to bring their full force against the amendment and to make clear their determination to oppose it.

What is it in the clause that is terrifying the Secretary of State? It provides that local authorities will be able to refer contractors which have not adopted the recommendations of the code of practice on the employment of disabled people to the disablement advisory service. It would allow — not force — local authorities to ask questions about a company's policy on the employment of disabled people. What is wrong with that? Surely it would be a great step forward. Companies that did not have a policy could be referred to the DAS, and it would then be for the DAS to decide how best to proceed.

This simple measure would help us to ensure that good practice is promoted, and it would advance the excellent work of the DAS. No one is opposed to the code of good practice. The Prime Minister has stated:

"employing disabled people makes good business sense."

I was present when the right hon. Lady launched the code of good practice. It was a happy occasion. We were all

together, including the hon. Member for Exeter, who does so much for disabled people. Everyone supports the code, and I and others are seeking merely to draw attention to it.

If local authorities are willing to help with encouraging contractors to utilise disabled people's skills, and to retain staff who become disabled, they should be permitted to do so. No one would lose by contractors having the expert advice of the DAS brought to their attention. At the same time, disabled people would gain.

However fine the code may be, and however distinguished the members of the DAS may be, no one would claim that it is getting the support or the results that it deserves. A common attitude among far too many employers is, "The code is fine but it has nothing to do with me, thank you very much."

5.15 pm

Some companies adopt the code but far too many do not. What do we do about the companies which do not? The relative failure is effectively measured by the statistic that shows that many disabled people are unable to gain employment. The level of unemployment among the disabled is twice that of the unemployment among the able-bodied. That is the official figure, which we can take with a pinch of salt. Suffice to say that a far greater proportion of disabled than able-bodied people are unemployed.

A major cause of the unemployment of disabled people is prejudice. It is vicious, bitter, vindictive, unpleasant and unacceptable prejudice. The disabled are rejected by employers who do not want to know. I know many disabled people who apply for jobs. If they are honest enough or naive enough to mention their disability on the application form, they will not even be seen. I know some disabled people who have made over 100 applications for jobs. They are not even granted an interview when they mention their disability. More effort should be made in promoting the code of practice.

Local authorities are an important weapon in the armoury for promoting the code, and the proposed clause will enhance their effectiveness. The Government argue that the proposed clause is superfluous and that local authorities will be able without it to promote good employment practices in their own areas. I believe that the clause would provide an important instrument for local authorities to acquire information that would enable them to know which employers should be referred to the DAS. It would be an easy, cheap and cost-effective procedure.

The Minister in the other place said that this aspect of the clause was superfluous. He claimed that local authorities could refer companies to relevant agencies in any event. Unfortunately, he missed the point. It is crucial that we should know which companies to refer. If local authorities sought to obtain that knowledge through general surveys, the Government would be quick to condemn them for wasting resources. They would argue that that was not the job of local authorities. The Government cannot have it both ways.

The Government suggest that local authorities will be able to discriminate against contractors during the tendering process by using their response to questions to decide who receives a contract. That is not the intention of the proposed clause. The Secretary of State should take that on board. I spoke to Lord Basnett this morning—it is his amendment—and he confirmed that that is not the intention of the proposed clause. Instead, it would allow a basic question to be asked: "Have you adopted the recommendation of the code of practice on the employment of disabled people?" A negative response would mean that the contractor could be referred to the DAS. The amendment would not allow contracts to be withheld. It would not give local authorities extra statutory powers and duties.

I would favour an amendment that permitted discrimination against companies that did not play fair with disabled people. I am all in favour of that sort of discrimination. I would be prepared to hit contractors very hard if they discriminated against disabled people. It is discrimination that causes distress, anxiety, suffering, poverty and despair. I would deny contracts to such companies. I make no bones about that. If I could persuade local authorities to deny them contracts, I would do all in my power to ensure that that happened. The Secretary of State should recognise that the clause does not do that. It is very limited. All the clause proposes is to help to promote good practice. If the Secretary of State found that there were technical problems, he could easily change it.

Mr. Ridley: For the sake of fact, may I point out that local authorities are enabled to disallow a contractor if they are not satisfied with him? In other parts of the Bill there are powers for them to take that decision. If the new clause were in the Bill, it could be a defence against the district audit questioning why a local authority had not gone to the lowest tenderer. The hon. Gentleman is wrong. He does not realise the effect that the amendment would have.

Mr. Ashley: The Secretary of State is trying to say that, if this small amendment was agreed, as I hope it will be, local authorities, whom I thought he trusted as responsible people elected by the electorate, would use it as a trigger to do something illegal. That is a very poor interpretation of the responsibility of local authorities. I believe that they would interpret the clause in the spirit which Lord Basnett intended—that is, to draw the attention of employers to the code of practice. It would encourage them to do that. The Secretary of State does not understand the proposed new clause. He has misinterpreted it. He is misleading the House. He should accept that it would be in the interests of disabled people.

I have spoken long enough. If the Secretary of State insists on rejecting the clause, he will show that dogma is more important to the Government than helping disabled people. The clause has no drastic implications and would not alter Government policy towards local government. It would encourage efficiency and would help employers to develop good employment practices. It would help disabled people and would give them hope. It would lead to them getting more jobs. It is absurd for the Secretary of State to say that it would lead to disabled people getting fewer jobs. That is standing the truth on its head. I hope that the House will speak clearly tonight. I hope that Conservative Members will join us in the Lobby and give fresh hope to disabled people.

Mr. John Hannam (Exeter): My right hon. Friend will know that the Lords amendment which he is asking us to reject is supported by a wide range of voluntary

[Mr. John Hannam]

organisations representing the disabled and by the all-party disablement group. Therefore, it is rather more of a cross-party issue than we are accustomed to.

The amendment represents a genuine attempt to advance the cause of disabled people in the vital employment sphere. Over the years I and colleagues on both sides of the House, working within the all-party disablement group, have secured the support of the Government for small but important amendments to diverse pieces of legislation. We have done this to remove discrimination or to remove obstacles which are placed in the path of disabled people trying to pursue normal lives.

We all know that the disabled desperately want to work and to live normal lives. They make very good employees, as other hon. Members have pointed out. In fact, my right hon. Friend the Prime Minister gave the best description in 1984 when she said:

"People who employ disabled workers know from experience that it makes good business sense to employ people who are loyal and hard-working and have skills and abilities to offer."

I could not find a better description for employers thinking of taking on disabled workers.

The sad thing is that, despite the quota system and all the other measures which have been adopted over recent years, the level of disabled unemployment is double the rate for able-bodied people. The Lords amendment, as I read it, is designed to draw the attention of contractors to the recommendations which are put forward in the Government's own code of good practice on the employment of disabled people. The amendment seeks to get local authorities to refer contractors who have not adopted the recommendations to the Disablement Advisory Service.

The question which we face is whether the Lords amendment gives local authorities a power of any sort to force contractors into contract compliance or to interfere in their efficiency, and whether that works against the principle of part II of the Bill. I am grateful to my hon. and learned Friend the Minister for writing to me about this. My right hon. Friend has explained the Department's view, which is that the amendment would in some way give powers to local authorities to interfere in normal business practice. I find that hard to believe, just as I find it hard to accept the other point which my right hon. Friend made, that we can leave things exactly as they are because local authorities can carry this out anyway. According to my right hon. Friend, they can advise firms which are putting forward tenders for contracts to get in touch with the Disablement Advisory Service or with any other body. I do not accept that that stands up to examination.

It is only a few years since we secured an amendment to the companies legislation to require a company in its annual report to make a direct statement about what it was doing for its disabled employees and for disabled people. One could adopt the same argument as my right hon. Friend and say that we did not need that because companies could always put something in their reports about what they were doing for disabled people. In fact, Parliament judged that it was necessary to do more than that.

Like my hon. Friend the Member for Lancaster (Dame E. Kellett-Bowman), I cannot go into the Division Lobby against the Lords amendment. I accept my right hon. Friend's assurance that he has been working extremely hard, in conjunction with his right hon. Friend the Secretary of State for Employment, on bringing forward a new programme for disabled employment. I welcome that assurance deeply. I can only stress how vital it is to develop a new and more effective strategy for the employment of disabled people. The position is not good. The quota system is not being enforced and too many disabled people are out of work.

I look forward to the initiative which my right hon. Friend has promised, but today I must declare my support for this small voluntary step towards good practice. I cannot go into the Lobby to vote for the rejection of the Lords amendment.

Mr. Wigley: I too support the Lords amendment and thank Lord Basnett and his colleagues for the all-party support in the Lords for this important change to the Bill, which would help disabled people if it were enacted. Like other hon. Members I am disappointed at the attitude of the Government Front Bench. Some Government Departments have had an honourable and progressive approach towards disability. I am afraid that the attitude of the Secretary of State confirms that the Department of the Environment regrettably is at the back of the queue when it comes to making progress for disabled people. We have seen that before and we see it again today.

The reality is that discrimination against disabled people exists in employment. We had this argument three or four years ago when the hon. Member for Liverpool, West Derby (Mr. Wareing) introduced an anti-discrimination Bill. Mr. Donald Stewart, who then represented the Western Isles, also brought forward a Bill. We were assured that other steps were being taken, as we have been assured today that other steps are being taken. The right hon. Member for Stoke-on-Trent, South (Mr. Ashley) mentioned what we heard in the Chamber yesterday, that assurances given two years ago about the carrying out of the provisions of the Disabled Persons (Services, Consultation and Representation) Act 1986 are still subject to negotiation with local authorities.

Two years have gone by and we are still no nearer getting some of those provisions brought into force. I welcome any discussion which is taking place and any progress on improving the position under the quota scheme, to which the hon. Member for Exeter (Mr. Hannam) referred and which is completely inadequate. Some of the provisions have not been enacted. We have an opportunity with the Lords amendment to do something now. Although this is a very modest provision, we have the opportunity to do something which has already been done. All we have to do is to desist from undoing what has been done in another place. Goodness me, I cannot see the Government's justification for taking this line. If we disagree with the amendment, we shall be putting the interests of disabled people second to the interests of a totally unfettered, free market economy. There are times when a Government, even this Government, must strike a balance.

5.30 pm

Instances of discrimination still come to our attention. Only a few weeks ago in my constituency surgery I learned of a case of blatant discrimination. An employer said that disabled people need not apply for a vacancy. For that to happen in this day and age, and for the Government not to support even the modest provision in the Lords

amendment, underlines the need for us to take more draconian powers. We should seek an anti-discrimination Bill which will deal with this question in the context of employment and in a number of other areas as well. People would then be aware that they cannot get away with the kind of stipulation that occurred in my constituency.

My colleagues and I have received representations from many bodies about Lords amendment No. 7. I am involved with disability matters in a number of ways. I am the president of the Spastics Society in Wales. The Spastics Society wrote to me from its headquarters in London about the amendment stating:

"Research by The Spastics Society shows that disabled people suffer unjustifiable discrimination in the labour market. The clause is a modest proposal to ensure that good practice is actively encouraged in this important area. We see it as entirely appropriate that the Government's policy should be promoted in an attempt to ensure disabled people have the same opportunities as their abled-bodied counterparts. It is difficult to understand why the Government would not want to see its own policy and the work of its Departments supported in this way. Disabled people trying to find work will also feel let down if this support is withdrawn from their attempts."

I put these views formally on the record on behalf of the Spastics Society.

Hon. Members will have received similar representations. Organisations making those representations understand the difficulties facing disabled people in work. We should heed those representations. I have also received representations from the Royal National Institute for the Blind. It states:

"The RNIB supports the clause, which would help the employment prospects of visually handicapped people seeking work. They have to compete on unequal terms in the labour market, in an era when the industrial base of the economy, the area in which the majority of visually handicapped people have historically found jobs, has contracted considerably. During the last decade there has been a dramatic fall in the number of visually handicapped people getting jobs in the blue collar sector, and sheltered employment has not taken up the slack . . . RNIB is concerned that the positive steps which local authorities have been able to make in encouraging companies to promote equal employment opportunities for people with disabilities should be allowed to continue. Lord Basnett's clause would achieve this."

Obviously, the RNIB feels as strongly as the Spastics Society on this matter.

The Royal Association for Disability and Rehabilitation, the umbrella organisation that pulls together on behalf of numerous disability organisations, has also made representations to all members of the all-party disablement group. This matter cuts across party lines. It states:

"The amendment will not prevent contracts being awarded, but allows local authorities to refer those companies who have not adopted the Code's recommendations to the Department of Employment's Disablement Advisory Service so that they may obtain information on how to improve their policies; nor will it allow contracts to be withheld, but will enable local authorities to ask for information which can be passed on to those responsible for promoting the Code of Good Practice. In this respect the amendment also complements existing Government policy which supports the Code. The CBI, TUC, RADAR and other voluntary organisations also support the Code of Good Practice."

I know that the Secretary of State has said that taken together with another part of the Bill the amendment could create an excuse for local authorities to discriminate against companies that are not willing to go along with the requirements. If local authorities discriminate unfairly against those companies, that could be actionable. If they discriminate on the basis of a policy against disabled people, that is completely justifiable discrimination and I would strongly uphold that.

However, the benefits that could arise from having a checklist are more important than the occurrence of a handful or one or two difficult cases. A formal checklist would act as a formal requirement to nudge and remind companies of the need to take that matter into consideration.

I do not believe that the provision will put the world right overnight, but by having a checklist approach — which is not a straitjacket, but an enabling measure — we shall ensure that local authorities that are so minded will have powers to create a checklist and companies seeking tender contracts will be aware that they must take such consideration on board. The proposal is a gentle shove in the right direction. It could be of tremendous benefit to many disabled people. It could also possibly avoid much more fundamental legislation in future. If the Government oppose this modest proposal, I have no doubt that the House must press for something very much more radical.

Sir John Farr (Harborough): I rise to support Lords amendment No. 7. Unfortunately, I was unable to hear the comments made by my right hon. Friend the Secretary of State earlier. I had been given a very pressing green card from a delegation of Royal College of Nursing members from my constituency. I had to use my discretion and make a very difficult choice between listening to my right hon. Friend and seeing Mr. Tony Atkins and my constituents from Leicester who are members of the RCN. I had a very fruitful and rewarding discussion with Mr. Atkins. However, I am placed in a very difficult position because I did not hear my right hon. Friend. If I had heard him, I am sure that I would have found his comments fruitful and rewarding. However, because I did not hear him, I can only state that I have the gravest reservations about rejecting the Lords amendment.

I listened to the comments made by the right hon. Member for Stoke-on-Trent, South (Mr. Ashley). He made his comments with great emphasis, in his usual way. My hon. Friend the Member for Exeter (Mr. Hannam) elaborated the virtues of the new clause very well.

As I read the amendment, it will allow local authorities to continue to ask questions of prospective contractors, but it would not allow local authorities to refuse contracts on the grounds that a prospective contractor did not encourage the employment of disabled people. It would allow local authorities to promote the Manpower Services Commission's code of good practice on the employment of disabled people.

I do not believe that the new clause is very binding. It would not direct—"direct" is too strong a word—local authorities; rather it would guide them on a code of good behaviour towards their dealings with disabled people. Tributes have been paid to the right hon. Member for Stoke-on-Trent, South and my hon. Friend the Member for Exeter for their fine work for the parliamentary disablement group. I want to add to those tributes. Quite rightly, we must recognise that discrimination on grounds of sex or colour is properly banned by law. I am not in favour of banning discrimination of the disabled by law. However, I feel so strongly about it that I would like to see legislation enacted that would make discrimination act for the disabled.

[Sir John Farr]

A disabled person is a bargain in the labour market. He is conscientious, keen, unfailingly loyal and hardworking. Perhaps at some time in the future when we are discussing disablement we can introduce legislation requiring employers — the Crown, local authorities or private companies — to discriminate in favour of disabled people. It would be good for disabled people, and certainly for those lucky enough to employ them.

Although I shall listen carefully to what my right hon. Friend says to try to persuade me to support his case against the new clause, at the moment I am fully inclined to support it.

Mr. Peter L. Pike (Burnley): In this relatively short debate, it appears that no one except the Secretary of State is to speak in favour of the Government's line. That, surely, should make the Secretary of State think again about whether he is right in deciding that the amendment should be rejected. Certainly, I shall not accept his advice.

Lord Basnett's amendment is a modest but important improvement to the Bill. No doubt Lord Basnett tabled it in this modest form because he knew that if he went too far he would not persuade the other place to accept it, and he wanted to go as far as he could while still standing a chance of success. I am also fairly certain that he was bearing in mind the vast experience that he had gained over many years in the trade union movement, representing workers not only in local government but in a wide range of industries. He recognised that at present, despite quota systems and other efforts to ensure that disabled people have fair opportunity of employment, they have no such opportunity. We too must face up to that fact.

My right hon. Friend the Member for Stoke-on-Trent, South (Mr. Ashley) made it clear that some disabled people, when applying for jobs, are tempted either to omit any reference to their disability on the application form, or to deny it. It is regrettable that they are forced to act in that way, but, as most hon. Members will know, it sometimes happens. Employers often disregard disabled applicants even when the disability has no reference to the job for which they are applying, which is very sad.

Both my right hon. Friend the Member for Stoke-on-Trent, South and the hon. Member for Harborough (Sir J. Farr) recommended more positive discrimination in favour of the disabled, and I see the case for that. It is regrettable that we should sometimes have to legislate to ensure discrimination in favour of the disabled, or any other category who might otherwise be discriminated against, but sometimes it is the only way to ensure that they receive the fair treatment to which they are entitled.

5.45 pm

As I have said, this is a modest amendment, and there is no reason why the Government should reject it. It in no way destroys the principle of the Bill. The Secretary of State knows that Opposition Members are strongly opposed to that principle, but the amendment will merely give disabled people a fair opportunity of consideration by employers.

I thought it outrageous of the Secretary of State to suggest in his opening speech — I assume that I understand him correctly — that some local authorities might not disbar contractors purely because they were not giving disabled people a proper opportunity of employment, but might use that as an excuse to disbar them for other reasons. That is entirely wrong, and shows how the Secretary of State misjudges local authorities on every possible occasion. He seems to feel that their motivation must always be questioned by him and by other Ministers.

The amendment is moving in the right direction, and I feel that the Secretary of State should reconsider his advice. Even if he is not prepared to do so, however, I hope that other Conservative Members will join us in the Aye Lobby.

When the amendment was approved in the other place, it was widely acclaimed in the national press as an improvement to the Bill. It has also been welcomed by many voluntary organisations closely connected with the disabled. Those are further reasons for the Government to think again, and to accept this improvement to the Bill.

Mr. Michael J. Martin (Glasgow, Springburn): Before I came to the House, I had the good fortune to be a member of Glasgow district council, and a full-time union officer. From time to time, I had to represent disabled members.

The Secretary of State would be the first to condemn any local authority that did not pay due regard to the fact that disabled people must be employed. Surely, therefore, it is fitting that local authorities should establish what contractors are doing about employing them. The right hon. Gentleman knows that we are not talking about a window cleaner who may be contracted by the local authority to clean 20 or 30 windows. I was once a member of the finance committee of Glasgow district council. Prices have risen since I left, but we were then handing out contracts of over £1 million. In some instances the contracts awarded in one day exceeded £2 million. That is a lot of labour, and in many cases it is the big employers who are receiving the contracts.

It is only natural that local authorities should be entitled to ask contractors who are employing several hundred men and women what quotas they have for the employment of disabled people, and how those employees are being treated. I do not think that it is enough for an employer simply to say how many disabled people he employs; steps must be taken to ensure that they are not exploited. In many cases, they are exploited: there are no two ways about it.

The other local authority that covers my constituency is Strathclyde, which looks after the needs of 2·5 million people. It can give out contracts for water reservoirs, large civil engineering contracts and motorway contracts. I often hear the Secretary of State talk as if contractors were being bullied by local authorities which have all the power. That is nonsense. If the right hon. Gentleman knows anything about local authorities and contractors, he will know that there is often a dialogue going on on a weekly basis. Some of those companies are employing people—call them PR people, or whatever—whose job is simply to keep in touch with local councils. They have not been bullied; far from it. They know their way around the town halls, and they know who to talk to. If it is put into legislation that regard has to be given to the care of the disabled, I am sure that contractors will ensure that they inform their companies that the legislation has to be adhered to.

The Secretary of State said that his right hon. Friend the Secretary of State for Employment will be involved in

a review. He said that everything is all right because the Government have a good record on looking after the disabled. Since becoming a Member of the House I have served on almost every Committee where the Government have sought to destroy the labour and trades union legislation introduced by the Labour Government. They have weakened the unfair dismissal tribunals and done away with schedule 11 to the Employment Protection Act 1975. One of their most recent acts was to abolish the wages councils. All of those actions have affected the disabled. It has meant that the disabled in our society and in the work force — those who have been fortunate enough to find a job—can be explcited.

I hope that the Secretary of State will tell his right hon. Friend the Secretary of State for Employment that it is not only within private industry that the disabled are not being too well looked after. As I have said, I was a full-time officer representing public employees and I often had to defend those employees against Goyernment employers. For example, sometimes people in the Health Service were treated shamefully because those in charge did not pay due regard to legislation. I put it to the Secretary of State that he should look at what sometimes happens in some Government Departments and in agencies such as the Health Service, which work directly for the Government. I accept that 90 per cent. of the time those Departments and agencies are excellent employers. However, there is evidence to prove that disabled employees are not being looked after and that their rights under legislation are not being exercised properly.

In spite of what I have said about bad employers, there are many good employers in the private sector and the public sector. If any review is to be held, it is within the wit of the officials serving the Secretary of State to find those good employers and to discover how they can be good employers for the disabled. They should try to get them to give evidence to the review body so that we can ensure that people are looked after properly.

Mr. Simon Hughes: It is clear that the hon. Member for Burnley (Mr. Pike) was correct. So far, the only supporter of the proposal to delete the Lords amendment has been the Secretary of State. Three Conservative Members, four Labour Members, one representative of Plaid Cymru and myself have all asked that he change his mind. It is a bit shameful that the only two proposals on the Amendment Paper in the name of the Secretary of State which suggest that we should not agree with the Lords are in relation to this proposal. The all-party view expressed in the other place, the view expressed by the all-party committee on the disabled in this place and the view expressed in all the contributions to this debate has had no effect. We have said to the Secretary of State, "Please think again. You are misjudging the mood of Parliament across the parties by seeking to amend what the other place has done."

The more one looks at the Lords amendment, the more circumscribed one sees that it is. It simply says that nothing shall preclude a local authority from asking questions and from referring prospective contractors to relevant agencies if that information is necessary in order to ensure that the contractors have proper regard to the Manpower Services Commission's code of good practice in relation to the employment of the disabled.

The Secretary of State admitted that that does not mean that there has to be a duty on a local authority to employ a certain number of people. That does not follow. There is a duty to address the issue, to ask questions and to challenge what may be a failure to meet the needs of the disabled. That is the limit of the amendment. Presumably, that is why it was passed, against the wishes of the Government, in the other place.

The Secretary of State may hold the view that the amendment could prejudice the employment of disabled people. However, the advice of many agencies and charities is that the probability is that it will improve prospects for disabled people. The hon. Member for Glasgow, Springburn (Mr. Martin) and other hon. Members have said the same thing.

I had occasion last year to interview for a job somebody who was disabled by blindness. In the end, for various reasons, I selected somebody else. However, I then took up with the Officers of the House what we do as a corporate body to ensure that we employ adequate numbers of disabled people and to see whether we do our duty. I was given a perfectly courteous reply through the good offices of the Serjeant at Arms and those responsible for the employment of staff. I was told that we seek to ensure that sufficient numbers of disabled people are employed. That prompting resulted in a specific meeting to consider whether we should be better able to employ blind people or other disabled people in the House. I do not pretend that that meeting would not have taken place in time. However, it was not billed to happen. By asking some questions about the employment of disabled people, particularly the blind, the officials of the House looked again at current practice. That is what this amendment is seeking to do. It is simply to encourage people to look again at their practice.

I should like to refer the Secretary of State to the fact that he and his colleagues conceded that principle during the passage of the Local Government Bill in relation to the Race Relations Act 1975. He will remember that when the Bill was originally presented to Parliament last summer, clause 18 did not exist in its present form. The title of clause 18 is "Race relations matters". We had a debate in Committee in which the hon. Member for Harrow, West (Mr. Hughes) argued that in the matter of race relations people should be allowed to ask approved questions. The Minister for Local Government, quite properly, accepted the principle in relation to the employment of individuals from ethnic minority communities and accepted the need to ensure that the practices in operation did not conflict with race relations legislation. The Bill came back on Report with an appropriate amendment. By the time the Bill went to the other place we had built in a provision so that people with non-white skins in Britain will be employed fairly and without discrimination.

The Secretary of State has accepted that there can be compromise on this issue and that is why I am not making a ranting or shouting speech. I am asking in a reasonable and, I hope, proper way for him to do for disabled people what he has done for people from ethnic minority communities. It is clear that there is universal support for what the other place did. I ask the Secretary of State to think again and to say that the Government are prepared to hear the argument and recognise the strength of feeling about this matter and change their minds at this late stage.

Mr. Ridley: With the leave of the House, I shall reply briefly to the points that have been made, although I made a lengthy speech earlier that contained the main arguments that the Government have advanced.

[Mr. Ridley]

In case the hon. Member for Southwark and Bermondsey (Mr. Hughes) missed it, I shall repeat the point that I made earlier. There is a clause about race relations because a specific statutory duty is laid on local authorities by the parent statute, which is quite different from the case of disabled employment. Indeed, there was a clause on race relations in the Bill when it was first published. We have consistently said that where a local authority is already an enforcement agent that should be reflected in the Bill, but, where it is not, it should not.

I should like to pay tribute to my hon. Friends the Members for Lancaster (Dame E. Kellett-Bowman), for Exeter (Mr. Hannam) and for Harborough (Sir J. Farr) for their helpful and constructive speeches as well as for the work that they do for the all-party disablement group, which I very much admire. To have to make up their minds about this amendment puts them in a difficult position as they are normally supporters of the Government. Perhaps the fact that my hon. Friend the Member for Lancaster is prepared to abstain means that what I had to say earlier caused her to see that this is not the best way to achieve the results that the House wants. The initiative of my right hon. Friend the Secretary of State for Employment to review employment for disabled people will prove to be a better way forward.

6 pm

Having listened to the debate carefully, there appear to be two misconceptions about what the Lords amendments would achieve and what they mean. The hon. Member for Barking (Ms Richardson) went off on to the subject of women. I would be out of order if I were to discuss that matter under this amendment—*[Interruption.]* It would be perfectly in order to discuss disabled women, but not discrimination against women as such. However, I do not intend to discuss this whether it is in order or not.

The hon. Member for Barking said that if the clause remained in the Bill a local authority would not be able to refuse a contract simply on the ground of the disablement employment policies of a contractor. As I pointed out to the right hon. Member for Stoke-on-Trent, South (Mr. Ashley), that is not the case, because no local authority is bound to accept any tender. However, if it fails to accept what is clearly the lowest and best tender, it must give good reason for so doing publicly, first, to the district auditor and, secondly, to its ratepayers, who have every right to supervise its decisions in such matters. It would not be possible to refuse a contractor's tender because of his disablement employment record and at the same time get it past the district auditor. If this clause were in the Bill, that would be a perfectly valid reason for refusing a tender from such a contractor.

The hon. Member for Caernarfon (Mr. Wigley) gave the game away. He said that if authorities were to be subjective and not objective in interpreting a firm's use of the code and its compliance with it, it would be actionable if they made an ill-judged response. Yes, it would be, without the clause, but it would not be with the clause. The new clause says:

"Nothing . . . shall preclude a local authority from—*(a)* asking questions or seeking information relating to work force matters and considering responses to them or . . . consideration of the information is reasonably necessary to ensure"

The words "is reasonably necessary" will fall within the judgment of the local authority. If the local authority's judgment were that it should not award a contract because of the disablement employment policies of a contractor, the result would be that that decision would be proof against challenge. That is why the hon. Gentleman was wrong in his interpretation.

Mr. Wigley: Did not the Secretary of State rest his case on the slightly different premise that a local authority would be using this as an excuse and not as a reason and might have some other motivation at the back of its mind? If we accept that local authorities are working in a bona fide fashion, would the Secretary of State accept that it is not unreasonable for them to bear this in mind in deciding how a contract is determined?

Mr. Ridley: They may be wrong because they may have misjudged a contractor's compliance. He may be the best complier in the world, but if the local authority gets it wrong he will have no redress. Local authorities may use the disablement employment excuse when they have other reasons in mind. That is why I do not believe that the main result of the clause will be to help disabled people. It will give local authorities a subjective method of discriminating against contractors on spurious grounds.

The second theme of the debate was, "What is wrong with new clause 18*(b)*?" Clause 18 *(b)* relates to "referring prospective contractors to relevant agencies." As I said earlier, there is nothing wrong with that. Any local authority may refer an employer to the Disablement Advisory Service and may call meetings of local employers to discuss their practices. If a local authority is still not happy, it can bring in the MSC or the Disablement Advisory Service. That is possible at present and will remain so. It is unnecessary, therefore, to incorporate it into the legislation. It does not achieve anything that is not already in the legislation. The distinction is between local authorities doing what is perfectly right and proper and deciding on the award of tenders on their subjective judgment as to whether a contractor complies with the code of practice.

Those are the misunderstandings that arose, and I believe that we will help more disabled people into employment by what my right hon. Friend the Secretary of State for Employment suggested than the amendment could ever hope to achieve.

The hon. Member for Liverpool, Walton (Mr. Heffer) said that the clause was vindictive towards disabled people. I do not believe that that is remotely true. He further said that many contractors would not employ their full share of disabled people because it would bring their profit margins down. That was vindictive towards disabled people. For the hon. Gentleman to suggest that employing disabled people is bad for profits and that therefore firms do not do it was a slur on disabled people, and the House was revolted to hear him say that. I hope that he will withdraw it, and I hope that the House will reject this new clause.

Mr. Heffer: On a point of order, Madam Deputy Speaker. I did not say that the clause as drafted was wrong; I said that the attitude of the Government to it was wrong. I said that some employers would no doubt feel that they might lose a bit of profit, but that is not a slur on disabled people. I have always fought for disabled people and I shall continue to do so. It is the Government's attitude that forgets disabled people.

Mr. Jeff Rooker (Birmingham, Perry Barr): I can confirm at the outset that my hon. Friend the Member for Liverpool, Walton (Mr. Heffer) has just repeated exactly what he said in his speech — *[Interruption.]* After the speech of the hon. Member for Lancaster (Dame E. Kellett-Bowman), winding up with an abstention, we need take nothing from her.

The clause is so modest that one could ask why we should bother with it in the first place. However, there is a thoroughly justifiable reason for the clause. It is important that we should send signals to all sections of the community.

The clause was drawn up not out of thin air, but from the results and the experiences of our debates in Committee and on Report before the Bill got to the Lords. It was drawn up to take account of all the Government's objections to earlier amendments. It does not extend the enforcement role of local authorities — the Secretary of State's bogey men. It need not involve any additional resources in its operation. Its effect is simply to allow local authorities a limited discretion to ask a question and seek to foster good practice in place of the blanket prohibition currently contained in the Bill.

Let me go back to what this is all about. Lords amendments Nos. 7 and 8, which the Government are seeking to reject, amend clause 17 and add a new clause. Let me remind the House why clause 17 was put in the Bill in the first place. We are here to try to stop the Government taking it out on the disabled. The original notes on clauses stated:

> "The purpose of clause 17 is to prevent local authorities and the other specified public bodies discriminating against particular contractors by introducing political or irrelevant considerations into the contractual process."

The notes on clauses list most of the things that should not be covered by the clause so that local authorities cannot get involved. The Government particularly highlighted the fact that local authorities should not ask about rates of pay, numbers of apprentices, work on nuclear missile sites, lorries crossing picket lines, links with South Africa and freemasonry. There is no mention whatever of banning local authorities from asking about the disabled employed by contractors. To seek now to lump in the disabled — that is what the Secretary of State is now trying to do — is a thundering disgrace and the Secretary of State should be ashamed of himself.

The issue is not central to the Government's economic policy, yet not a single Conservative Member of Parliament today has had the guts to come to the Chamber to support what the Government are doing with his or her voice, despite a three-line Whip. The Secretary of State is alone. Most of his hon. Friends, who have not heard the debate and are ignorant about the issues, will be shepherded in by the Whips to vote against the disabled at the end of the debate. That is not democracy. My hon. Friends do not have to be Whipped on a matter such as this.

Two of the three Conservative Members who have spoken gave the impression that they would support the Lords amendments in the Lobby. Certainly the hon. Member for Exeter (Mr. Hannam) gave every impression of doing so. However, I was not clear whether, as he sat down, he was saying that he would abstain.

Mr. Hannam: What I said was that I could not support their rejection.

Mr. Rooker: I thought so — another abstainer. Why on earth are Tories abstaining when they speak as they do? The hon. Gentleman made it clear that he would not support the Government and that he stood by the all-party group in the belief that the Lords were right in putting the clause in the Bill.

6.15 pm

If the hon. Gentleman comes into the Lobby with the Welsh Nationalists, Liberals and Labour Members of Parliament, and, indeed, with at least one Conservative Member who is sitting behind him, he will not be alone. *[Interruption.]* Have I got that wrong as well? I have got it all wrong. Not one Conservative Member of Parliament has had the guts to come in the Chamber and speak in favour of what the Secretary of State is doing. Three of them have come in with their bleeding hearts on their arms, but have not had the guts to support the Lords in what they have done. It is important that that should be on the record. They are only prepared to abstain.

This is a modest clause. I do not have to deploy the case of modesty too much because the clause has no teeth. No contractor or local authority need worry about it. But it is important that both Houses of Parliament should send out a signal, and we should send a signal to their Lordships that if the Government get their way the Lords should not lie down and accept it. They should have the guts to insist on their amendment and send it back to this place.

In addition, the House of Commons should send a signal to employers that Parliament will not tolerate continued discrimination in employment practices in so far as they affect disabled people. I do not propose to read out the list, but the Secretary of State's claims simply do not stand up to examination. Able-bodied applicants are at least 1·6 times more likely to receive a positive response from an employer than a disabled person, and the proportion of companies employing 3 per cent. or more registered disabled — their legal quota under the 1944 legislation — has fallen from 53 per cent. in 1965 to only 27 per cent. last year. Therefore, we must send a signal to employers and, even more importantly, to disabled people. We have a bounden duty to do so. All I am asking hon. Members to do is simply to assist us tonight in sending those signals.

Question put, That this House doth disagree with the Lords in the said amendment:

The House divided: Ayes 258, Noes 208.

Division No. 206] **[6.17 pm**

AYES

Adley, Robert	Boscawen, Hon Robert
Alexander, Richard	Boswell, Tim
Alison, Rt Hon Michael	Bottomley, Peter
Amess, David	Bottomley, Mrs Virginia
Amos, Alan	Bowden, A *(Brighton K'pto'n)*
Arnold, Jacques *(Gravesham)*	Bowden, Gerald *(Dulwich)*
Arnold, Tom *(Hazel Grove)*	Bowis, John
Ashby, David	Boyson, Rt Hon Dr Sir Rhodes
Aspinwall, Jack	Braine, Rt Hon Sir Bernard
Atkins, Robert	Brandon-Bravo, Martin
Baker, Rt Hon K. *(Mole Valley)*	Brazier, Julian
Baker, Nicholas *(Dorset N)*	Bright, Graham
Banks, Robert *(Harrogate)*	Brittan, Rt Hon Leon
Batiste, Spencer	Brooke, Rt Hon Peter
Bellingham, Henry	Brown, Michael *(Brigg & Cl t s)*
Bendall, Vivian	Bruce, Ian *(Dorset South)*
Bennett, Nicholas *(Pembroke)*	Buchanan-Smith, Rt Hon Alick
Benyon, W.	Buck, Sir Antony
Biffen, Rt Hon John	Budgen, Nicholas
Bonsor, Sir Nicholas	Burns, Simon

Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Clark, Hon Alan *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cran, James
Critchley, Julian
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Dykes, Hugh
Eggar, Tim
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gale, Roger
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Glyn, Dr Alan
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Gower, Sir Raymond
Greenway, John *(Ryedale)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Hicks, Mrs Maureen *(Wolv. NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th m)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, G. *(Cannock & B'wd)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Key, Robert
King, Roger *(B'ham N'thfield)*
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Leigh, Edward *(Gainsbor'gh)*
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Sir Nicholas
McCrindle, Robert
Macfarlane, Sir Neil
MacGregor, Rt Hon John
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marlow, Tony
Martin, David *(Portsmouth S)*
Maude, Hon Francis
Mayhew, Rt Hon Sir Patrick
Mellor, David
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Monro, Sir Hector
Montgomery, Sir Fergus
Morris, M. *(N'hampton S)*
Moss, Malcolm
Neale, Gerrard
Needham, Richard
Neubert, Michael
Nicholson, David *(Taunton)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Irvine
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raison, Rt Hon Timothy
Rathbone, Tim
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Sayeed, Jonathan
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stern, Michael
Stewart, Allan *(Eastwood)*
Stewart, Andy *(Sherwood)*
Stokes, John
Stradling Thomas, Sir John
Summerson, Hugo
Taylor, John M *(Solihull)*
Tebbit, Rt Hon Norman
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thurnham, Peter
Townsend, Cyril D. *(B'heath)*
Vaughan, Sir Gerard
Waddington, Rt Hon David
Walker, Bill *(T'side North)*
Waller, Gary
Wardle, Charles *(Bexhill)*
Watts, John
Wells, Bowen
Wheeler, John
Widdecombe, Ann
Wiggin, Jerry
Wilshire, David
Winterton, Mrs Ann
Wood, Timothy
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Tony Durant and
Mr. Mark Lennox-Boyd.

NOES

Abbott, Ms Diane
Adams, Allen *(Paisley N)*
Allen, Graham
Alton, David
Archer, Rt Hon Peter
Armstrong, Hilary
Ashdown, Paddy
Ashley, Rt Hon Jack
Barnes, Harry *(Derbyshire NE)*
Barnes, Mrs Rosie *(Greenwich)*
Battle, John
Beckett, Margaret
Beith, A. J.
Benn, Rt Hon Tony
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Brown, Ron *(Edinburgh Leith)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Campbell, Menzies *(Fife NE)*
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Cartwright, John
Clarke, Tom *(Monklands W)*
Clay, Bob
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Cryer, Bob
Cummings, John
Cunningham, Dr John
Dalyell, Tam
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Doran, Frank
Douglas, Dick
Duffy, A. E. P.
Dunnachie, Jimmy
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Ewing, Mrs Margaret *(Moray)*
Faulds, Andrew
Fearn, Ronald
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, John
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Gordon, Mildred
Graham, Thomas
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Doug
Hinchliffe, David
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Hughes, John *(Coventry NE)*

Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Illsley, Eric
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Jones, Martyn *(Clwyd S W)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilfedder, James
Kirkwood, Archy
Lamond, James
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
Macdonald, Calum A.
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
Maclennan, Robert
McNamara, Kevin
McTaggart, Bob
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Prescott, John
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steel, Rt Hon David
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Taylor, Mrs Ann *(Dewsbury)*
Thomas, Dr Dafydd Elis
Thompson, Jack *(Wansbeck)*
Turner, Dennis
Vaz, Keith
Wall, Pat
Wallace, James
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Wise, Mrs Audrey
Worthington, Tony
Wray, Jimmy
Young, David *(Bolton SE)*

Tellers for the Noes:
Mrs. Llin Golding and
Mr. Tony Banks.

Question accordingly agreed to.
Lords amendment No. 8 disagreed to.

Clause 19

PROVISIONS SUPPLEMENTARY TO OR CONSEQUENTIAL ON SECTION 17

Lords amendment: No. 9, in page 18, line 28, after "1972" insert
"or in relation to Scotland section 56 of the Local Government (Scotland) Act 1973"

6.30 pm

Lord James Douglas-Hamilton: I beg to move, That this House doth agree with the Lords in the said amendment.

It is a straightforward drafting amendment to include reference to Scottish legislation, and should have been included from the outset. The provisions of section 58 of the Local Government (Scotland) Act 1973 are, so far as relevant here, the same in effect as those of section 101 of the 1972 Act, and the same provision should be made in respect of arrangements made under section 56 as are made in respect of section 101.

Question put and agreed to.

Clause 28

PROHIBITION ON PROMOTING HOMOSEXUALITY BY TEACHING OR BY PUBLISHING MATERIAL

Lords amendment: No. 10, in page 28, leave out lines 18 and 19 and insert—
"(a) intentionally promote homosexuality or publish material with the intention of promoting homosexuality"

Read a Second time.

Dr. Cunningham: I beg to move amendment *(e)* to the Lords amendment, at end add
'other than by any action undertaken for the purpose of discouraging discrimination against or protecting the civil rights of any person.'

Mr. Deputy Speaker (Mr. Harold Walker): With this, it will be convenient to discuss amendment *(f)* to the Lords amendment, at end add
'except that nothing in this subsection shall prevent the provision of any service by a local authority to any person where that provision is necessary in the view of the authority for a purpose other than that prohibited by this subsection.'

Dr. Cunningham: Welcome though the Lords amendments are, frankly, they are simply not good enough to satisfy our remaining fundamental objections to the clause.

Before I refer to the amendments in detail, I reiterate our view of the major issues that are involved in this clause. The clause affects all local government, all education services, and the arts and library services of our country. It has caused a storm of protest, and understandably so. Here we are dealing with fundamental issues of principle. It is not just a provision to ensure neutrality on homosexuality. Much more than that is at stake. Indeed, everyone's right to information and the arts, the rights of minorities, the way in which a free society is tolerant of diversity, the way in which a free society organises itself, the way in which minorities are protected in a free and plural democratic society are at the heart of our objections to the provisions of clause 28.

We are confronted here with issues of people's civil rights and individual freedoms. We are confronted here with the possibility of an extension of censorship, either deliberately or by default. That is why the Arts Council of Great Britain has been so active in opposing the provisions of the clause, arguing, as we do, the severe risk that prohibition on "promoting" homosexuality will prohibit almost any literary or artistic activity that has an element of homosexuality within it.

The provisions set a dangerous precedent. The clause represents a new and inherently dangerous direction for the law to take. It breaches an important principle of equality before the law, for minorities to seek to advance their own lawful interests, that could in future be extended to other people.

Whatever the Minister says about our amendments and the issues, I hope that he will give the House an assurance, a promise on the record, that the provisions will not be

[Dr. Cunningham]

extended to other public bodies and activities — for example, broadcasting and the Arts Council — which could in future be prohibited on much the same grounds and arguments that could lead to further censorship. I hope that the Minister will make it absolutely clear that the Government have no intention to go further in that direction.

The proposals set a dangerous precedent, because they seek to control what is taught in the classroom, not directly through an education Act, but indirectly by restrictions on the provision of books or other materials that are not themselves prohibited by law. The proposals will encourage discrimination. It is impossible to accept any other construction when the civil rights of homosexuals are already under increased threat and hostility because of the appalling consequences of AIDS. We and many other organisations, including the National Council for Civil Liberties, believe that there is an even greater need to educate and inform and to protect people's equal rights. Whatever is the intention of the supporters of the clause, its impact can only be regressive. Local authorities will have to play safe. They may have to refuse to take any risk in an area that may appear to assist homosexual people, or possibly show them in a favourable light.

The proposals provide an excuse to discriminate against gay and lesbian people. Just as the Sex Discrimination Act 1986 and the Race Relations Act 1976 make it less acceptable to discriminate against women and ethnic minorities, this clause will have the reverse effect and will make it more respectable to discriminate against gay and lesbian people.

These are major and fundamental reasons why further amendments to the clause are necessary. As it stands, it will be bad law, because it is dangerously imprecise in drafting and open to wide and varied, differing interpretation. Take the key words — "promote", "homosexuality" and "acceptability". None of them is defined. As they stand in the Bill at present, they have no fixed meaning. Organisations outside the House and, for that matter, my hon. Friends, others and I have legal opinions almost by the dozen from senior counsel, saying that anything that is published or done in respect of homosexuality could be said to promote it. We need look no further than those legal opinions for reasons why the House should not accept the clause as it stands. The Government amendments to the local authorities' intention do not substantially alter the impact of the clause. It is still dependent upon how the word "promote" is interpreted.

The Government opposed a similar clause in 1986. There has been no explanation from Ministers of why, one year later, they have changed their minds on this matter. There has been no explanation, no argument and no evidence for the about-face by Ministers. There has been no attempt to answer those questions. The Government opposed identical proposals in 1986 specifically because Ministers argued that those proposals were open to harmful misinterpretation. The Government were saying that a year ago. We said it too, but we are saying the same thing now. Why have the Government changed their position?

I believe that they have done so for the basest and most contemptible political motives. I believe that they have done so because they seek some political gain from aiding and abetting bigotry and discrimination against gay and lesbian people. In the absence of any other explanation, that is bound to be the conclusion that people will reach, inside and outside the House. *[Interruption.]* If the hon. Member for Tatton (Mr. Hamilton) wishes to intervene, I am happy to give way to him or to his hon. Friend who is making so much noise from a sedentary position, but does not have the guts to stand up and say publicly what he is muttering in private.

Mr. Toby Marlow (Northampton, North): What the hon. Member for Copeland (Dr. Cunningham) is saying is totally contemptible to democracy. He is saying that the Government should not pay the slightest bit of attention to popular feeling on this issue and that, in his opinion, the population at large is bigoted. I should like him to withdraw that.

Dr. Cunningham: I said no such thing. I was saying that the Government were bigoted and were seeking to encourage bigotry—which, unlike the hon. Member for Northampton, North (Mr. Marlow), I do not believe is a trait displayed by the majority of people in Britain. On the contrary, I think that the majority of people are decent and civilised in their approach to these matters, as we ought to be in any plural democratic society.

Mr. Nicholas Fairbairn (Perth and Kinross): This is a very important point. The hon. Gentleman expressed an attitude of principle. He identified what he calls gay and lesbian people, but he must do the House the duty of saying to what extent he regards perversion in any psychopathological form as wrong. There is no question at all that homosexuality in either sex is psychopathological perversion.

Dr. Cunningham: Many people, in particular homosexual people, will find the remarks of the hon. and learned Member for Perth and Kinross (Mr. Fairbairn) deeply offensive. Apparently, he fails to recognise the reality of different people's sexual orientation. His intervention shows that he is portraying the very characteristic about which I was complaining among Ministers. He is showing a form of bigotry about these issues which has no place in our debates.

Mr. Fairbairn: It is honourable that the hon. Gentleman has given way again, but it is not simply a question of different orientation. Sadism and masochism are not just orientations of human conduct; they are psychopathological manifestations of morbid conduct — and homosexuality is the same.

6.45 pm

Dr. Cunningham: I regret having given way to the hon. and learned Gentleman again. He has just repeated something which I think is totally unacceptable and, frankly, also wrong.

Mr. Nicholas Bennett (Pembroke): The hon. Gentleman talked about the Government changing their mind. Will he help the House by explaining why he supported what was then clause 27 in Standing Committee? He said:

"I shall vote for the amendment and I hope and expect that my right hon. and hon. Friends will do the same."

In regard to the ban on the promotion of homosexuality he said:

"We do not wish to change that in any way, shape or form."

Dr. Cunningham: If the hon. Member for Pembroke (Mr. Bennett) were to read all of what I said, he would see that I went on to say:

"it is not, and never has been,"

nor do we expect or want it to be

"the duty . . . of any local authority to promote homosexuality."—[*Official Report, Standing Committee A*, 8 December 1987; c. 1211-14.]

No one is asking for that. Gay and lesbian people do not want that.

Since the hon. Gentleman was talking about the record, perhaps he will also acknowledge, as I am sure he knows, that I said in Committee on behalf of my hon. Friends in response to something produced at a very short notice in the Committee that we were fundamentally opposed to some of the provisions of this clause and we would seek to amend it drastically on Report.

That is what we tried to do, with the greatest support from outside the House. The hon. Gentleman and his right hon. and hon. Friends voted down those very wide-ranging amendments. We are now presenting the House with yet another opportunity to do exactly that today. I hope that the hon. Gentleman, having reflected on it, will take a different view now from the one that he took at the time.

We oppose the proposals because the prohibition on promoting homosexuality covers any and every activity in which a local authority engages in furtherance of its duties and responsibilities.

It is not an abuse for local authorities to recognise the existence of a minority in their communities. Estimates suggest that 10 per cent. of the adult population in Britain may be gay or lesbian people. It is not an abuse for a local authority to devote — as some do quite properly — relatively small resource allocations to meet the legitimate needs of those minorities. That is not an abuse. It is a perfectly proper thing for local authorities to do, and should be acceptable in a civilised society.

As we have argued before, the teaching of children in school and other places of education also could be adversely affected by the proposals, as could essential activities such as the counselling of young people because of their own sexuality or that of their parents.

Amendment No. 10 was said to be moved by the Government in the other place to clarify the Government's position on what was meant by "intentionally promoting homosexuality", although, as I have argued, the meaning of those words is still unclear. The amendment introduces some limitation, however minor, on the concept. As I said, we certainly will not oppose it, but it simply does not go far enough. Other Government amendments accepted in the other place make explicit reference in subsection (1)(b) to the publication of material, and further reference to "financial or other assistance" for the purposes of promotion are welcome in so far as they go, but they do not remove the fundamental objections.

Amendment No. 12 is simply a declarity, in that it states that a court shall draw such inferences from evidence before it as it sees fit. That does not seem to move the debate on at all.

The amendments tabled in my name and in the name of my right hon. Friend the Leader of the Opposition deal with the issues of civil rights and the provision of services for a purpose other than the promotion of homosexuality. I am grateful that they have been selected for debate.

I do not want to be too unkind to the hon. Member for Southwark and Bermondsey (Mr. Hughes) as we are probably speaking on the same side of the argument — *[Interruption.]* Well, I welcome the fact that we are on the same side on an important issue of civil liberties. I suppose that he must somewhat regret his comments that were published in *The Independent* this morning — although perhaps, like me, he was not consulted by the journalist who wrote the article in the first place. However, I am grateful that we are on the same side of the argument in this debate.

The amendment, inserted by the Government on Report in the House of Lords, does not go far enough. Amendment *(e)* would qualify the prohibition on the promotion of homosexuality in relation to

"any action undertaken for the purpose of discouraging discrimination against or protecting the civil rights of any person."

It is an important amendment, pointing to a serious practical difficulty which has still not been resolved either by the Government or by the House of Lords.

Amendment *(f)*, which is also tabled in the name of my right hon. Friend the Leader of the Opposition and myself, goes even further. It would deal directly with the question of a service provided for a purpose other than "the promotion of homosexuality", which, under the clause, would risk falling within the prohibition. The amendment provides that where a service is provided for another purpose and where the provision is necessary to meet a need within the community, it should fall outside the terms of reference of the clause.

The amendment seeks to highlight the areas of activity that are undertaken as part of a council's provision which might be thought to have an indirect consequence in the terms of the clause. *[Interruption.]* The hon. Member for Northampton, North is muttering again. I hope that he will participate in the debate and put his views on the record. I am trying to explain to him the purpose of our amendments. If he has something to say, I hope that he will try to catch your eye, Mr. Deputy Speaker.

The fact is that the Government, at least privately they do not have the courage to say so publicly must be deeply regretting ever having given way to the pressures to embark on this legislation in the first place. There have been many debates in both Houses, and debates and demonstrations around the country, illustrating not only the depth of opposition to this proposal, but the deep concern that is felt by many people in all walks of life, including people way beyond the boundaries of the Labour party or, indeed, any other political party.

I make it clear that we do not support the intentions of the clause. The motives and implications behind it are deeply to be deplored. It should not be accepted by Parliament. I make it absolutely clear that a future Labour Government would not allow the implications and provisions of the clause to remain on the statute book.

Mr. Robin Squire (Hornchurch): I have listened to our previous debates in the Chamber and suspect that I have read as widely as any hon. Member on this issue both since and during our proceedings. I did not support the clause originally and all that I have subsequently seen has not ultimately persuaded me to change my mind. Amendments *(e)* and *(f)* that were moved earlier, by the hon. Member deserve support.

I begin on a point on which I hope that I can unite hon. Members. I recognise, as I think do all hon. Members, the

[Mr. Robin Squire]

importance of protecting our children from evil influences, however defined. I speak as someone who has two teenage children of my own, so I have a little knowledge of what is involved. However, the permutations of wording through which this House and the other place have gone have not persuaded me that we have either justified the need for the clause or that the wording that we have produced is other than a minefield, awaiting exploitation by scores of lawyers in years to come. I do not know whether "promotion" means "talking about", or "selling the advantages of", to take but two possible interpretations. Undoubtedly, hon. Members could provide many more.

I speak as one of the honorary vice-presidents of the Conservative group for homosexual equality. We want to put forward four brief points. I hope that if my hon. Friend the Minister for Local Government cannot answer them during the debate, he will at least take account of them. They relate to the question, "What is 'promoting homosexuality'?" First, if a local authority assisted a well-run counselling service to help homosexuals to come to terms with their sexuality and to cope with the consequences that many experience, is that "promoting homosexuality"? Secondly, if a local authority allowed a homosexual organisation to hire a room in one of its buildings for a public meeting on the same terms as any other organisation — I am referring to law-abiding citizens—is that "promoting homosexuality"? Thirdly, if a local authority bought for its public libraries books that discussed homosexual love favourably or presented sympathetically the lives of homosexuals such as the late Lord Britten and Sir Peter Pears, is that "promoting homosexuality"? Fourthly, if sex education classes presented homosexuality in a balanced way, as required by the Department of Education and Science under the Education (No. 2) Act 1986, is that "promoting homosexuality"?

Mr. Marlow: Yes.

Mr. Squire: From a sedentary position, my hon. Friend says "yes", and in that case we have a slight problem of conflict with the law.

I have mentioned that I have two children. I happen to think that the teaching of sexuality of any sort does not belong in school. I believe that the hon. Member for Lewisham, Deptford (Ms. Ruddock) made some comment to that effect in our earlier exchange. I agree completely that school is not the place for that sort of thing. However, it is the place for teaching an honest and balanced approach to this subject just as to any other.

In one of our national newspapers today — the most well-read one — there is a cartoon portraying a middle-aged man retiring through the front door of his house, leaving his son, who is drawn effeminately, hanging by a rope from a lamp post, having clearly been hanged or attempted to be hanged. I put to one side those people who may find the subject funny — presumably that is why they drew a cartoon — because that is not the point that I want to make. In my constituency, I probably have a substantial minority of law-abiding, God-fearing Roman Catholics — I suspect a proportion similar to the number of homosexuals and lesbians

Mr. Tony Banks (Newham, North-West) *rose*—

Mr. Squire: I shall give way to the hon. Gentleman when I have finished my point.

If it were suggested that a cartoon be drawn, portraying either some militant Protestant group stringing up some Roman Catholic, or the other way round — some Roman Catholic stringing up an identified Protestant— we would be outraged and would raise that issue on the Floor of the House saying, "This is disgraceful." As a further example—again it is an obvious one—if we were even contemplating similar action from somebody of one colour against somebody of another colour, who is another law-abiding citizen we would again be horrified. The person responsible would be in breach of the law, as I understand it, because they would be accused of inciting racial prejudice. I remind hon. Members that we are talking about a law-abiding minority.

Mr. Tony Banks: I am glad that the hon. Gentleman mentioned the cartoon by Franklin in *The Sun* and which I have referred to the Press Council. If the hon. Gentleman is seeking to make a parallel with that cartoon, I suggest he looks at *Der Angrif*—a German newspaper that was produced by Julius Streicher, the Jew-baiter, in Nazi Germany. I believe that Franklin bases his cartooning models upon that newspaper.

Mr. Squire: I am grateful to the hon. Gentleman for that information.

7 pm

Mr. Neil Hamilton (Tatton): I go along with what my hon. Friend says and I share his disgust at the cartoon in *The Sun*. Does my hon. Friend agree that part of the reason for such a cartoon appearing in a national newspaper, which is read by millions, is the aggressive proselytising by some local authorities on behalf of homosexuals? That has tended to disgust the vast majority of British people.

Mr. Squire: I appreciate that my hon. Friend's concern is shared by several of my colleagues and it is important. However, in our discussions on this matter and in our attempts to extract evidence, it appears that most of that evidence arises from one book, in one teacher centre, in one school under one authority. I may be wrong, but I have seen no other evidence. Indeed, as I understand it, that book was kept to help teachers who are occasionally asked to advise pupils who come from homes with gay parents. It is important to realise that we do not live in a world where every child lives with a male and female parent.

Mr. David Wilshire (Spelthorne): My hon. Friend has asked for examples and perhaps I can assist. I have in my hand a leaflet that was handed out to 15-year-olds at a Bristol school. I will not read out the details of that leaflet because I do not think that I should—[HON. MEMBERS: "Go on."] Opposition Members may want that, but suffice to say that the leaflet describes and illustrates homosexual activity and underneath that description says:

"Go for it! Share the pleasure with a friend."

That was handed out to 15-year-olds at a school in Bristol —[HON. MEMBERS: "By whom?"] The Terrence Higgins trust.

Mr. Squire: I can only take at face value what my hon. Friend has said. Of course, it is deplorable and despicable that such leaflets exist and I would be happy to add it to my list of one. From a brief glance at that leaflet I cannot

believe that it has been produced by or on behalf of a local authority. I shall pass it over to the hon. Member for Copeland and I will happily give way if he can tell me who is credited with producing it.

Dame Jill Knight (Birmingham, Edgbaston): I am concerned that it appears that my hon. Friend has not read any of the debates that have previously taken place. For instance, on 11 January the debate in the other place drew attention to the fact that children under two have had access to gay and lesbian books in Lambeth play centres.

Mr. Tony Banks: That is not true.

Mr. John Fraser (Norwood): That is a lie.

Mr. Stuart Holland (Vauxhall) *rose*—

Dame Jill Knight: I am not telling lies and I do not believe that it is the practice in this House for one who has intervened to give way again. I am quoting from the House of Lords debate——

Mr. Tony Banks: That does not make it true!

Dame Jill Knight: The person in charge, Mrs. Jill Delaney, playleader of the Windmill gardens play centre, said:

"We have been on training courses where members have access to take this kind of literature into the playgroups but nearly everyone refused. Some of the books on display were terrible. I have children in here as young as 2 years old and I don't think they should be seeing pictures of grown men in the nude in different sexual practices."—[*Official Report, House of Lords*, 11 January 1988; Vol. 491, c. 1013].

Mr. Squire: I cannot respond to that specific point because I do not come from Lambeth and I have not seen the literature about which my hon. Friend complains.

Mr. Fairbairn: Does my hon. Friend not know of such literature?

Mr. Squire: I am quite prepared to admit——

Dr. Cunningham *rose*——

Mr. Squire: There is a queue forming.

In answer to my hon. Friend the Member for Birmingham, Edgbaston (Dame J. Knight), I understand that that charge has been denied in more than one quarter. However, I must leave it to other hon. Members who come from that area to confirm or deny that charge. If my hon. Friend is correct, I share her unease that such literature is available to young children. I recognise the importance of protecting young children and the need to do so.

Tonight we are trying to establish the need for the clause as drafted and to what extent the wording of the clause may influence other perfectly normal law-abiding citizens.

Dr. Cunningham: I believe that the hon. Member for Spelthorne (Mr. Wilshire) should get his facts right. There is no information on the leaflet that he brandished as to who was responsible for its publication or distribution. I believe that the hon. Gentleman should be more accurate and precise in his allegations regarding such sensitive matters.

Mr. Squire: I almost feel that there are two debates going on and I apologise to the extent that I have caused that.

Mr. Fraser: Will the hon. Gentleman give way?

Mr. Squire: I am anxious to make some progress because I am aware that a number of other hon. Members wish to take part.

Mr. Fraser: It is specifically about Lambeth

Mr. Squire: Very well.

Mr. Fraser: I represent Lambeth and my wife is a nursery nurse in the borough. There is not a scintilla of evidence to support the monstrous allegation that has been made by the hon. Member for Birmingham Edgbaston (Dame J. Knight) who, presumably, is strongly in favour of the promotion of heterosexuality, adultery, troilism and all the rest of it as opposed to the promotion of homosexuality, about which she is extremely economic with the truth.

Mr. Holland *rose*——

Mr. Squire: I must press on. I am satisfied that there has been some balance put forward for the Lambeth subculture.

Over the years there has been considerable scientific discussion about the extent to which people can be persuaded to adopt a sexuality that is not their own. In the overwhelming majority of cases it seems that people are born with a particular sexual preference or acquire it during the passage of their lives without the presence of the influences we are discussing. There are many famous examples in history of people who became homosexuals without the benefit of a gay counselling group — we would be foolish to assume that such groups are an absolute essential.

As I have said, I have two teenage children and my wife is a former teacher. In her experience, the suggestion that one can address an average or even below average group of teenagers seeking to proselytise and expect to be heard sympathetically is unrealistic.

There has been much overstatement from both sides about the effect of the clause. It has been suggested that some great works of art, great books and great plays that have been performed for scores of years — including during the time when homosexuality was illegal — are threatened. I doubt that. However, it is possible that the clause as drafted, even with the beneficial effects of amendments *(e)* and *(f)*, will be taken as some sort of signal by a large number of people that society is becoming more intolerant. I remind the House for the last time that we are talking about a law-abiding minority of people. If people break the law, they must be punished through all the avenues available. I do not wish to see my children threatened by sexual or other aggression, but I want to keep a sense of perspective and I very much fear that the clause goes much further than was ever intended.

Mr. Chris Smith (Islington, South and Finsbury): Three months ago I rose to express my distress and disquiet at the sudden appearance of what was then clause 27 of the Local Government Bill. I had hoped that in the intervening months a degree of common sense and decency might have crept into the Government's thinking and that we might now be applauding their decision to withdraw the clause in its entirety from the Bill and to reject everything that it stands for. Sadly, that is not the case. At the Government's behest, their Lordships have made two changes to the clause. Lords amendment No. 11 brings a marginal improvement. Lords amendment No. 12 inserts the idea of intentionality—of itself not an objectionable

[Mr. Chris Smith]

move, but, when qualified with such a sweeping catch-all definition of intention, leaving interpretation totally to the courts, it does nothing to allay the genuine fears that the clause has aroused throughout the country.

The amendments have left untouched the central flaw at the heart of the clause — the undefined, hopelessly vague and dangerously widely interpretable word "promote". The amendments in the name of my right hon. and hon. Friends attempt to circumscribe that word to a certain extent. That is why I support them. If the amendments tabled by the Liberal party are put to the vote, I shall not support them — [HON. MEMBERS: "Not selected."] I am pleased to hear it, because they would have made matters worse.

Three months ago I asked what on earth the originators of the clause meant by the word "promote". After three months of debate and discussion in this Chamber, in the other place, on the radio and television and on platforms up and down the country, that question still remains unanswered. All that we had in the intervening period were statements such as, "Well, we all know what we mean by 'promote', don't we?" or, "We all know that boroughs like Haringey are up to no good," or, "Of course, there will be no threat to sensible acceptable activities conducted by local authorities." None of those statements represents an accurate analysis of what the word "promote" can be interpreted as meaning by the courts. It is not good enough for the Minister to write to me, as he generously did after the debate before Christmas, to say that in his view none of the activities that I had listed as potentially unlawful under the clause would be caught by it. It is not up to the Minister to interpret what the word "promote" means; it is up to the courts.

After reading through many pages of the House of Lords *Hansard*, the only attempt at a definition that I could find — in all the many hours of debate — came from the Earl of Caithness, who is the Minister for Environment, Countryside and Water. He referred to local authorities that have in the recent past promoted homosexuality —

"that is, giving it a standing over and above the standing that is given to similar matters." — [*Official Report, House of Lords*, 1 February 1988; Vol. 492, c. 937.]

If I were in the business of writing a dictionary, I would certainly not go to the noble Lord for clarity of definition. Such an attempt to define what the word "promote" means takes us no further.

7.15 pm

Because of that lack of definition, the central problem remains. The clause will potentially affect any service provided by any local authority for, or on behalf of, or in support of, gays and lesbians in that local authority's area. Let me take just two examples to illustrate my point. First, let us suppose that a teenager begins to discover that he is gay. He feels nervous, upset and isolated. He may be on the verge of contemplating suicide, as the studies suggest many such young people are. Because he would find it difficult to turn to anyone else, he turns to a teacher at his school. He asks, "What on earth is all this about?" In such circumstances, any teacher worth his salt would sit the pupil down and say, "Look, there is nothing at all to be worried about. This is perfectly acceptable. There are millions of people who are gay and they make a valuable contribution to society. There is no reason for you to feel isolated or abnormal about what you are and what you are feeling."

That teacher would attempt to advise and counsel and make the teenager feel better about himself and about what he was coming to understand about himself. Would such a teacher be in contravention of the clause? As I understand the clause — certainly as I understand the wishes of those who brought the clause forward — such a teacher would, indeed, be contravening the clause. That means that the important advice and counselling that ought to be available to that very concerned, very scared, teenager will not be available to him. That worries me deeply.

My second example relates to a local authority-owned art gallery wishing to sponsor an exhibition of paintings by David Hockney. I choose the painter advisedly because of what he has said forcefully in recent days. The local authority will fear that it risks being in contravention of clause 28, not simply because David Hockney happens to be gay, but because David Hockney's paintings frequently celebrate the fact that he is gay. That is the key point that will concern a local authority when it is considering whether to mount an exhibition of paintings by one of Britain's greatest artists. I believe that the way in which the clause will be interpreted moves us a step closer to censorship of the arts because that is how it is likely to affect local authorities. I have given just two of many examples.

Mr. Neil Hamilton: For many years we have had a law — in statute, and before that in common law — against indecent displays and obscenity. The hon. Gentleman will know that a great many art galleries in this country contain classical paintings of great distinction depicting scenes of sexual violence and what many people might call depravity. Does he know of any prosecutions — under common law or statute law — that have taken place for contraventions of that law?

Mr. Smith: The hon. Gentleman makes two mistakes. The first mistake is that the law on matters that are obscene and indecent specifically includes artistic and literary merit as a defence in the Obscene Publications Act 1959. There is no such defence in clauses 28 and 29. Lord Boyd-Carpenter explicitly state in another place that the artistic element would not be a defence if a prosecution were brought under this clause if it continues to be part of the Bill and if the Bill is enacted.

The hon. Gentleman's second mistake is that exhibitions of paintings of the sort that I have described might conceivably be prosecutable under the 1959 Act. That measure can be used to bring prosecutions for matters that are obscene and indecent. If the hon. Gentleman is supporting the clause and its inclusion in our body of law, he is wishing to tighten the law on obscenity further to restrict the definition of obscene and indecent. I suggest that this is the wrong place to do that. If he is taking that approach, he is adopting the wrong course.

I have given two examples of the practical, potential implications of the clause. In many ways it will make life worse for teachers, administrators, pupils, artists and librarians. It will have that effect on hundreds of thousands of ordinary citizens. It will make life richer for some lawyers and a handful of bigots who want to use the

law to their own advantage. To such depths, in the desire of populist advantage, is it sought to drag the Government, a Government who should know better.

More enraging and distressing by far than the practical implications of the clause are the motives that underly it. These motives have not been changed one bit by the amendments that have been tabled in the other place. They remain profoundly undemocratic, anti-libertarian and destructive of all the traditions of tolerance for which this country used to stand.

The proponents of the clause have been saying persistently throughout the country that there is only one form of relationship, one form of sexuality and one form of lifestyle that is acceptable. That form of sexuality will be endorsed, approved, applauded and given enhanced legal status, and everything else will become second-class. It is a view which refuses to recognise the difference, the diversity and the very richness of human life and human society. It is intolerant, immature and undemocratic, and I venture to assert that it is profoundly immoral.

William Shakespeare wrote a major speech as part of a collaborative play about the life of Sir Thomas More. In that play, the king sent out Sir Thomas More to meet the mob that wishes to drive out the strangers from its midst — the immigrants, the black people, the gays and the lesbians. Sir Thomas More goes out to meet the crowd. He tries to persuade it that it is wrong to drive out strangers and that it might not be in its interests to do so. Shakespeare has Sir Thomas More saying:

"Graunt them remoued, and graunt that this your noyce
Hath chidd downe all the maiestie of Ingland;
Ymagin that you see the wretched straingers,
Their babyes at their backes and their poor lugage,
Plodding tooth ports and costes for transportacion,
Aud that you sytt as kinges in your desyres,
Aucthoryty quyte sylenct by your braule,
And you in ruff of your opynions clothd;
What had you gott? I'le tell you: you had taught
How insolence and strong hand shoold preuayle,
How ordere shoold be quelld; and by this patterne
Not on of you shoold lyue an aged man,
For other ruffians, as their fancies wrought,
With sealf same hand, sealf reasons, and sealf right,
Woold shark on you, and men lyke rauenous fishes
Woold feed on on another."

That is the sort of society that I do not wish to see in this country. It is the sort of society that the progenitors of the clause will bring about. It is a society in which there is one form of acceptable existence, a society in which everything else is second-rate and second-class.

I said three months ago that true morality and true decency mean accepting and celebrating diversity and being tolerant of the fact that everyone, no matter who or what he is, is entitled to live and lead his own life. That is what I shall continue to stand for in the House. I dearly hope that the House will reject the clause and support at the very least the amendments that stand in the names of my right hon. and hon. Friends.

Several Hon. Members *rose*—

Mr. Deputy Speaker: Order. It seems sensible and for the benefit of the House if I allow the debate on the amendment to touch upon matters that are covered by other Lords amendments. I remind the House, however, that we are not debating whether the clause should stand part of the Bill. I hope that hon. Members will bear that in mind.

Mr. Fairbairn: If I may say so, I do not think that the clause will enrich lawyers. There is one fundamental matter that the House should understand and say. Contrary to what the hon. Member for Islington, South and Finsbury (Mr. Smith) has said, homosexuality is not one of the paths of sexual expression which diversify and enrich human experience. In male homosexuality — homos in Greek meaning "the same" and homo in Latin meaning "man" — there is a perversion of a human function. It is using the excretory anus and rectum with a reproductive organ. That might in itself give us pause, but anyone who comprehends the deep libidinal and psychological orgins of male and female homosexuality should understand that it is a major and unnatural perversion.

Mr. Allan Roberts (Bootle): Will the hon. and learned Gentleman give way?

Mr. Fairbairn: I shall give way in a moment.

There are other perversions. As a lawyer who has practised at the criminal Bar, I have met many psychopaths. I have met also many bank robbers. I have met people with all sorts of perversion, who decide either to indulge in them or to refrain from them. It is ill in a debate on the education of children that the concept of the indulgence of deeply seated character perversions should be regarded as a mere alternative. If it is a mere alternative, aggression and sadism are merely parts of the diversity of human experience.

To take up the speech of the hon. Member for Islington, South and Finsbury, let us consider the small child who goes to his teacher and says, "I have an urge to shoplift. I feel isolated because people tell me that there is something abnormal and wrong about shoplifting." The teacher says, "You must not feel isolated, dear boy. It is just another manifestation of the glorious diversity of human behaviour. So be at home and worry not. There is no morality.". I have not heard the words "right", "wrong", "good" or "bad" in the speeches of those who object to the promotion that is to be forbidden under the clause.

7.30 pm

Mr. Holland: The hon. and learned Gentleman is concerned about corruption of the young. He has quoted Greek and has challenged whether things are right or wrong. Does he think that it was right that Socrates should have been prosecuted for corrupting the young? Does he also think it right that hemlock should have been the punishment?

Mr. Fairbairn: That leads me to a very different matter.

Mr. Holland: Yes or no?

Mr. Fairbairn: It is not a question of yes or no. It is a question of yes or no that Socrates, in corrupting the young, was guilty of a criminal offence. Eventually, the glories of Greece and Athens and their philosophy were smothered and corrupted by the very matter which he spread, as indeed Rome was as well. I do not want to take as long as Gibbon took to write "The Decline and Fall of the Roman Empire".

Let us be clear about this. Leonardo da Vinci was a homosexual. So was Peter Pears. The fact that a person has this morbid squint is not a reason to condemn him for all else that he does. In wartime, lots of people indulge instincts of aggression and sadism which they keep in

[Mr. Fairbairn]

control if they are not given the opportunity to exercise them. I have appeared in capital cases for many people who failed to keep those sentiments in check. But that is not an alternative of the diversity of the expression of psychosexual activity which—*[Interruption.]* The hon. Member for Bootle (Mr. Roberts) may laugh, but he should understand what motivates people who want to shoot, kill, stab, hit children or be aggressive. *[Interruption.]* Opposition Members may laugh but a simple message should go out from the House. Sodomy and buggery are not natural alternative sexual acts. They are perversions. They result from deep-seated psychopathological perversion. The House should not be seen to say that it is as right to be wrong as it is wrong to be right.

Mr. Tony Benn (Chesterfield): I would not like to follow the hon. and learned Member for Perth and Kinross (Mr. Fairbairn) too far, but I can think of nothing more psychopathologically sick than to devote one's life to the pursuit of those who follow practices which the hon. and learned Gentleman finds undesirable and to incite the public to hate them. The hon. and learned Gentleman is not a psychiatrist and neither am I. The only reading which I can make of his speech is that he has revealed what many people would regard as a genuine sickness which could do damage to others.

I have never spoken before in the House on this subject, but I am moved to do so by growing alarm at the effect that the clause would have upon millions of people and not only upon those who are gay or lesbian, for their relatives have a concern for them and know that this campaign has been whipped up by the gutter press which has done more to lower the standard of personal and public morality than any others in modern British society.

The hon. and learned Gentleman is a lawyer and I am not, but I think that the cartoon in *The Sun* today is an incitement to violence, if not to murder. Those who advocate policies which have that consequence, in collaboration with proprietors who believe that they can increase their circulation by conducting those campaigns, share the moral responsibility for what will flow from them.

Mr. Fairbairn: The right hon. Gentleman has misunderstood what I said. Let us take many people in history. Let us take Oscar Wilde, one of our greatest playwrights and one of the greatest users of the English language. Let us take Lawrence of Arabia. Many people are homosexual. That is absolutely no criticism of them as people. We are not discussing that. What we are discussing is whether or not a local authority should try to persuade people that if they are homosexual they might be Oscar Wilde.

Mr. Benn: When the hon. and learned Gentleman reads his speech, I think he will realise that each intervention makes it worse. If it is wrong for local authorities to promote homosexuality, why is it not wrong for anyone to promote it?

I admired the speech of the hon. Member for Hornchurch (Mr. Squire). If local authorities cannot do something which will be covered by the clause, the next stage will be that no one can. Every leaflet, every pamphlet, every play and every book would be considered on the basis of whether it put forward a psychopathological condition if we accept the view of the hon. and learned Member for Perth and Kinross.

I believe that the pursuit of people who are gay and lesbian is as morbid as could be imagined. It is one thing for the popular press, the sewer press, to pursue such a campaign, but for a Government who have responsibility for the education of children to adopt that campaign and to make it part of the statute of the land can only be interpreted as the crudest opportunism for political purposes. That is my conviction. The effect of it is to scapegoat gays and lesbians. Whatever may be said in the House by Ministers, the courts will not take into account assurances by Ministers. The courts take account only of the wording of legislation.

This is the most blatantly and dishonestly worded clause that I have ever come across. I shall tell the House why. If the sense of the word "promote" can be read across from "describe", every murder play promotes murder, every war play promotes war, every drama involving the eternal triangle promotes adultery; and Mr. Richard Branson's condom campaign promotes fornication. The House had better be very careful before it gives to judges, who come from a narrow section of society, the power to interpret "promote".

The hon. and learned Member for Perth and Kinross used vivid language, which no doubt will guarantee him a place in *The Sun* tomorrow. *[Interruption.]* Of course it will; he knows it well. He is expert at getting himself into the newspapers on sexual matters. I remind the hon. and learned Gentleman that some of the most horrific sexual crimes are crimes within a heterosexual context. That is so with many rapes and much mutilation, which is promoted in videos and films. These show the crime of one person against another, not the love of one person for another.

To identify homosexual and gay relationships specially as contributing to crime is to fly in the face of all the evidence that as there is more heterosexual sexual activity, more crime is associated with it than with gay and lesbian relationships.

Mr. Fairbairn *rose*—

Mr. Benn: I will give way, but I do not want to detain the House.

Mr. Fairbairn: I did not suggest that homosexuality produced crime. However, as the right hon. Gentleman has said that I am good at getting into the papers on sexual matters, will he be good enough to tell me Fiona Fullerton's telephone number?

Mr. Benn: Since the clause first appeared, I have received many letters from people who are gays and lesbians who are in genuine fear for their safety and for their lives. Any hon. Member who is interested in civil liberties will be aware that the harassment of gays and lesbians, first initiated by the sewer press and now by the clause for which the Government are responsible, is a major problem. People are afraid of the legislation and of the effect of the Government's endorsement of this scapegoating.

I wondered how I could best contribute to the debate and give my testimony against the clause. I have decided to read to the House in full the resolution on lesbian and gay rights carried by the Labour party conference two and a half years ago. I have sent copies of this resolution to the

people who wrote to me. I want to read it out and put on the record the resolution that was passed at the Labour party conference by a majority of more than half a million. The resolution states:

"This Conference opposes all discrimination against lesbians and gay men and recognises that this discrimination is institutionalised in society. Conference notes that existing Labour Party policy with regard to homosexuality fails to meet the legitimate demands of lesbians and gay men and that a consistent and principled campaign conducted over a number of years is necessary to reverse that failure. Conference therefore:

(1) instructs the NEC to draft a lesbian and gay rights policy which would specifically:

(a) declare that lesbian and gay relationships and acts are not contrary to the public policy of the law and that judges must not use their discretion under Common Law to invent new and discriminatory offences;

(b) repeal all criminal laws which discriminate against lesbians and gay men, and clarify and codify those sections of the Common Law which deal with public morality;

(c) in this clarification they should be guided by the maxim that there should be no crimes without victims;

(d) prohibit discrimination against lesbians and gay men in child custody cases;

(e) prohibit discrimination and unfair dismissals on grounds in any way connected with lesbian and gay sexuality or life-style;

(f) prevent police harassment of lesbians and gay men.

(2) Calls upon "—

this is relevant to the Bill—

"all Labour local authorities to adopt practices and policy to prevent discrimination against lesbians and gay men, and in particular:

(a) adopt and enforce equal opportunities in relation to lesbians and gay men along the same lines as Islington, Hackney, GLC, Manchester, Brent and Nottingham;

(b) end discrimination against single people and lesbians and gay men in housing policies;

(c) support financially and otherwise special lesbian and gay phone lines, centres and youth groups;

(d) publicise these anti-discrimination policies.

(3) Instructs the NEC to

(a) organise a campaign of education among Labour Party trade union membership on lesbian and gay oppression in conjunction with the Labour Campaign for Lesbian and Gay Rights;

(b) produce a leaflet for public campaign using the slogan 'the Labour Party support lesbian and gay rights—join the Labour Party'.

(4) Instructs the NEC to set up a sub-committee to organise the implementation of this policy."

That resolution was carried under our voting system with 3,395,000 voting for and 2,805,000 voting against. Conservative Members may laugh, but the Labour party conference reaches decisions. It does not simply give ovations to the leader who drafts the policy.

Every Labour Member of Parliament was elected knowing the resolution on lesbian and gay rights reached at the Labour party conference. Tory Members, the artificial psychiatrists and people with prejudices can laugh as much as they like. The day will come when people will look back on this debate and be glad that there were hon. Members on both sides of the House who stood against what is an incitement to harass decent people, who, in the course of their orientation, have adopted gay and lesbian practices which are not contrary to the law of the land.

I wanted to put that testimony into *Hansard* because people are frightened by what is happening. They want to know that there are people in this House who believe that the policy is wrong, is motivated wrongly, is drafted wrongly and is designed to gain political advantage out of scapegoating a minority who should be left to enjoy their civil liberties.

7.45 pm

Dame Jill Knight: Having listened with fascination to all that the right hon. Member for Chesterfield (Mr. Benn) has read out, I must say that there is nothing in the resolution which states that the Labour party believes that children in schools should have the homosexual lifestyle thrust on them as a desirable alternative to normal heterosexual marriage.

The clause is about protecting children. It has absolutely nothing to do with what the right hon. Member for Chesterfield has just read out. There is no doubt that children have been subjected to a most unhappy, unfair and wrong promotion campaign to try to turn them into supporters of homosexuality.

If anyone doubts that, why did the children's parents complain? When those parents complained, why were they subjected to such vicious treatment? I cannot think it right——

Mr. Pike: Will the hon. Lady give way?

Dame Jill Knight: No, I am in the middle of a sentence.

I cannot think it right that parents who complained about what was being done to their children at school should have been kicked and spat upon. If their children had not been treated in the way that I have described, the parents would not have complained.

One of the things that has impressed me——

Mr. Pike: Is it true?

Dame Jill Knight: The hon. Gentleman asks whether it is true. If it is not true, why did the parents complain? That is the point of the matter.

Mr. Holland: Will the hon. Lady give way?

Mr. Pike *rose*——

Dame Jill Knight: I will give way to the hon. Member for Burnley (Mr. Pike) because he asked me first.

Mr. Pike: Will the hon. Lady produce evidence to support her claim? Does she recognise that the clause goes way beyond the protection of children? Will she also accept that, if the protection of children is the main cause for concern, we must give the same protection to children from the threat from heterosexual abuse, which is far more common and a bigger threat to children than the lesbian or gay threat.

Dame Jill Knight: The clause has nothing to do with criminal abuse. The clause attempts to stop what has been happening to children. The hon. Member for Burnley must understand the point that I have already made twice: if parents did not believe that what was happening was wrong, why did they complain, and complain to some Conservative Members who tried to stand up for their rights?

Ms. Diane Abbott (Hackney, North and Stoke Newington): Where?

Dame Jill Knight: The evidence is clear for anyone who will take the trouble to read the debates in another place and in this place. I am amazed at the deliberate blindness and deafness of Opposition Members.

Several Hon. Members *rose*——

Dame Jill Knight: I will not give way. I want to get on; I do not wish to make a long speech.

I have been amazed at the way in which the clause has been interpreted by people outside the House, and astonished at some of the things that have been said this evening. In all fairness, they have only been the same things that have been said by the demonstrators. People are screaming and yelling that books by William Shakespeare will all be banned from libraries. That is ridiculous: nothing in the clause could bring that about.

I wonder why people who say that it is terrible to burn books from a library, or ban them, when they are for adults — I agree with them — have taken no action against the banning of "Thomas the Tank Engine", Enid Blyton, Rupert Bear and Dr. Doolittle. People who say that it is right to ban those books cannot say that they do not agree with any books being banned.

Mr. Frank Dobson (Holborn and St. Pancras) *rose*——

Dame Jill Knight: I shall not give way. Mr. Deputy Speaker has said that he wants all speeches to be short.

I have also been astonished at the degree of viciousness that I have encountered, as one who initiated the clause. My secretary has been abused, and has been the butt of the most appalling campaign of pornographic telephone calls. At 2.20 one morning, she was woken by someone who objected to the clause, and was subjected to a torrent of pornographic abuse. That is not the way to conduct a proper argument, but it tells us quite a lot about the kind of people who have been taking part in the opposition to the clause.

Mr. Fairbairn: Will my hon. Friend give way?

Dame Jill Knight: I have not given way so far, and I must not do so now.

I have been strongly supportive of the attempt to protect children, and no amount of abuse — or having my car vandalised, which has also happened — will stop me protecting them, and protecting the family unit. This I shall do, against all opposition. The family unit is under attack: there is no doubt of that.

We have a clear indication of the motivation for what has been going on. Let me read out a short paragraph that encapsulates the effort that has been going into the promotion of homosexuality in schools, and the downgrading of the family unit:

"The family unit — spawning ground of lies, betrayals, mediocrity, hypocrisy and violence — will be abolished. The family unit, which only dampens imagination and curbs free will, must be eliminated. Perfect boys will be conceived and grown in the genetic laboratory. They will be bonded together in communal setting, under the control and instruction of homosexual savants."

That is the sort of motivation that led to the need for this clause.

I strongly support the clause, and oppose the efforts to water it down and to make it possible for our children still to be treated in such a way.

Mr. Simon Hughes: Like the rest of us, the hon. Member for Birmingham, Edgbaston (Dame J. Knight), by seeking election to this place, must expect her views to be held up for public comment and criticism. That is an obligation. A similar obligation, however, should not apply to those who do not seek public office. Nevertheless, they find their views and lifestyles criticised, often in a far worse way than the hon. Lady or her secretary could ever experience. Let me read from a letter from a constituent that arrived in my office on 5 January:

"As a young lesbian of 19 years, I can recall only too well the problems I faced during early adolescence and the prejudice and hysteria I was confronted with when I 'came out' at 15. I was hounded at school; I had people spitting at me, people trying to ride their bikes into me, etc. I never went out as people kept threatening to beat me up. I left home, and came to London when I was 16, but even now my sister is teased and victimised because I am a lesbian. There is no way this should have happened to me, and, what is worse, is that some friends of mine had even worse happen to them. I got off 'lightly'. Measures need to be taken to combat this prejudice, and some local councils had begun to do this within education and by aiding lesbian and gay groups, etc, with money and resources. (Money and resources that as ratepayers we are entitled to.) This education is not promotion of homosexuality, it is only a presentation of it in a fair, unprejudiced way — no one can be turned gay by it, the same way we cannot be taught to be straight. But the word promotion is open to interpretation by the courts and this is very dangerous . . . Many people are going through what I did and this must be stopped. If this Bill is passed it will be another blow to us and a serious violation of our human rights."

Let me briefly quote from two more letters, sent since our last debate on this subject. One is from a man in north London, who writes:

"When I was at secondary school, struggling to come to terms with my sexuality, a few well-chosen and compassionate words from our sex education teacher left a lasting impression upon me; for years it was all I had to cling to whilst all around me gays were jeered in every playground conversation".

The other letter is from a parent of a gay child from Sheffield, written in January this year:

"I have a daughter who is gay and I believe suffered unnecessarily from the pretence that such do not exist. I had always thought that what took place between fully consenting adults in private should not be against the law, but I had not expected it to touch my own life at all closely. I lean to the view that homosexuals are born and not made because her upbringing doesn't seem to have been different from that of my three other children all of whom are heterosexual. In passing I note that my other daughter is left-handed and fortunate in having escaped persecution for that."

Arguments are commonly put forward about what happens when someone comes to the conclusion that he or she is homosexual. Let me quote another phrase:

"When I was young, I was surrounded by images glamorising heterosexuality and it never made me feel I was heterosexual."

That is testimony to the prejudice, disadvantage and bigotry that we as a country should be trying to reduce and eliminate rather than to increase it. The inevitable consequence of the Bill which has had a timely representation by the cartoon already described will be to fan into greater bigotry those who already have latent prejudice.

As the hon. Member for Copeland (Dr. Cunningham) pointed out, we challenged the Secretary of State in the House at the end of last year about what Ministers had said a year before. I could quote their speeches. They said that the Government did not believe that the enforcement measures contained in a predecessor Bill were necessary and that legal procedures were already adequate. They criticised both the drafting and the need for legislation. The Minister for Local Government, who is sitting on the Treasury Bench, did not explain why the Government have completely gone back on a view they held a year ago.

8 pm

I am aware that since our previous debate small amendments have been made in the other place. I agree

with other hon. Members that the three amendments before us tonight marginally improve the previous drafting. The first amendment adds the word "intentionally", and that is certainly an improvement. The second amendment deletes some tautologous words. The third is declaratory and, if it does anything, it might help to make slightly clearer what is already in the clause. However, none of those amendments goes to the heart of the mischief in the clause, nor do they deal with the argument about why the clause should not pass on to the statute book.

I shall respond to the arguments about morality. Many people believe that it is hypocritical for the Government to seek to legislate for morality as they define it when, at the same time, the poor become poorer, the rich become relatively richer, the people who depend on social security will have less chance of obtaining it and when for many opportunity in our society will be reduced because they are not favoured by the capitalist market-led Government. Morality is not what a lot of people see as the result of the Government's policies. It is not for Parliament to legislate for a nation of 50 million or more people. It is not for Parliament to decide that there shall be one morality for all — the morality of the Government of the day. A civilised society should recognise that it has a duty to legislate for civil rights, for civil liberties and for freedom to choose for all. Adults must be allowed to make their own choices and, provided they do not harm others, they must be free to do so without fear of being victimised. Hearsay arguments such as that unreasonably put forward by the hon. Member for Edgbaston must be challenged. The wording of the clause means that there is a risk that the courts will be given a legislative weapon that will allow them not to protect those whom it is thought they might want to protect but to act far more widely.

The word "promotion" is still in the clause. It is the "promotion" of homosexuality that will be forbidden. The dictionary definition shows that there are two alternative meanings of the word "promotion". The first says:

"To further the growth, development, progress or establishment of (anything); to further advance or encourage".

The second definition is very different. It says:

"To put forth into notice; to publish; to assert, advance".

That is simply the neutral state of putting into the public domain information about homosexuality.

"Homosexuality" is the second key word of the clause. The meaning is very wide and is not defined clearly in the statute. It will be open to the courts to say that neutral non-commending activity by local councils can be in violation of the law. That is what makes this such a dangerous clause and why it has been perceived widely in the country to be so.

Mr. Kenneth Hind (Lancashire, West): I am concerned about a point that the hon. Gentleman made earlier. He suggested that in some way the clause radically changes existing law in relation to the rights of the individual. The clause changes nothing in existing law in relation to the practice of homosexuality or lesbianism. Therefore, there is grave danger in whipping up a great deal of hysteria about problems that do not exist. I take the point that he made about the word "promotion". He is on much stronger ground there. However, we have to keep away from broadening the argument and misleading the public by raising issues that are unconnected.

Mr. Hughes: The hon. Gentleman cannot have it both ways. Either the clause adds something to the law — the Government say that it adds something necessary and Conservative Members support it for that reason — or, as the Government argued 15 months ago, it adds nothing to the law and in that case it should not be here.

Other aspects of the clause are open to misinterpretation and were fallaciously added. Inherent in the clause is the belief that homosexuality can be promoted — *[Interruption.]* The hon. Member for Edgbaston said that it can. That is a hotly disputed scientific issue. I read direct testimony to the House from people who are homosexual. I did not quote hearsay evidence. Those people said that in their earlier years they had been exposed to heterosexual advertising and that it had not changed them in the slightest. The hon. Member for Edgbaston cannot have it both ways. Surely she accepts that the evidence of many scientists and ordinary people shows that people who discover that they have a homosexual orientation have no ability to do anything about it or believe that they have no ability to do anything about it. Therefore, promoting that condition is a logical inconsistency. Of course one can promote activity, but promoting a psychological state is probably impossible. It certainly could not be promoted by a local authority.

Mr. Nicholas Bennett: If that is so, why does the GLC's charter for lesbian and gay rights say:

"Heterosexuality is not natural but acquired"?

Mr. Hughes: I dissent from that view. I made it clear in Committee that I opposed the clause from the beginning. I believe that the issue is whether people of different sexuality should be given the same facilities by their local council: the same education, the same information and the same support as anybody else. It seems a matter of simple civil liberties and human rights that they should. We should not be judgmental in one direction or another.

I hope that the hon. Member for Pembroke (Mr. Bennett) will not seek by law to impose any religious or theological morality on anybody else. He is welcome to seek to persuade somebody to make a choice but not to do that by legislation. People should not be made to put their religion into a second or lower category. That is clearly a parallel implication of the clause.

I shall support the amendments tabled in the name of the Labour party. I understand and appreciate the fact that Mr. Speaker could not select the amendments I tabled, but I believe that they would have been to the advantage of the clause and the gay community. The hon. Member for Islington, South and Finsbury (Mr. Smith) does not share that view. However, the advice that I received from people who looked at the issue carefully was that they would be an improvement. However, I am happy for there to be disagreement about that. I hold to my view. I support the amendments and those tabled by the Government.

The tragedy of the matter is that the mischief in the Bill will not be dealt with in the House tonight. An enormous amount of fearful public opinion has asked the Government to allow people with different sexual orientations or concerns to have the same status and recognition as anybody else in our supposed pluralist society.

The Minister for Local Government (Mr. Michael Howard): I have now had an opportunity to look at the dictionary from which the hon. Gentleman was reading a

[Mr Michael Howard]

few moments ago. He will recall that he read out three definitions of the word "promote" and took exception to the third. Will he accept, on reflection, that the definition to which he took exception is marked as being obsolete? The last example is recorded as having been used in 1623.

Mr. Hughes: If the Minister had read the definition carefully I would accept that, but he has not. I did not quote that definition. I specifically quoted the ones—I ask him to look at *Hansard* tomorrow—which are above that on that page in the dictionary and which are both extant. I can understand that, in the heat of the debate and to try to deal with a point quickly, the Minister may have read too quickly. There are two alternative definitions, both of which are available to the courts and both of which are extant, and that is where the mischief lies.

The Government have an opportunity to listen to the fears that are being expressed by hon. Members about this clause. Although we shall pass these amendments, I hope that very soon we shall have an opportunity to right the wrong that will have been done to many people by a Government who say they know better what is best for them than they do themselves.

Mr. Nicholas Bennett: I took part in the debate on this clause in December. Since then I have received no letters in support of the lobbying that has been carried out by the homosexual opponents of the clause, but many people have written to say they are in favour of the clause. Many of my constituents find the proposition so self-evident that they wonder why there has been any debate whatsoever.

I take the view that the Christian Church has taken over the past 2,000 years, which recognises that some people have homosexual orientation but that homosexual genital acts and behaviour are intrinsically immoral.

I hope that people will recognise that we are not setting out to attack homosexuals for being homosexual, but are entitled to hold the view that homosexual behaviour is immoral. That view has been held by the Christian Church for 2,000 years. St. Paul says that one should condemn the sin but always forgive the sinner. I believe that that is the attitude that Parliament should adopt.

The second question that we should ask is, how far should the law be concerned in sexual matters? Few would argue that there is a place for the law in sexual matters. The question is, what is the extent of the law's involvement? The law quite rightly forbids a range of perversions such as bestiality, under-age sex and other behaviour. We are happy that the law should have a view on such matters. I have always taken the view that St. Thomas Aquinas, writing in the "Summa Theologica," got it about right:

> "Human legislation, which is enacted for a group composed for the greater part of human beings who are not of consummate virtue, does not forbid all vices, from which the virtuous abstain".

We set out to deal only with those that have a dramatic and detrimental effect on society.

I believe that the Government are in tune with public opinion and what is right for our society. We are not saying that people cannot be homosexual. All that the clause does is say that local authorities may not promote homosexuality as an acceptable lifestyle that people should be encouraged to support. Further, it says that in schools children should not be taught that homosexuality is a way of life that they should follow. That is a very sensible, clear and simple definition.

Mr. John Battle (Leeds, West): The hon. Gentleman's reference to St. Thomas Aquinas reminded me that in the same "Summa Theologica" he suggested that any Government who treat their minorities with injustice are tantamount to a tyrant form of Government and should be overthrown by the popular support of the people. Does the hon. Gentleman recall that passage?

8.15 pm

Mr. Bennett: I certainly do and there is nothing in the clause to contradict what St. Thomas said. I am surprised that the hon. Member for Leeds, West (Mr. Battle), who once trained for the Catholic priesthood, should find that this clause has any connection with what St. Thomas said.

We should be aware of the misinformation campaign that has been run by a number of people in society to stir up fears of and misapprehensions about the homosexual community. I am sorry that the Arts Council—which did not defend the rights of newspapers such as those of the Murdoch group when they were banned from public libraries—should seek to misrepresent the effect of this clause.

My hon. Friend the Member for Lancashire, West (Mr. Hind) was right when he intervened during the speech of the hon. Member for Southwark and Bermondsey (Mr. Hughes) to ask what civil liberties are under attack. The simple answer is that no civil liberties are under attack. The Bill and this clause do not take away the civil rights of homosexuals. The clause merely prevents the promotion of homosexuality, which does not detract from homosexual rights.

Mr. Simon Hughes: The civil rights that are being taken away are for every growing person and young adult to have the same quality of education and the same level of accurate information as anyone else. The right to education should be given equally; there should be a right to have questions answered equally honestly and there should be a right for the same kind of advice, counselling and support as for anyone else.

Mr. Bennett: There is nothing in the clause that will prevent that. If the hon. Gentleman looks carefully at the clause he will not see that counselling is not forbidden. What is forbidden is the promotion of homosexuality as being a lifestyle that young people should follow.

Society has a right to say that there are some things that it does not believe should be promoted in the best interests of children. There are many things that we do not allow schools to promote, and about which Labour Members may agree. For instance, we do not allow schools to promote smoking as a good idea. We believe quite strongly that we should be stopping young people from smoking, and we do not say "You should smoke." We do not believe that we should support racism. We make judgments and decide what schools should teach and how subjects should be balanced in the curriculum. It is not unreasonable to say that the curriculum should be geared to the view that the vast majority of people in our society believe to be right. We want to encourage our young people wherever possible—we know that some people would take a contrary view—to be heterosexual—and to live, if they choose to

get married, in a loving family relationship. That is the acceptable and proper way for our society to be preserved and maintained.

Mr. Robert Maclennan (Caithness and Sutherland): Will the hon. Gentleman say what mischief in the law this amendment is deemed to be tackling? Is there any evidence that he or anyone else can deploy that a local authority has promoted homosexuality? The evidence seems to be very slender.

Mr. Bennett: If the hon. Gentleman had not just walked into the Chamber, he would have heard, over the past hour, Conservative Members giving examples of what has happened in the past year. *[Interruption.]* I shall give one or two examples. Haringey council has instructed its head teachers to develop courses to

"Promote positive images of lesbians and gays".

Mr. Allan Roberts: Will the hon. Gentleman give way?

Mr. Bennett: No, I have been asked to give examples and I am doing so—

"in furtherance of its equal opportunities policy involving 'action against racism and sexism as well as against heterosexism'."

That was from the *Sunday Telegraph* on 5 July 1986.

According to *The Evening Standard* of 23 June 1987, parents in Haringey tore down posters in Haringey primary schools advertising the Gay Pride week organised on behalf of the local authority.

The GLC's charter for lesbian and gay rights, which I mentioned a minute ago, states:

"Heterosexuality is not natural but acquired."

It went on to attack normal sex education because:

"the current trend towards teaching parent craft assumes that all parents are heterosexual and encourages students to see marriage as the major goal in life".

There have been quite a few examples, in the past year and a half, of where local authorities in some parts of London have gone out of their way to promote homosexuality as a lifestyle.

We are entitled as members of society to have a view on that. I am sorry that Labour Members take the view that Conservative Members are not entitled to put forward the viewpoint that is supported by our constituents. Society is entitled to expect all schools to promote a lifestyle which is in accord with Judaic-Christian principles which underlie our society. This clause does no more than ensure that that situation is enforced.

Mr. Mark Fisher (Stoke-on-Trent, Central): Having heard the hon. Member for Pembroke (Mr. Bennett), it is difficult to know whether to scream or cry. The confusion of thought and misguided instincts that led him to speak as he has done make it difficult to understand what is in the mind of the Government or Conservative Members who will go into the Lobby to support this amendment.

It is difficult to know whether the motive behind the remarks by the hon. Member for Spelthorne (Mr. Wilshire) was genuine intolerance, which the hon. and learned Member for Perth and Kinross (Mr. Fairbairn) displayed by referring to homosexuality as a psychopathic logical aversion equivalent to sadism, or simply misguided mischief and the hon. Gentleman thought that he would make a little political capital or have some fun on the Back Benches. I wish that I were speaking after him so that I could understand more fully what led him to make those remarks.

Whatever the motive of the hon. Gentleman, or of the Government, unless the clause is amended in the way that my hon. Friend the Member for Copeland (Dr. Cunningham) has described tonight, it will do immense damage and cause immense pain and anguish to men and women who just happen to find that their attraction, love and comfort are found in a relationship with members of their own sex rather than the opposite sex.

Conservative Members have referred constantly to choosing homosexuality. Gays and lesbians no more choose how they feel than heterosexuals choose heterosexuality. This is not a logical choice that people make; this is something that people feel.

Mr. Wilshire: Presumably the hon. Gentleman has studied all the available evidence from objective academic sources on that point. I welcome the hon. Gentleman's comments, but I have come to the conclusion that there is a small amount of objective evidence to support what he says and an equally small amount of evidence to the contrary. As long as there are no established facts, we as a society should say that, until it is proved that somebody's sexuality cannot be changed, we must assume that it can be, just in case.

Mr. Fisher: As the hon. Gentleman has said, there is little substantial scientific evidence on either side. It is not something that lends itself to such analysis.

Mr. Ken Livingstone (Brent, East) *rose*——

Mr. Fisher: I shall give way in a moment.

The hon. Member for Spelthorne should look into his own life. Did he make a logical choice to be homosexual or heterosexual? I do not believe that he or any other hon. Member has made that logical, rational choice. They followed what they found to be loving, attractive and helpful in their lives.

I give way to my hon. Friend the Member for Brent, East (Mr. Livingstone).

Mr. Livingstone: My hon. Friend has just made the point that I was going to make.

Mr. Fisher: Before looking at the nature and possible results of that pain and anguish, I want to consider the effects of the clause in its present form on the artistic life of our society and upon our libraries. There has been a great deal of discussion in the public press and elsewhere about that. Undoubtedly, if the clause is carried in its present form, with the uncertainty of its legal language, books in our libraries, exhibitions of photographs and fine art in our galleries, plays in our theatres, and films in art centres may be at risk if those buildings are run or controlled by a local authority. As I understand the word "promote", anything that potentially glorifies, makes attractive or preferential, homosexual, gay or lesbian love is at risk as a result of this clause. The Minister shakes his head. It may well be that E. M. Forster, Jean Genet and others will remain on our library shelves, but, as my hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) so wisely said, not only is David Hockney proud to be a gay person, but much of his work glorifies and has its roots in the fact that that is how he sees the world, having suffered the intolerance and prejudices which are at the core of this clause. He has seen the world through that experience and through those eyes and that is why his work is so powerful.

Mr. Martin M. Brandon-Bravo (Nottingham, South): The hon. Gentleman made precisely the same point to my right hon. Friend the Minister for the Arts on 25 January. He replied:

"I have been advised that local authorities seeking simply to provide the public with access to a comprehensive range of artistic and literary material will not be put at risk by that provision." [*Official Report*, 25 January 1988; Vol. 126, c. 13.]

Is the hon. Gentleman suggesting that that is no longer true?

Mr. Fisher: As other hon. Members have said, assurances from the Treasury Bench will not stand up in court. They have no validity in court. Equally, I would be curious to know who has advised the Minister for the Arts about that. Undoubtedly, the Arts Council has not advised the Minister for the Arts, nor has the Library Association and nor has any regional arts association in Britain. I know of nobody in the artistic community who has so advised the Minister for the Arts.

Mr. Dobson: Will my hon. Friend bear in mind that possibly the first effort of any Government Department in this sphere was in 1984 when certain literary giants employed by the Customs and Excise raided the Gay's the Word bookshop in my constituency and, exercising their brilliant discretion, confiscated, because they believed it to be obscene, a book which set out the proceedings of the first medical seminar on how to stop the spread of AIDS. That was — I checked it — on advice from solicitors working for the Treasury. If they are the sort of people who are giving advice to Ministers, everybody had better look out.

Mr. Fisher: My hon. Friend makes a valid point. The uncertainty and unsafeness of the wording of the clause will potentially put those artistic activities at risk if they glorify and beautify and therefore could be said to promote homosexual life.

Undoubtedly, the most beautiful story that could possibly do that is the story of Jonathan and David. I am sure that no Conservative Member would presume that that would be stripped from our library shelves if it were owned by a local authority. That just shows how ludicrous the clause would be if it were not so dangerous.

8.30 pm

There is a danger greater even than that of the direct, overt and clear problem of the activities or concerns of local authorities' arts policies being challenged in the courts. That is the intangible danger of self-censorship in the arts. If the clause is passed, it is inevitable that people running local authority theatres or other such places will ask themselves whether they should put on the play, or whatever, or whether that would be risking the viability of their theatres or other places. They will perhaps decide to censor their programmes for next year in advance so as not to put the work of their colleagues or local authorities at risk. Such self-censorship is a much greater danger because we shall not know that it is happening. None of us will know what local authority theatres are doing behind the scenes, so a whole area of self-expression and witness to what it is like to live in our society will quietly, gently and unobservably be written out of our culture. That should give us great cause for concern. It will make it impossible to come back in a year's time to discover what is happening. The Minister may return in a year's time and say that there have been no prosecutions and that Forster and Genet are still on the library shelves. But he will not be able to say how much self-censorship has been applied when applying for commissions, sponsorships or grants.

Already, two clients of the Greater London Arts Association have been advised informally that they would be well advised, when making their grant application for next year, not to refer to the words "gay" or "lesbian" and that their grant applications will be more likely to be successful, and their work to prosper, if they ignore and suppress that side of their work. Such hidden self-censorship is more dangerous, and I hope that the Minister will understand and accept that point.

A third thing is more dangerous still. Local authorities' council chambers will be used as law courts. We already have evidence of that. A motion has been tabled by the Conservative minority group on Haringey's council for discussion on 25 April, which calls on the council to

"(a) Immediately close the Lesbian and Gay unit.
(b) Abolish the Curriculum Working Party.
(c) To cease all measures to promote homosexuality anywhere"

and so on.

Mr. Roger King (Birmingham, Northfield): Hear, hear.

Mr. Fisher: The hon. Gentleman says, "Hear, hear," but when that is debated in Haringey council the constraints of evidence and balance that would exist if the first case were brought before a court of law and duly judged will not exist. In a court everyone could see the terms and conditions on which the judgment had been made, but in the borough of Haringey the issue will be determined more by the balance of power, and the same will apply to other councils. Surely every hon. Member would agree that that is not a satisfactory way in which to interpret the law. It is a perfectly fair way in which to interpret the political mandate of the people of any authority, but in this case the effect of the law will be tested, which must be extremely unsatisfactory.

Mr. Hind: I understand the point the hon. Gentleman is trying to make, but he has missed one fundamental aspect. If he and I this evening wanted to set up the Westminster gay and lesbian rights association, to raise money and to promote gay and lesbian activities and understanding the problems faced by gay and lesbian people, there is nothing in English law to stop us from doing so. All the clause does is to stop local education authorities from doing that and ramming such ideas down the throats of children in the classroom.

Mr. Fisher: It is extraordinary, after the clause has been so widely debated in the House, in Committee and in the press, that the hon. Gentleman has not read it. It does not mention local education authorities; it is about all local authorities. The hon. Gentleman should have read the clause before he intervened.

Any right-minded or tolerant person would find the effects that I have described worrying and undesirable. All hon. Members should recognise that the clause will create an atmosphere of intolerance against, and possibly even witch-hunting of gay and lesbian people. Because promoting their lifestyle is unacceptable, they, by implication, will become unacceptable and dangerous. As my right hon. Friend the Member for Chesterfield (Mr. Benn) said — by implication — that will affect the way courts view custody decisions, it will affect job

applications and it will affect police activity. I see the Minister shaking his head. Of course it will not affect such things directly, but the clause has already created an atmosphere—witness the cartoon in *The Sun* today and the many letters that we have all received. An atmosphere in society has already been stimulated and provoked by the clause. Surely the Minister can recognise that that is true. He may not have intended it, but that is how it is.

This new atmosphere does not want to think about gay or lesbian people or to allow them to express themselves and say what it feels like to be one of them. It wants to turn away from all such things. It is an atmosphere that feels threatened and worried by what people do not understand. Some Conservative Members, like the hon. and learned Member for Perth and Kinross (Mr. Fairbairn), may feel that homosexuality is a mortal sin. No doubt they welcome the fact that gay and lesbian people's rights to express themselves are to be suppressed, driven out and downgraded. Why do Conservative Members feel that way? Some hon. Members have said that it is because of the idea that homosexuality may be promoted. That seems misguided and ludicrous. We are speaking of feelings, instincts. If promotion were effective, everyone would be heterosexual because the overwhelming mass of material in our culture, media, advertising and family lives promotes heterosexuality. Most people are brought up in a heterosexual family atmosphere. That is one of the most determining influences on everyone, quite apart from advertising, Shakespeare and our whole culture, which constantly promotes heterosexual love. If promotion were effective, everyone would be heterosexual. It is perfectly obvious that it is not. The matter is much more complex and personal than that.

Other Conservative Members talked about protecting young people. I do not think that they know—none of us does—at what age our sexuality is decided. I do not think they could find a single psychiatrist anywhere in the country to support their contentions, which are centred on the idea of protection.

One of the Government's ideas is more bizarre than any of the others. In another place, the noble Lord Caithness implied that the clause, far from provoking witch hunts and an atmosphere of intolerance, as I fear it will, will allay hostility. I see the Minister agrees with that—but he cannot.

Mr. Dobson: Humbug.

Mr. Fisher: It must be a mistake. The clause will not allay anything. Remember the cartoon in *The Sun*. Have those feelings been allayed by the clause? That cartoon is a direct result of the clause. It is playing and pandering to, and feeding on, the intolerance in our society——

Mr. Tony Banks: Unleashing the forces of evil.

Mr. Fisher: That is a strong phrase, but there undoubtedly is intolerance. The clause will not allay that; it will stimulate it.

We are dealing with two overriding issues. Is ours a society in which people are free to say what they want in the arts and the media? Are they free to talk about how they feel about loving people of the same sex? Are they free to say that even in local authority theatres? Is ours a society in which people are free to love and care for others, irrespective of whether they are of their own sex?

Surely the Minister will agree that freedom is absolutely paramount in a civilised society. He probably will not agree that the Government's record in defending freedom of speech is pretty rotten. But this is far darker, more sinister and more important than other attempts that the Government have made, through pressure on the BBC, banning books or taking people to court. All such things are sad, sick, totally misguided and wrong, and the people of this country will begin to see it. This is more serious and sinister, because a set of people will be made scapegoats by the clause, and that makes it even more painful.

The second point is that a tenth of people in society will not be able to promote what they feel through artistic works. That is difficult. Undoubtedly, there is a streak of male chauvinism in society. Certainly, any woman in our society would recognise that. They have been marginalised. Their voices have been suppressed and marginalised. They have had to battle to make their voices heard in our arts and media. Undoubtedly, that is true also of gay people. In that respect, I suspect that the norm in our society is not heterosexuality but male chauvinism, which is a different thing. Such people are uneasy and fearful of such things that they do not understand. Whether or not that is the case, unless the clause is amended, as is proposed, it will set back tolerance and freedom of expression and the arts and the media in our society. It will drive things underground. The clause cannot change how people feel. It cannot change what people are attracted by. Although the House cannot delete the clause, as it should, it can at last put down a marker, as the Opposition seek to do, for decency and tolerance by voting for the amendment. I hope that it will do so.

8.45 pm

Mr. Michael Brown (Brigg and Cleethorpes): To some extent, the debate is a rerun of the arguments that we rehearsed with the Minister in Committee and on Report. My views are already on the record, and the Lords amendment has done nothing to change them. Various arguments have been expressed by Opposition Members. The clause will be totally unenforceable. My hon. Friend the Member for Pembroke (Mr. Bennett) referred to literature. If he thinks that it will result in any court convictions, he is totally off-beam. The Minister's predecessor rejected the clause just over a year ago, when it appeared in the House of Lords in the form of a private Member's Bill. He said that it would be unlikely to work, that it would be unenforceable, and that it would lead to misinterpretation. As several hon. Members have said, on Report, we did not get any satisfactory explanation from my hon. Friend the Minister.

I shall repeat the question that was posed not only today but on Report. It was posed also by the hon. Member for Southwark and Bermondsey (Mr. Hughes). How is it that, 15 months ago, for excellent reasons, my hon. Friend's predecessor in the House of Lords advised the House of Lords to reject the private Member's Bill? What has changed? I congratulate my hon. Friend on the way in which he took the legislation through its stages. How is it that, when he presented the Bill on Second Reading, it did not have that clause in it? That is why the clause must be resisted. Smoke signals are being sent out from the House by the enactment of this unenforceable piece of legislation. The House of Commons is getting itself into a frame of mind, ready to legislate down the road of persecution and prejudice.

Some of my hon. Friends cannot understand why there has been a reaction from the gay community. The reason

[Mr. Michael Brown]

is that they see the style, character and attitude of the House of Commons being reflected in the clause. Some hon. Members have admitted — I do not take their names or views in vain — that if they could go further, they would, but they are limited by the scope of the Bill. Therefore, if we pass this new clause, even with the amendments moved by the hon. Member for Copeland (Dr. Cunningham), a smoke screen will go out to the gay community. That is that the character and attitude of the House of Commons in 1988, after several years of reasonably civilised debates, is slowly to reduce an element of the 1970s and early 1980s and to go in the reverse direction.

The reason is quite straightforward. It is because of the AIDS scare. My hon. Friend the Member for Northampton, North (Mr. Marlow) let the cat out of the bag when he suggested that the House had a duty to follow populism. I do not believe that, in matters relating to free society and libertarianism, we have a duty to respond to populism. We have a duty to lead public opinion. This legislation is doing exactly the opposite.

Mr. Fairbairn: My hon. Friend referred to the gay community as though it were a community. I have many close friends who happen to be homosexuals. They are not a community; they are individual people. The mere fact that my hon. Friend calls them a community, as though they were some sacrosanct church, shows why the clause is necessary.

Mr. Brown: I am prepared to replace the words "gay community" with "individual homosexuals who have written to hon. Members during the past three or four months".

Individual homosexuals feel that there is a threat in the clause. I am prepared to concede that there is unlikely to be a direct threat from the clause. The clause demonstrates to a homosexual that the green light has been given to *The Sun*, the *News of the World* and other newspapers to have an open season on homosexuality. That fear is well founded. If the clause is passed, we can expect individual members to introduce private Members' Bills, with the possibility that the Government will back further legislation in other respects.

The Minister has set out his views. He was not able to satisfy me on Report. I am saddened by his attitude. It was a pleasure for me to serve on the Committee, when he steered an otherwise perfectly sensible, good piece of legislation. That legislation has been spoiled by this unnecessary new clause. Even with the amendments, it is an unfortunate smear on an otherwise good piece of legislation. The Minister will not admit it, but, had he known that the clause would provoke such a reaction by various organisations and individuals, he would not have taken it on board.

I am prepared to accept that certain pieces of good English literature will remain on library shelves. Hon. Members have referred to books by E. M. Forster. Let us suppose that a syllabus for the GCSE examination contains, as is quite possible, books by E. M. Forster. I studied one of his books at O-level. Let us suppose that the school decided to take the class studying that book to see the film "Maurice". I can imagine some people using the clause to prevent that happening. I think that there will be some weird, wonderful and excessive misuses of court time because of this irrelevant and unenforceable piece of legislation. I am sad and sorry that my hon. Friend persists with it.

Mr. Holland: First, I should like to comment on a claim made by the hon. Member for Birmingham, Edgbaston (Dame J. Knight) which concerned a Lambeth nursery group. I sought to intervene in her speech to ask for her evidence and I am sorry that she is not in the Chamber at the moment. With a constituency in Lambeth, I share the views of my hon. Friend the Member for Norwood (Mr. Fraser) who was able to intervene. The hon. Member for Edgbaston said, "When parents complain." I have not had a single parent alleging what the hon. Member for Edgbaston alleged concerning any school in Lambeth. There has not been a single individual complaint from parents on those grounds. I have not had a single letter supporting the clause. I have received many letters and representations opposing the clause.

I am grateful to the hon. Member for Spelthorne (Mr. Wilshire) for passing across the literature alleged to be from the Terrence Higgins Trust, which was referred to earlier. The hon. Gentleman may agree that it is not evident that that literature was published by the Terrence Higgins Trust. It looks rather as if it was produced by a local group advertising the Healthline service of the Terrence Higgins Trust. The whole thrust of the trust's argument is precisely to combat AIDS. It is widely recognised that unless literature concerning AIDS is sexually explicit it will not reach its target audience and will in no way serve to combat AIDS.

While there is next to no evidence of public sponsorship of homosexuality, there is overwhelming evidence of private sponsorship of heterosexual pornography, with indecent displays giving grave offence to many people. That is especially relevant to the clause inasmuch as it affects the young.

One of my constituents recently sent me a leaflet advertising various forms of sexual aids, including a broad range which I am sure is known to hon. Members, whether or not they use them. In reality, these are very offensive to many people, whether they are vibrators or stimulators, or other forms of sexual aids. The point was that my constituent picked up the leaflet outside an infants' school. He was offended and outraged that it should have been on the pavement outside a school. He asked me what was my view of the impact which that would have on infants or young children if they saw it, and he asked why the Government do not seek to introduce legislation to restrain the availability of such literature.

It is very difficult to reply for the Government on this matter. They are overwhelmingly concerned to ensure that local authorities are not seen to promote or to be interpreted as promoting any activity which supports homosexual behaviour, yet show no concern whatever about pornographic literature, including literature about bondage or other forms of abuse which is so widely available and so offensive to women, parents and others. One can only conclude that it is available because it serves the interests of profit. It is such a profitable trade that there is no restraint on it, whereas the other does not involve profit but allegedly involves public spending.

Mr. Fisher: Does my hon. Friend agree with me and with my right hon. Friend the Member for Chesterfield (Mr. Benn) that the crucial difference is that the things he

is talking about are designed to harm and humiliate people, whereas homosexuality is about loving and comforting and caring for people of whatever sex?

Mr. Holland: I very much agree with my hon. Friend.

Grave problems are raised by the wording of the clause, including the amendments suggested in the other place. For example, how does one distinguish in a court of law between a relationship which is loving and not seeking to promote offence and one which is not? The Government seem to be incredibly sanguine about that. The other place seems to be very optimistic that the word "intentionally" will remedy the matter.

I do not know how many hon. Members have actually studied the issue of intention, or have been able to enjoy what was a standard textbook on that matter in an undergraduate course, certainly read by some hon. Members at a certain university. The book is by Miss G. E. M. Anscombe. The whole point about intention is its ambiguity. Determining what is a fact and the difference between fact and intent is itself ambiguous. Just as the determination of what is a fact may itself be difficult, the problems involving determining intention can be virtually impossible to resolve. That issue is stressed by many philosophers. In some universities that issue has come into the teaching of law. I very much regret to say that in that respect the Lords amendments will not be adequate.

Mr. Simon Hughes: Does the hon. Gentleman accept that if the definition of "promote" is ambiguous, the addition of the word "intentionally" does not remove the ambiguity?

Mr. Holland: The ambiguity remains and is being compounded. It will certainly be good news for lawyers, as one can argue as long on the meaning of "promotion" as one can on the meaning of "intentionally". The most common-sense course would be to delete both words from the clause and preferably to delete the clause from the Bill.

The Minister intervened with some enthusiasm when the hon. Member for Southwark and Bermondsey (Mr. Hughes) spoke about quotations from a dictionary. But the Minister was quite unaware of precisely what that meant. Indeed, it was part of a debate by a renowned philosopher, A. J. Ayer, who recognised that it was indeed difficult to determine the meaning of words. He ended by saying that by and large the meanings of words corresponded with their use in the Oxford English Dictionary.

Even if one accepts that approach, one still cannot determine meaning unambiguously in an individual context. Wittgenstein stressed that the meaning of words depends on their use, and that the use of words depends in turn on the perception of those who use them, which amounts to their prejudgment of the situation—which, in turn, too often amounts to prejudice. That is the bottom line in the interpretation of those words by those who are likely to bring the actions concerned.

9 pm

The Minister's claim that there was no danger in the use of a word in a court action because its meaning had been defined as obsolete or was reckoned as obsolete by the Oxford English Dictionary is absolutely no safeguard with this Government. In retrospect, given the outcome, I am glad to say that I was one of those who, when protesting against apartheid outside the South African embassy, found that the rules on picketing had been changed. I was with my hon. Friend the Member for Newham, North-West (Mr. Banks) and we both had a short ride at the pleasure of the Metropolitan police. The Act under which we were prosecuted was introduced by Wellington after the Napoleonic war. It had not been used since the 1820s or early 1830s, until it was employed, over 150 years later, by the Metropolitan police to justify the restriction on the right to picket and protest against apartheid outside the South African embassy.

Mr. Tony Banks: I hope that my hon. Friend will not leave this subject without telling the House—indeed, I shall do it for him—that, although we were both arrested, we were subsequently let off without a stain on our characters.

Mr. Deputy Speaker (Sir Paul Dean): Order. I hope that we can now get back to the amendment before the House.

Mr. Holland: I shall be glad to get straight back to the amendment, Mr. Deputy Speaker, although I think that on reflection you will agree that my hon. Friend's point is not irrelevant.

Although the redundant clause was rejected by the courts, none the less, the police sought to use it. As that Act had not been used for 150 years, I see no guarantee or assurance — I do not know about other hon. Members—when the Minister says, "The meaning of that word is obsolete. Therefore, there will not be a prosecution." There will be prosecutions, which will be time-consuming and involve a great deal of personal strain and anguish for many of those involved. While my hon. Friend the Member for Newham, North-West and I may be sufficiently thick-skinned by exposure in public life not to be concerned about such matters, many people who are not in public life and who do not face its challenges and responsibilities will suffer from such actions in the courts.

I have great problems understanding the arguments not only by the hon. Member for Pembroke (Mr. Bennett), but especially by the hon. and learned Member for Perth Kinross (Mr. Fairbairn). The hon. and learned Gentleman has a peripatetic relationship with this Chamber. He is like the Scarlet Pimpernel—we see him here, we see him there and some times we see him nowhere. I very much regret that he is not here at the moment because I should have been glad to have some clarification of what he thinks the clause is about. It seems that, for him, the clause is about buggery, because he stressed that that is an unnatural act.

I hesitate to suggest this to the hon. and learned Gentleman, because I am not sure that I am more expert in these matters than he is. I will none the less put it to him that if one takes a book such as Sade's "Justine" or the play "Marat-Sade", one has certain difficulties in defining a relationship which involves penetration of the back passage as "homosexual". In "Justine"—one thing that many people find abusive — the sexual intercourse between a range of persons and Justine was exclusively by the back passage. Let us be quite clear in this instant that Justine was a young woman.

There can be no basis for the kind of claims that the hon. and learned Gentleman has made that in some sense a particular form of sexual intercourse is de facto or by association homosexual rather than heterosexual. I very much regret that the hon. and learned Gentleman is not present to answer certain other questions. Indeed, I am

[Mr. Holland]

sure that he would have risen to his feet, and I am equally sure that I would have given way. For example, what is homosexual about oral sex? I wish the hon. and learned Gentleman was here so that he could assure the House that he has never had sex on any occasion except by one passage and one passage only. If the hon. and learned Gentleman could assure us about that, we would also be assured about several other matters.

The question of the promotion of homosexuality as a result of events or literature has been mentioned. The hon. Member for Hornchurch (Mr. Squire) who opened on the Conservative Benches — his speech was extremely persuasive — referred to Benjamin Britten and Peter Pears. Let us consider a performance of Benjamin Britten's setting of the Michelangelo sonnets. I happen to be extremely familiar with those sonnets and Britten's setting of them. In my opinion, there is no question that, by choosing to set those sonnets, Britten approved of the relationship that they reflected. The Michelangelo sonnets were written not to some young woman in Dantesque manner, but to a papal guard. They are quite explicitly homosexual.

Mr. Fisher: And beautiful.

Mr. Holland: Very beautiful, especially when they are sung by myself. I will not detain the House with a rendering of those sonnets, unless there is overwhelming support from both sides of the House.

Mr. Tony Banks: I have heard my hon. Friend sing those sonnets and he tells the truth. I hope that he will regale the House for just a brief moment.

Mr. Holland: Not this evening, unless joined by the hon. and learned Member for Perth and Kinross.

Mr. Allan Roberts: The only evidence that has been presented by Conservative Members relating to the promotion of homosexuality in schools and its abuse has been quotes from particular newspapers — the *Evening Standard* and *The Daily Telegraph*. Is my hon. Friend aware that, on 19 February 1988, *The Daily Telegraph* produced a list of 100 books that every school leaver should have read? That list included "Lolita" by Vladimir Nabokov, "Collected Poems" by W. H. Auden, "Don Juan" by Byron, the works of Oscar Wilde and the short stories of Guy de Maupassant. I hope that Conservative Members will take that list seriously and that those books will not be banned from school libraries.

Mr. Holland: My hon. Friend has made an important point, with which I agree.

The hon. and learned Member for Perth and Kinross passed through Socrates — stamping where others fear to tread — and then moved swiftly on, in a bound, to the Renaissance and started to speak about Leonardo. I am not sure whether the hon. and learned Gentleman has read Freud's essay on Leonardo's homosexuality and what may have caused it. Several of my hon. Friends have said how difficult it is to date a particular sexual orientation.

Freud said that Leonardo's sexual orientation was reflected in his art. It appears that his sexuality derived either from an experience in his cot no less, when it was possible that his mouth was brushed by a bird's tail, or in the particular manner in which he was kissed by his mother. I am sure that Conservative Members do not regard this as very serious, but I cannot be entirely sure whether the hon. Member for Edgbaston is up with the arguments. I am not sure whether we are safe from the risk that she and others will regard Freud's essay on Leonardo as pernicious in the sense that, by implication, it condones homosexuality, and therefore seek to exclude it from libraries.

The hon. and learned Member for Perth and Kinross came out with words that, if he reads *Hansard* tomorrow morning, he may come to regret. He referred to Leonardo's squint. Of all the draughtsmen in the world, Leonardo is surely the last whom one can accuse of squinting. But it seems that the hon. and learned Gentleman disapproves of the creative genius of the Renaissance.

We have no idea how the clause will be used. I am concerned because it is unsound in philosophical and legal terms. It will give rise to considerable abuse and will bring considerable distress on those in the homosexual community. Unlike the hon. and learned Member for Perth and Kinross, I use the word "community" since gays tend to stick together in their social life precisely for reasons of mutual and collective defence. Such self-defence will be made more necessary by the clause. I oppose the clause because of its ridiculous conceit, as well as because of the offence it will cause to many people who, as my hon. Friends have said, have decent, caring and respectful relationships that happen to be homosexual. I recommend to the House that it reject the amendment.

Mr. Wilshire: We have spent three hours discussing the general issues, and it would seem helpful if we could focus our attention on the Amendment Paper, for a moment or two at least, and consider both the Lords amendments and the Opposition amendments to them.

The hon. Member for Copeland (Dr. Cunningham) said that after all this time perhaps those of us who have been closely involved with the clause now regret what has happened. I have no regrets. I have worries about some of the things that others have done and said, and before I discuss the detailed issues, may I place it on record once again that I most certainly deplore bigotry of all kinds. I accept that during the debate over the past few months there have been occasions on which I have heard bigotry. Equally, I join Opposition Members in deploring what they describe as the gutter press—their words, not mine. In a debate of this nature, salacious and cheap attacks on people will not achieve what is absolutely necessary if we are to get to the heart of the issue — a constructive, friendly and thoughtful exchange of views between people of different opinions.

As the proposer of what was originally clause 27 — I am still trying to keep up with the numbers; at the moment it is clause 28 but I am sure that we shall reach 30 or 31 before the Bill is enacted — I welcome for two reasons the amendments that the Lords have sent us. First, in not rejecting the clause, the Lords have accepted what this House originally accepted — that there is a need for action now and that the Bill is the correct means of taking it. Secondly, the amendments prove the point that those of us who have argued for the clause have always been ready to listen and to take on board suggestions that clarify what was intended at the outset.

The amendments give the lie to the spurious claims that some of the scaremongers have been putting about. By the same token, I totally oppose the two amendments tabled

by the Labour party. The first of them seeks to torpedo one of the basic intentions of the clause and the second seems to be a statement of the obvious, which is totally unnecessary in an Act of Parliament. It is interesting that the justification advanced by the hon. Member for Copeland simply fell back on exaggerations that we have heard before, on red herrings with no relevance to the debate and on the scare stories put about by those who want us to change our minds.

Dr. Cunningham: The hon. Gentleman asserts that I exaggerate, although I do not. Does he make the same assertions about the Arts Council, the National Council for Civil Liberties, library associations, various local authority associations and all sorts of other bodies and organisations concerned with freedom and civil liberties in our society? Are they all exaggerating too?

9.15 pm

Mr. Wilshire: I shall deal with that question in detail. For the moment I am saying that I was replying to the earlier speeches of Opposition Members. Many of the organisations which have been mentioned, with the exception of the Arts Council, have raised red herrings that have nothing to do with the clause or the Bill. I was suggesting that they have raised red herrings and scare stories, not that they have exaggerated.

I consider amendment (e) to be a wrecking amendment. It resembles the amendment that the Arts Council tried to get the other place to take on board. It seems to suggest that homosexuality can be intentionally promoted by local government if the motivation is to prevent discrimination or abuses of civil rights. That smacks of the argument that the end justifies the means, an approach that is unacceptable to the overwhelming majority. My postbag —I suspect that this is true of the postbags of many other hon. Members—has been enormously illuminating. I am sorry that the right hon. Member for Chesterfield (Mr. Benn) is not in his place. He, like my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn), moves in and out of the Chamber. The right hon. Gentleman is present when I am not speaking and now, when I am on my feet, he is absent.

Mr. Tony Banks: My right hon. Friend the Member for Chesterfield (Mr. Benn) is not silly.

Mr. Wilshire: The right hon. Gentleman helped me by spelling out the policy of the Labour party. I have received quite a few letters on this issue and when he was speaking I wondered whether he would be able to help me to reply to them. I shall read part of the letter that I received from a gentleman who lives in London, SE3. He writes:

> "I have been a member of the Labour Party and I have supported it ever since 1945, yet I totally agree with your views on homosexuality."

He continues:

> "I have already written to Mr. Neil Kinnock . . . I have told him that unless he and other Labour leaders repudiate the view that homosexuality is on a par with normal sexuality"—

He then says that if that does not happen there is no hope of the Labour party ever again gaining power. I wonder whether any Opposition Members can help me answer letters of that sort.

Amendment (e) has three faults. First, it is wrong in any circumstances for local government to try fundamentally to change our national society. In continuing with this theme, I shall try to answer a question posed by an Opposition Member, who asked why I was prepared to support the clause. It is wrong for local government to seek to usurp the rights of this place to discuss the fundamental values of British society. If there is to be a discussion about the promotion of homosexuality, it should take place in the Chamber. If there is to be an attempt to change society, it should be made in our national Parliament and not within local government.

Secondly, amendment (e) is wrong because it is not for local government to advocate—I choose the next words deliberately — abnormal sexual activity for whatever reason. Thirdly, the amendment is wrong because it is not for local government to divert itself from basic services when those services are so in need of improvement.

Mr. Tony Banks: The hon. Gentleman has said that if there is to be any change in our national society in terms of sexual mores, the change should be made in this place. Is he suggesting that if we were to pass a law to the effect that everyone should have homosexual relationships those outside would take it seriously and change their way of life?

Mr. Wilshire: All I am saying is that the people who say that society should have different values, morals and ethics —I have deliberately kept out of those arguments—and who wish to alter fundamentally national society must do it through the national democratic process and not act in an ad hoc fashion through local democracies.

Amendment (f) has absolutely nothing to do with the Bill because clause 28, or 29 as it will become, says nothing about discrimination or about civil rights. We have been round the argument for nearly three hours. The clause will not prevent homosexuals from doing anything. It will not deny homosexuals any of their civil rights. The clause is about homosexuality and local government; it is not about homosexuals and their personal lives.

Mr. Geoffrey Dickens (Littleborough and Saddleworth): Does my hon. Friend accept that the Sexual Offences Act 1967 showed tolerance, compassion and understanding, though not necessarily approval? If gays and lesbians want people like ourselves to stand shoulder to shoulder against the so-called queer bashers, they have to take this gently and steadily and not expect too much. Certainly they should not expect the 90 per cent. majority in the country to allow that to be a subject on the curriculum in schools.

Mr. Wilshire: I am grateful to my hon. Friend for raising that point because it gives me the opportunity to say once again for the record that I am totally against any attempt to turn the clock back on the 1967 legislation. This clause has nothing to do with that.

The second point raised by my hon. Friend is also relevant. The very fair point that is important about amendment (e) is that again it raises the problem of the ends justifying the means. The idea is that it is wrong to discriminate against people and that the clause will somehow affect civil rights. We must stand up and say that we agree that that must not happen. The way in which we do so is crucial. If things are advocated, as they have been advocated, argued about and abseiled in the last few months, that will produce a backlash. It is not the clause that will produce the backlash but the arrogant, self-assertive, aggressive boastfulness and self-glorification of

[Mr. Wilshire]

a particular lifestyle which is upsetting the overwhelming majority of the people. The lesson which we can learn is that if we wish to change society and to be seen as reformers, we must take society at its own speed. If we try to stampede society, people will feel threatened and there will be a real risk of a backlash.

This is why I am in no way sorry that we have been engaged in this debate over the last few months. Over recent years a dangerous head of steam has been building up. The minority have made the majority feel threatened. If we do not take steps to deal with that, pressure will build up. It is to be hoped that the debate that has taken place has had the effect of lancing the boil so that the minority can become aware of the views of the majority and the majority can say to themselves, "Let us try to understand and answer some of the worries of the minority."

As for amendment (f), as I said at the beginning, I believe it to be totally unnecessary. Local government has already got power to do most things unless the law specifically prohibits it. All the amendment does is state the obvious. The amendment seems to be trying to draw attention to claims about problems which will be caused to particular services. That is complete nonsense, as the past three hours have shown.

Much has been made about sex education. There are no problems for teachers provided that they handle the subject of homosexuality in a neutral and objective way. It is interesting to note that, although clause 28 has triggered an enormous amount of discussion, there are some important points in the Department of Education and Science circular No. 11/87. Indeed, this circular was available for debate long before the Local Government Bill was considered in Committee. Paragraph 22 of the circular sets the scene for sex education. It states:

> "There is no place in any school in any circumstances for teaching which advocates homosexual behaviour, which presents it as the 'norm', or which encourages homosexual experimentation by pupils."

I can only express surprise at the indignation of Opposition Members. If that indignation were genuine, it would have focused on the points in circular No. 11/87 long before the Local Government Bill appeared.

Worries have been expressed that amendment (f) might affect artistic freedom. We need only consider the legislation that seeks to prevent discrimination against people on grounds of race. Over the years since that legislation has been on the statute book, I have not noticed that Shakespeare's "Merchant of Venice" has been performed any less frequently.

There is an argument that local authorities should be able to give money to people for counselling services if that helps with problems. I support that, but it is totally spurious to argue that clause 28 has anything to do with that. As I have said elsewhere, I know of no one who has ever argued that the Samaritans promote suicide.

I urge the House to support the Lords amendments and to reject the Opposition amendments to the Lords amendments. By accepting the spirit of the clause, the other place agrees with us that there is a grave abuse of the real role of local government in this country. Local government is intentionally promoting homosexuality. It is assisting others to do the same and it is trying to portray homosexuality as a pretended family relationship.

By producing the amendments the other place has helped us to clarify exactly what we mean—that our target is local government. By making local government the clear target for the clause, we are answering our critics and we will reassure those who have been worried by the debate that has taken place over the past few months. Above all, by accepting the Lords amendments and rejecting the Opposition amendments, we will do everything that we possibly can to protect our children, our society and above all our future.

Mr. Tony Banks: I will be brief, but I want to say something about the speech made by the hon. Member for Birmingham, Edgbaston (Dame J. Knight). I felt that her speech owed more to imagination than to truth. I listened to an interview that the hon. Lady gave on Radio 4's "Today" programme. Mr. Brian Redhead asked her to support her statement that she had a great deal of evidence about schools promoting homosexuality. Mr. Redhead asked her what evidence she had and she replied that she had not brought her files with her, but she claimed that she had the evidence. When she was pressed even further, she said "I didn't offer to name any schools." I am not surprised that the hon. Lady has received letters from parents who have been alarmed about the position. They have been alarmed by what the hon. Lady said.

Dame Jill Knight: Will the hon. Gentleman give way?

Mr. Banks: No. If the hon. Lady will wait a moment, I will give way to her, and that is more than she did to me or to anyone else.

It is not surprising that parents have become alarmed by the kind of scare stories and fantasies that the hon. Lady has propagated in her various interviews and speeches. She has no evidence and she has never been able to produce evidence, other than that which comes from her over-fertile imagination.

Dame Jill Knight: I have repeatedly given a list of local authorities in whose areas this has been going on. It seems odd to me that Opposition Members are apparently unaware that local authorities run local schools. [HON. MEMBERS: "Name the schools."] I have repeatedly given all the names of the local authorities, and this is local authority policy. I must also say that parents were complaining long before——

9.30 pm

Mr. Banks: Which schools?

Dame Jill Knight: I have named them. The hon. Gentleman must not nit-pick with me. If he does not understand that local authority education runs the schools, he ought to go back and start learning about how these things are done—*[Interruption.]* Let me complete my remarks to the hon. Member for Newham, North-West (Mr. Banks), who was good enough to give way.

None of this clause would have come into being without ample evidence, some of which I have read out tonight. All the parents complained long before I made that broadcast. A pregnant woman was kicked in the stomach and jolly nearly lost her child long before it.

Mr. Banks: The hon. Lady has not mentioned one school. She is clearly guilty but insane. I rest my case.

Mr. Andrew Rowe (Mid-Kent): When the Bill was before the House last time, I voted for the clause, because I believed that it would provide a degree of valuable

protection for the children of this nation against what I saw as a possible over-enthusiasm on the part of a small section of people, many of whom flaunt their homosexuality in a way that I regard as unnecessary. Since then, however, I have been reflecting on the clause, and have decided not to support the Government this evening.

I have three reasons. First, I think that the clause is unnecessary. Secondly, although I am certain that my hon. Friends had no intention of causing any such development, the reaction to the clause seems sufficiently dangerous and hysterical to make any value that might be derived from it far inferior to the damage that it will cause.

The third reason is linked to that. I think that we are in serious danger of allowing our desire to deal with various ills in society to spill over into finding nice little target groups on whom the evils of society can be blamed. At present, homosexual groups happen to be that target. That kind of hysteria leads to danger for those in such minority groups. When similar prejudice was evinced publicly against Asian immigrants, when they really were immigrants, it led to considerable dangers for the immigrant community.

Let me elaborate those points. I find it very strange that, in this enormously permissive and, on the whole, liberal age, it is probably uniquely difficult for a bachelor to share a house with another man—or for a single woman to share a house with another woman—without a kind of prurient voyeurism being beamed upon them, and all sorts of people speculating, often openly, on whether their friendship issues from some kind of physical behaviour, of which they then choose strongly to disapprove. That is extraordinarily illiberal, dangerous and totally unnecessary.

I believe that if our Lord were here now in physical presence walking about with his group of disciples, there would be plenty of people anxious to view his progress through the world with exactly the same sort of prurient voyeurism as we tend to display now. That is dangerous. What we should be inculcating in our children and the nation as a whole is that relationships, whether heterosexual or homosexual, should be non-exploitative. The partnerships should be equal in dignity and affection, if that is possible. We are in danger of creating an atmosphere in which it is difficult for people to attain that sort of relationship, and I find that distasteful and worrying.

Homosexuals who have taken it upon themselves to make the maximum demonstration of their anxieties about this clause have done themselves no good. I do not believe that one can promote tolerance or affection by the use of foul language or criminal behaviour. For example, the idea that the secretary of my hon. Friend the Member for Birmingham, Edgbaston (Dame J. Knight) should be telephoned in the middle of the night and subjected to obscene language does the cause no good. It is absurd to present that as a full argument against the case. There are extremists on both sides of the argument. They are ugly and unattractive people and their behaviour should be deplored.

During the debate no hon. Member has addressed the issue of the proper function of the teacher. That function should be to assist a child to understand the subject that it is studying and the world in which it is being brought up. Any teacher who uses his or her position to exert undue influence upon a child to believe something simply because the teacher believes it, or worse, because the teacher hopes subsequently to exploit the child by teaching it in that way is a poor teacher. Such teachers are dangerous and should be disciplined out of the profession if they cannot reform.

We do not need this clause because we are in the process of introducing a Bill to reform education. One of the purposes of that Bill is to bring regular assessment of teachers into being and to improve the discipline of teachers. If a teacher behaves in the way that I have described, the new Bill will make it possible to discipline or get rid of that teacher in an appropriate way. We do not need a heavy-handed clause of this sort to achieve that.

Mr. Wilshire: My hon. Friend may have reservations about what happens in schools and what legislation is available to prevent it, but will he accept that there is a whole lot more to local government than schools? There is an awful lot more promotion of homosexuality going on by local government outside classrooms.

Mr. Rowe: The difficult decision that is faced by any part of our society is where one draws the line to prevent discrimination against an individual or group without appearing in some way to encourage or sell the nature of an individual group. I believe that some local authority officials have gone over the top and, as they did when they tried to prevent discrimination against ethnic minorities, they have evoked precisely the response that they were trying to avoid. I do not believe that that by itself constitutes an adequate reason for this clause.

We would do well in the House and in society as a whole to do our best to promote privacy and permanence. As to privacy, we live in a society that flaunts private lifestyles to an extent that makes it extremely difficult for an adult or child to be able to enjoy the proper privacy of their own way of life. The media have responded to the voyeurism that is so widespread in society by pandering to it, and that makes it difficult for many people to preserve their own privacy. It is not society's business what individuals do in the privacy of their own homes, provided that they are not exploiting one another. We fought a hard battle about this matter some years ago, and I fear that this clause might be seen as the thin end of the wedge for the gradual destruction of privacy.

With regard to permanence, what matters most is the mutual dignity of a relationship. Children should be taught to honour their partner and to strive for a measure of permanence in their relationships and the mutual support and esteem that a permanent relationship affords. Society has failed to promote that, whether it be between friends of the same sex or of the opposite sex, and that failure helps to account for the extraordinary difficulties that we all have in trying to maintain a permanent, supportive relationship in the privacy of our own homes.

Miss Joan Lestor (Eccles): Looking back over the years at the subject of homosexuality and lesbianism, I have been struck by the fact that for so long homosexuals were the butt of the music-hall artist. They were stereotyped as being effeminate, made-up, powdered and mincing. This was the general way in which homosexuals were presented to society.

When I was a girl, people did not talk about lesbianism because Queen Victoria said that it did not exist. Nevertheless, the way in which homosexuals were

[Miss Joan Lestor]

presented was that of stereotyping them as people to be laughed at, to be degraded and to be classified as being something outside the norms of society.

We hoped that the Sexual Offences Act 1967 would begin to change people's attitudes—I believe that it did—and that we would have a society more tolerant of the behaviour of people whose sex life, as the hon. Member for Mid-Kent (Mr. Rowe) said, is entirely their own affair.

But some of the stereotyping continues. What interests me is that the moment a local authority or group of people challenge that stereotyping and says, "Hold on a minute, homosexuals are not like that. Lesbians are not like that. They are not all stereotypes. They are not all mincing and effeminate and they do not all wear make-up or wigs. Let us present people in a positive way as individuals, making a contribution to society"—as we all are—they are told, "My God, you are promoting homosexuality. You are saying that it is a good thing and something that everyone should emulate."

9.45 pm

While all the stereotyping, character assassination and discrimination is going on, most people make no complaint at all. It is extraordinary that when groups of individuals, local authorities or whatever say that they want people, particularly young people, to have a positive image of their sexuality, which they have not chosen, all hell breaks out and we are told that that is actively promoting homosexuality.

Some hon. Members, although not all, talk about homosexuals and heterosexuals, but some people are bisexual and there are all sorts of degrees of sexuality. People cannot be categorised in the way in which many would try to do.

The clause is about much more than protecting children. So many of the speeches that have been made in defence of the Government's position have talked not about children, but about all sorts of practices and ways in which promotion is taking place.

As many hon. Members have said, although some people are supporting this in the genuine belief that it will be a help, they are wrong. What they are really talking about is re-criminalising homosexuality, as it was in the past. [HON. MEMBERS: "Not true."] If we are not talking about that, we would not have had the speech by the hon. and learned Member for Perth and Kinross (Mr. Fairbairn). I am glad that hon. Members say that that is not true. I hope that nobody who supports the clause would say that they would go back to that situation.

But if it were true that the clause is only about protecting children, as one or two hon. Members have said, as did the hon. Member for Birmingham, Edgbaston (Dame J. Knight), there is a solution. The hon. Lady could have gone along to the Department of Education and Science in which I have been a Minister, with all the evidence that she failed to produce, and she could have said to the Secretary of State, "Look, this is what is going on in our schools. Look at this school. Look at that school. What are you going to do about it?".

If the evidence had been produced—it was not, as has been pointed out—the Secretary of State could have issued a circular or guidelines, he could have pointed out what is already in existence or assisted people in such a situation. That is what could have been done. But no, the clause goes much wider than that. The hon. Member for Mid-Kent hit the nail on the head. A climate of opinion is now being created that makes homosexuals and lesbians the butt of those people who are bigoted and prejudiced. It makes them the scapegoats in our society.

The hon. Member for Edgbaston said that she had been the subject of a great deal of abuse, as had her secretary. She said that her car had been vandalised. What was the point of saying all that, unless she was saying that homosexuals and others who disagreed with her were doing those things to her? My car was vandalised last week, but I do not go around accusing people who hold an opposite view to mine of doing it. It would be completely erroneous to do so.

It is frightening and worrying that reports from, for example, the gay London group of young people show that there is an increase in attacks upon young gays and lesbians in our society. More of them are being beaten up and 20 per cent. have attempted suicide. Ten per cent. of them are thrown out of their homes and large numbers of them are homeless. Some of the arguments and language used in the debate, and some of the attitudes struck in it, promote intolerance towards homosexuals and lesbians, and should have no place in a modern society. We should not be doing that to people.

I found the contribution of the hon. and learned Member for Perth and Kinross frightening. He said that if a child went to a teacher and said that he wanted to steal or do something else bad the teacher would tell him not to, because one should not give in to feelings such as that. He even equated homosexuality with murder, if my notes are correct, and said that people should not give in to such feelings. I cannot understand how anyone who knows anything about law or society can possibly equate feelings of homosexuality or lesbianism with a desire to murder or steal. That is utterly ridiculous. It is all right, if one is heterosexual, to give vent to feelings and express them in any way that one wants. Such people may form any relationships that they want, and that is fine. But homosexuals must repress their feelings, said the hon. and learned Gentleman, because they are as undesirable as stealing, shoplifting or murder. That is an unbelievalbe argument.

Some Conservative Members, among them the hon. Member for Edgbaston, said that they were not concerned with reverting to the law as it was before and did not want to discriminate or make life difficult for homosexuals—they wanted only to protect children. The hon. Lady, who started all this, offered no evidence that children were in danger. When challenged, she has never been able to bring forward evidence, and none has been produced. If hon. Members are concerned on the basis of no evidence, they should not support the clause.

Mr. Marlow: It is late; I shall be brief; I shall not give way.

The hon. Member for Copeland (Dr. Cunningham) invited me to speak. I apologise, but it would be ungracious of me not to accept his invitation. I know why he invited me to speak—he was hoping that I would make some injudicious comment that might help him in pursuance of his case. I hope and anticipate that I might disappoint him.

The first rule of politics is that one can make enemies but never friends. If we do something right, we are expected to do so; but, by and large, we will offend

someone. On that basis, I understand that many of my hon. Friends want to keep their heads down, and people have advised me to keep mine down on this issue. But there is a case to be made against what has been said by the Opposition.

Those of us who were here at the time were impressed by the articulation—if that is the right word—of the hon. Member for Islington, South and Finsbury (Mr. Smith). He made a speech, as he did three months ago, of great honesty and integrity, and we all respect the points that he made. But I feel that he was wrong in his basic premise and alarmist in some of his later remarks.

The hon. Gentleman's basic premise—I may be wrong—and the basic premise put by hon. Members on his side of the argument was that the hand is dealt. One is born either heterosexual or homosexual. There is another point of view, and I am not saying that it is right, either. That may happen to some people, but some people become homosexual. They are persuaded, converted or, dare I say it, seduced into becoming homosexuals. The hon. Member for Islington, South and Finsbury may think he is right; other people may think they are right; but the reality may well be somewhere in between. We must all accept that that may be so.

The hon. Member is also wrong to say that the measure is anti-homosexual. It is not. There are real concerns among parents that if their children go to school there is a chance, on the argument I have advanced, that some people might seek to convert them from being heterosexual to being homosexual. If they have that concern, it is right and proper that the Government should take account of it. It is therefore right and proper that this amendment should be accepted by the Government.

The hon. Member for Copeland thinks that it is wrong that the Government should listen to public opinion and take account of it. The hon. Gentleman is wrong also to think that the amendment is anti-homosexual and that it is our desire to drive the homosexual community back into the closet. That is not right at all. I appreciate what the hon. Gentleman said. Homosexuals have friendships and lovers. They live together. They have a way of life. They are entitled to it. That is their life. It can be beautiful. Conservative Members respect that, too. We are not anti-homosexual, nor is the measure that my hon. Friend put forward.

Mr. Chris Smith: Does the hon. Gentleman accept that if a schoolteacher said what he has said about some homosexual relationships, he or she would quite probably be in contravention of the clause?

Mr. Marlow: The hon. Gentleman said that in his speech. That is his view. My hon. Friend the Minister might refer to that in his winding-up speech. I do not agree with the hon. Gentleman. He is being alarmist in his interpretation of the measure.

One of the problems is that some Opposition Members have been alarmist and have misrepresented the matter, because they do not understand or believe in the measure or, perhaps, for political mischief. They have misrepresented what the Government are trying to do. They have had the effect of whipping up hysteria amongst the homosexual community—quite wrongly. The danger is that they will provoke members of the homosexual community into a reaction that will have a counter-effect—the danger that this provocation will cause public opinion to move against homosexuality when it would otherwise not have done so. I caution Opposition Members not to be alarmist about the Government's measure. There is no need for alarm. The more alarmist they are, the worse the effect they will have.

The new clause constrains local authorities against intentionally promoting homosexuality or publishing material with the intention of promoting homosexuality. We have heard semantic discussion by the hon. Member for Copeland. Really, does the hon. Gentleman wish intentionally to promote homosexuality or publish material with the intention of promoting homosexuality through the local authorities that the Labour party controls? If he does, it might satisfy some members of the management committees of the Labour party but, by golly, it will turn off its supporters.

Mr. Pike: Having spoken in the debate on 15 December, I regret that, at this stage, Conservative Members have still failed to produce any evidence in support of the clause. The problem with tonight's debate is that we can consider only the Lords amendment and the amendments that have been tabled in the names of my right hon. and hon. Friends. We need to eliminate the clause from the Bill, but that is not our choice tonight.

If the hon. Member for Northampton, North (Mr. Marlow) really believes that the Bill's objectives are limited solely as he described, he is mistaken. He must understand that many people have fears. Indeed, the hon. Members for Hornchurch (Mr. Squire), for Brigg and Cleethorpes (Mr. Brown) and for Mid-Kent (Mr. Rowe) clearly demonstrated their fears and reservations about the clause.

Conservative Members have not produced their evidence, but have used a lot of rumour and misinformation to put their case. Certainly there have been press reports that have never been substantiated as to the type of material that is claimed to have been used in schools, or the way in which that material has been used in schools. It is a question not simply of the material which has been referred to by Conservative Members in making their case but of the way in which that material has been used or has been intended to be used.

It being Ten o'clock, the debate stood adjourned.

BUSINESS OF THE HOUSE

Ordered,

That, at this day's sitting, the Lords Amendments to the Local Government Bill may be proceeded with, though opposed, until any hour.—*[Mr. Peter Lloyd.]*

Question again proposed, That the amendment to the Lords amendment be made.

Mr. Pike: It has to be said that frequently the material has not been used in the way described by hon. Members supporting the clause.

The hon. Member for Hornchurch said that there was a solid view on both sides of the House that we wished to protect children. He was absolutely right to say that. Of course we all wish children to be protected from sexual abuse, whether homosexual or heterosexual. We also wish to protect them from mental and physical abuse of any kind. There is no dispute whatsoever about that.

However, the amendment does not deal only with education, as some Conservative Members have claimed. Its scope goes way beyond that. If the protection of

[Mr. Pike]

children is the main criterion on which the Government wish to take action, the Local Government Bill is not the means by which they should do that.

In my last speech on this issue, I said that, if it were in the Local Government Bill, it would not apply to children being educated in the private sector. If one takes the Government's point of view and says that promoting homosexuality is totally wrong, effectively the clause is saying that it is all right in private education. If one accepted for a moment that there was a problem, and I do not, the amendment would not deal with it.

The hon. Member for Birmingham, Edgbaston (Dame J. Knight) referred to instructions to teachers about teaching about homosexuality in a positive way. She objected to that. Teaching about homosexuality in a positive way is not telling people receiving education that they should be homosexual, gay or lesbian.

The hon. Lady really should examine the education guidelines in other fields such as religious education, which state that teachers should give a positive image of religions other than Christianity—such as the Hindu and Moslem religions. I am sure that those guidelines are not arguing that children should convert to those religions. It is right that they should be taught in a positive way about those religions so that they can understand them, just as we believe it is right that they should recognise that homosexuality exists, that people do not make a choice and that homosexuality should be recognised and fully understood.

In the last debate on this issue I referred to two letters which clearly made that case. One was from a teacher who expressed concern and doubt about the clause. I have had a number of such letters since that debate. *[Interruption.]*

Mr. Speaker: Order. It is very difficult to hear at this end of the Chamber.

Mr. Pike: I have had a number of letters since that debate that have supported my argument and have expressed similar fears to those in the letter I quoted in that previous debate. I have received letters from teachers, youth workers and community workers expressing genuine fears about how they will be inhibited in dealing with problems. For example, a young person may think that he or she is gay or lesbian and want to be understood and given advice. Young people may feel that they are the only gay or lesbian people in the whole world and that there is no one else in that position. They want to be advised that it is not totally abnormal but quite common and that it can be accepted and fully understood. Such a person should have the opportunity to live his or her life in peace and freedom, just as a heterosexual person does.

10 pm

Having analysed the speeches by Ministers, including that made by the Minister in Committee, those in the Chamber and in the other House, it is clear that they believe that the clause will be interpreted in a narrow way and that our fears will not be fulfilled. If that is what they genuinely believe, they must recognise that, as I have said many times, interpretation of the clause once the Bill becomes an Act of Parliament will be not for the House to determine, but for the courts. The courts will determine the word "promote" in a way which the Ministers do not. I give Ministers the benefit of the doubt because I do not believe that they want to go as far as the way in which the wording may be interpreted if the Bill is carried.

I sent to the Minister a letter from a youth community worker in my constituency. I asked the Minister to meet me to discuss that letter because it summarised that youth community worker's feelings and fears about the way in which the clause will be interpreted.

The amendments in the names of my right hon. and hon. Friends should be carried because, like the Lords amendments that have gone through, they make at least some improvement to the situation. Even at this late stage, it might be advisable for the Government to say, "We have thought again. We have gone too far. We withdraw the clause and will send it back to the Lords and ask that it be deleted from the Bill."

Mr. Dickens: This House should address itself first of all to the reason why the 90 per cent. majority of parents and grandparents in this country feel threatened and intimidated by the 10 per cent.

Back in 1967, when the Sexual Offences Act was introduced, we said that it was an Act of tolerance, compassion and understanding. I think that it will always so remain. However, it seemed to give the homosexual fraternity an opportunity to run gay clubs, gay centres and gay pubs that specialised in a homosexual clientele, where magazines could flourish and contacts be made, enticing and corrupting others to join their ranks who perhaps would never have done so.

Much more serious than that are the memories of grandparents who remember Cambridge in the 1930s, when the intellectuals of Cambridge—*[Interruption.]*

Mr. Speaker: Order. We must listen to the hon. Gentleman's argument.

Mr. Dickens: I am not intimidated by the noise, Mr. Speaker. It is like addressing an audience from the stage of "La Cage Aux Folles". I should like to remind hon. Members of that well-known hymn "I am what I am", and this is no illusion.

I return to my point about Cambridge university in the 1930s. The so-called intellectuals of that time were latching on to every minority group in the hope of gaining power. Many of them flirted with Communism in exactly the same way—*[Interruption.]*

Mr. Speaker: Order. This is a place where we all express our opinions freely.

Mr. Dickens: Many of them flirted with Communism in exactly the same way—Conservative Members will agree with this—that the loony Left has attached itself with a sympathetic ear to the homosexuals to snare them into its ranks. That is something we must watch.

What is the homosexuals' shopping list and why do the 90 per cent. of society feel intimidated? They now want the age of consent to be lowered to 16 years if you please and they want spouses of the same sex to be allowed entry to the United Kingdom as immigrants. They even want to adopt children. Such is the path to be followed by the homosexuals. It is doing homosexuals no favour to flaunt their activities by marches and protests in our cities.

A few weeks ago I was debating this subject in the Oxford union — *[Interruption.]* I have to be fair. I listened to a speech by a student who opened the innings for the other side with a straight bat—*[Laughter.]* That

speech was one of the best and most moving that I have ever heard. That student was a self-confessed homosexual and he made a sincere speech. I am sure that those who were on my side of the argument were greatly touched by his contribution — *[Interruption.]* This is a serious subject. — *[Interruption.]*

Mr. Speaker: Order. Time is getting on.

Mr. Dickens: The homosexual fraternity should not expect too much from the 90 per cent. majority. There is no way in which that majority want homosexuality to be a subject on the school curriculum. My hon. Friends and I are determined that they will not get it. By the same token, people like me should stand shoulder to shoulder with the homosexual fraternity against the so-called "queer bashers". They are only likely to get that support if they stop continuing to flaunt their homosexuality and thrusting it down other people's throats. *[Laughter.]*

Mr. Speaker: Order. We will all digest that. Mr. Livingstone. *[Interruption.]* Order. Mr. Livingstone.

Mr. Norman Buchan (Paisley, South): On a point of order, Mr. Speaker. Are you not aware that 90 per cent. of this House would like to hear more?

Mr. Livingstone: I am glad to follow the hon. Member for Littleborough and Saddleworth (Mr. Dickens) because he said that he is what he is. All we are asking is that he should allow other people to be what they are. The Bill will not allow that; it will reinforce discrimination.

I doubt whether people can remember their own early sexual experiences. Conservative Members have told us that there are points in time when one can go one way or the other, that a bit of pressure or persuasion can turn someone into a homosexual or, presumably, a heterosexual. Is there any hon. Member who can say that, at some point in their early years, they faced a conscious choice of whether to be homosexual or heterosexual? Of course not. We all know that that is nonsense. Our sex drives are there before we are aware of their existence — perhaps even before we can speak. We have to ensure that we do nothing in this House that makes it more difficult for people to give expression to their sexuality. Broadly, I support people's right to do whatever they choose as long as it does not impinge on the freedom or welfare of others.

10.15 pm

As well as some interesting early reminiscences, several bits of what has now become folklore have been invoked to support the clause. All that we hear is the repetition of vague innuendo. Again and again we have called for the name of one school that is teaching homosexuality. No Conservative Member has been able to name a single school in a county or city in this country that is doing what they claim is now so widespread that legislation is needed to stop it. I have listened carefully, and I have heard only three examples given to justify the clause. One was an article in the *Evening Standard* and one was an article in *The Daily Telegraph*. Since when did the legislature base legislation on two articles in newspapers? Before introducing detailed legislation affecting the lives of millions, should we not do a little better than to rely on what some journalist has cobbled together, regardless of whether it is accurate?

The only example given to justify the measure to which we should perhaps pay some attention is the third — a GLC publication "Changing the World". Hon. Members say that all this has happened in the past 18 months. I speak with some authority when I say that it is almost two years since the GLC was abolished. I am sure that Conservative Members were delighted to advance my rapid appearance in this place by abolishing it — and I thank them for it.

If Conservative Members have copies of "Changing the World", they will see it for what it is. It is a result of two years of debate, discussion and research in which the lesbian and gay community in London came together to produce a list of 142 changes in legislation and administrative practice that would remove discrimination against them. The only one of those 142 recommendations referred to today was the one dealing with heterosexism.

There is a genuine misunderstanding here. Heterosexism as a term does not mean that we are opposed to heterosexuality or that we wish to discriminate against it. Heterosexism is exactly the same kind of term as racism or sexism. They all describe discrimination against a particular group or class or gender. Heterosexism is no more than a way of describing the institutional and legislative discrimination against homosexuals in our society. If anyone has misunderstood that, I apologise. If hon. Members have thought that those using the term "heterosexism" are in favour of discriminating against heterosexuals, I am sorry, but they are wrong.

I wish to deal with two points that call into question the sincerity of those who will vote for the measure tonight. There is a problem relating to the protection of children in our society. There is widespread and systematic abuse of children — perhaps beyond anything that we fear at present. *[Interruption.]* I hear Conservative Members saying "Rubbish." It is not on to argue that one is supporting the clause to protect children and then to reject out of hand the suggestion that there is widespread sexual abuse of children in our society.

Studies have been undertaken by centres and groups that provide support for those who have suffered from incest. Their works suggest that one child in 10 is sexually abused by a relative. Almost all these instances of abuse involve fathers and uncles within the family and they are directed against their sons, daughters or nephews. Conservative Members who may want proof of this assertion should be aware that the evidence to support it is more substantial and better documented than any of the arguments that we have heard Conservative Members advance in support of the clause.

I do not accept that the clause is a serious attempt to protect children. I believe that the Government are pandering to bigotry in the hope that that will produce votes.

There are instances of homosexual abuse of children, and I have brought the issue before the House four times since my election to it. Four times I have asked the Prime Minister to open an inquiry into one of the most appalling examples of the homosexual abuse of children in this century. On all those occasions, the Prime Minister has refused my request. The reason is simple. During the homosexual abuse of the children, MI5 was photographing the perpetrators so that it could blackmail the Loyalist politicians who were committing the acts.

If the Government are appalled by the buggery of children, why do they cover it up when it is carried out by one of the state agencies? Why is it that every attempt to raise this issue is stamped upon? [HON. MEMBERS

[Mr. Livingstone]

"Proof."] Conservative Members ask for proof. Proof is available to the House if it is prepared to assert its right to see the MI5 files, including the photographs.

However much Conservative Members may try to prevent this issue emerging, enough is known now and enough people are now prepared to talk to make it inevitable that the proof will be revealed. How can any Conservative Member vote for the clause one day while refusing to investigate a well-documented case of homosexual child abuse the day before? That brings into question any claim of sincerity. It opens Conservative Members to the charge of the grossest hypocrisy. They are prepared to cover up homosexual child abuse when it is politically embarrassing for the Government of the day while stamping around Britain trying to stir up hatred against the gay and lesbian communities to try to gain votes.

The heterosexual community is not living in fear and intimidation as a result of any activities of the 10 per cent. of society that is homosexual. The people who live in fear are those who are killed in the most appalling way by the queer bashers in our society. There is a growing catalogue of the most horrifying incidents—no doubt egged on by the general climate of homophobia in the press and the media and on the Conservative Benches—where thugs have come out on to the streets to murder gay men.

Mr. Fairbairn: The activities of certain individuals, such as members of the IRA, whatever their sexual habits, are rather worse than anyone to whom the hon. Gentleman has referred.

Mr. Speaker: Order. The debate is going rather wide of the clause.

Mr. Livingstone: I condemn any act of violence wherever it takes place, as I condemn any act of child abuse, whoever commits it and whatever the individual's orientation.

I have one last abiding worry about some of the reasoning that lies behind the clause. The Conservative party whipped up homophobia in the run-up to the last general election and now it feels that it has to pander to the forces that it whipped up. When he was orchestrating the election campaign in the Conservative party, the right hon. Member for Chingford (Mr. Tebbit) made homosexuality an issue in the crudest and grossest way. I hope that he can live with his conscience because of what he has done to demean the lives of gay men and lesbians in Britain, as I hope other Conservative Members can live with their consciences every time another gay man is murdered by queer bashers.

Mr. Howard: It would be difficult to do full justice to all the varying qualities of this remarkable debate. Many of the contributions have been based, like the amendments to the Lords amendment, on a misapprehension of the nature and effect of the provisions which are before the House. That observation also applies to the campaign which has been waged against the provisions of the clause since the Bill left the House for another place.

I re-emphasise that it is no part of the Government's intention in supporting the provision to remove the rights of homosexuals to receive council services. As ratepayers and electors, they are entitled to access to council services on the same basis as anyone else. There is nothing in the provision which would damage that right. Allegations that the provision would lead to censorship of the arts, stop activities in health care and counselling and prevent local authorities from granting entertainment licences are quite unfounded. I am happy that that was recognised.

Ms. Clare Short (Birmingham, Ladywood): I do not believe it.

Mr. Howard: The hon. Lady says that she does not believe it, but it was recognised by the Opposition spokesman in another place, the noble Lord McIntosh of Haringey, who on Third Reading accepted that the clause did not have the kind of restrictive effect which was feared by many, particularly in the artistic world, who had been so worried about it. Of course, he was speaking in sharp contrast to the observations of the hon. Member for Stoke-on-Trent, Central (Mr. Fisher) in making that point.

Mr. Tony Banks: This morning I got from Luke Rittner, the secretary general of the Arts Council, a statement which says that the Arts Council remains deeply concerned at the possible implications and effects of clause 28. The Minister has not satisfied the worries of the Arts Council.

Mr. Howard: No, we have not satisfied all the concerns, but those, including the Opposition spokesman, who have sat through all the debates in another place have a greater appreciation of the true effect and nature of the provisions than do some others who have been considering the matter from outside.

Mr. Bob Cryer (Bradford, South): Can the Minister give the House a categorical assurance that, if a local authority makes a grant to an arts association to put on a play, let us say, about the life and times of Oscar Wilde, that would not fall foul of the cause of promoting homosexuality?

Mr. Howard: I find it a little hard to respond to such questions because, when I do, as I did in a letter to which the hon. Member for Islington, South and Finsbury (Mr. Smith) referred in his speech, I am told that nothing that I say is of any relevance because at the end it is all a matter for the courts. Indeed, it is, at the end of the day, a matter for the courts. Opposition Members cannot have it both ways. They cannot say that the assurances given by Ministers are worthless because at the end of the day the matters are for the courts, and in the next breath pop up with questions about the effect of the provisions.

The best answer that I can give to the hon. Member for Bradford, South (Mr. Cryer) is that it is most unlikely that such an event would fall foul of the provisions. In order for it to fall foul of the provisions there would have to be a deliberate intention to promote homosexuality behind the act of the local authority in funding that performance. I think that it is most unlikely, in the circumstances to which the hon. Gentleman has referred, that the event would fall foul of the provisions.

In a speech which was characterised by a schizophrenic approach, of which I shall have more to say in a moment, the hon. Member for Copeland (Dr. Cunningham) asked for an assurance that we had no intention of extending the purport of the clause to other areas. I think that he specifically mentioned broadcasting and the Arts Council. I am not aware of any abuses in those spheres of the kind

which have given rise to the need for the clause. In those circumstances, I am happy to give the hon. Gentleman the assurance for which he has asked.

10.30 pm

Clause 28 was introduced because of the growing concern inside and outside Parliament about the use of ratepayers' money by some local authorities to promote homosexuality. In particular, there was real concern that local authorities were targeting some activities on young people inside and outside schools in an apparent endeavour to glamorise homosexuality. Not surprisingly, parents have become increasingly concerned about public money being used in that way to influence the attitudes and behaviour of impressionable young people.

Dr. Cunningham: If that is so, and all the evidence is in the Government's hands, why was clause 28 not in the Bill in the first place?

Mr. Howard: Many of the clauses were not in the Bill in the first place and we will consider some of those later. When the matter was brought forward by the sponsors, my hon. Friends the Members for Spelthorne (Mr. Wilshire) and for Birmingham, Edgbaston (Dame J. Knight), the Government shared their view that there could be no justification for local authorities using public money for that purpose.

Dr. Cunningham: Where is the evidence?

Mr. Howard: The hon. Gentleman, from a sedentary position, asks, "Where is the evidence?" There is evidence. I have a list of the evidence. I will content myself with two examples. The first piece of evidence is the publication "Young, Gay and Proud." I have an excerpt from it here and it contains a most explicit description of homosexual activities. The Inner London education authority recommended it for children aged 13.

My second piece of evidence is from another publication called, curiously, "The milkman is on his way." That also contains very explicit and rather offensive descriptions of homosexual acts. ILEA recommended that publication for children aged 15. It was available for lending from the children's section of a library in the London borough of Haringey, and I have a copy of the sheet which shows that it was taken from the library and used on numerous occasions.

There is no doubt that there is evidence. There is equally no doubt that these activities have provoked considerable public disquiet.

Mr. Battle: Will the Minister give way?

Mr. Howard: Not yet.

We believed that removing that source of disquiet would do much to alleviate the resentment that had undoubtedly been building up and that had been having a growing and adverse effect on tolerance and understanding.

Mr. Simon Hughes: How could the Minister's ministerial colleagues have advised the other place exactly one year before the Minister accepted a Conservative Back-Bench new clause that it should not accept an identically drafted clause because there was no need for legislation of that type and that the wording was dangerously vague?

Mr. Howard: If the hon. Gentleman studies the record closely he will find that the remarks made by my noble Friend Lord Skelmersdale in another place were made about a draft of the clause that differed significantly from the form of the present clause. We must also consider what has happened since the remarks were made.

When the Bill started its passage last year it was passed without opposition in another place. It then came to this House and was prevented from passing into law by a filibuster waged by an Opposition Member who has since lost his seat. I believe that his filibuster was carried out on the last day that he was an hon. Member of this House.

In those circumstances, it is reasonable that the Government should have considered the views of another place and of this place and the way in which the wording of the clause differed from that referred to by my noble Friend Lord Skelmersdale. When the Bill was before Parliament, Government spokesmen made it clear that they were sympathetic to the intention behind the clause and, in the light of all those circumstances, acceded to the amendment brought forward by my hon. Friends the Members for Edgbaston and Spelthorne.

Mr. Simon Hughes: I understand that, and I hear what the Minister says. But surely the Government have the same responsibility a year later to caution Parliament about wording that is vague and dangerous. No change in circumstances justifies a Government adopting dangerously wide definitions. Their duty, surely, is to ensure that definition accurately fulfils intention, and does not risk infringing other rights and liberties.

Mr. Howard: I do not accept the hon. Gentleman's remarks about the vagueness of the wording. We are satisfied that the clause can be interpreted by the courts in a perfectly satisfactory way.

Let me now deal with the amendments made to the clause in another place. They have the effect of achieving greater clarity—the kind of clarity that I understood the hon. Member for Southwark and Bermondsey (Mr. Hughes) to desire.

Amendment No. 10 makes it explicit that the clause is concerned only with the intentional promotion of homosexuality by a local authority. Amendment No. 11 is consequential on that change. The alternative to deleting the words in question would have been a complex prohibition which, in essence, simply reinforced the effect of the basic prohibition. Amendment No. 12 is, we believe, a useful safeguard. It makes it clear that a court considering a challenge against a local authority would be required to consider all the circumstances of the case and come to a reasonable view on the basis of the evidence before it. It would not be sufficient for an authority simply to claim that its purpose was one thing, when it would be clear to any independent observer taking a reasonable view that that was not its only purpose.

Amendment No. 34 is a necessary amendment to the title of the Bill, which includes a reference to the prohibition of homosexuality by local authorities in clause 28.

Having made that background clear, let me deal with the two amendments proposed by the Opposition to the Lords amendments. They have been explained by the hon. Member for Copeland. The gulf between the words that he used and the effect of the amendments is almost as great as the gulf that opened up, in the course of the Opposition's consideration of the matter, between the view of the hon. Member for Copeland and that of his right

[Mr. Howard]

hon. Friend the Leader of the Opposition. When the matter first came before the Standing Committee, the hon. Member for Copeland said that he would vote for the amendment that embodied the clause and that he hoped and expected that his hon. Friends would so the same. He spoke, it is true, of certain amendments that he intended to put down on Report, but he said that he would do nothing to change the first part of the clause, which states that a local authority shall not promote homosexuality or publish material for the promotion of homosexuality. He did not wish to change what that said in any way, shape or form.

In the event, the Committee did not divide on the clause; it was accepted without a vote. That was in December. By the end of January, the Leader of the Opposition had taken an interest in the matter. He made a speech that was widely reported, in which he referred to "a pink triangle clause produced and supported by a bunch of bigots."

It must be very gratifying for the hon. Member for Copeland to know that his leader is willing to express his confidence in him in such resounding terms.

By February, *Labour Campaign Briefing* was telling the world:

"Jack Cunningham and Labour's front bench have made plain their total opposition to Clause 28 . . . if it should become law Labour is committed to its repeal."

In my innocence, I always supposed that if one was totally opposed to a clause the appropriate thing to do was to vote against it. However, the Labour party takes a far more sophisticated approach to such matters. In the new Labour party, if one is totally opposed to something, the thing to do is to say that one supports it and will vote for it, refuse to divide in Committee and, when one's leader has declared one a bigot, to put out a piece of paper saying one is totally opposed to it. That is the extent of the humiliation to which the hon. Member for Copeland has been subjected by the leader of his party. It is against that background that the Opposition's amendments to the clause have to be considered.

Dr. Cunningham: That is a cheap misrepresentation of the position we have adopted from the beginning. We made it clear that we would be moving amendments to the clause. We did so on Report, we did so in the House of Lords, and we are doing so here. Will the Minister now address himself to some of the issues in the debate and to the fears and concerns of people?

Mr. Howard: I have great sympathy with the hon. Gentleman.

I shall now deal with the amendments that have been tabled by the Leader of the Opposition and his hon. Friends.

Mr. Ian Gow (Eastbourne): Before my hon. and learned Friend leaves that point, will he please give way again to the hon. Member for Copeland (Dr. Cunningham)?

Mr. Howard: My hon. Friend tempts me. As I have said, I have great sympathy with the position in which the hon. Member for Copeland finds himself.

The first of the amendments tabled by the Opposition, (e), would exempt from the prohibition of the promotion of homosexuality

"any action undertaken for the purpose of discouraging discrimination against or protecting the civil rights of any person."

Let me make it plain that it is no part of our intention in supporting this clause to affect the civil rights of any person. We are talking about the use of public money to give preferential treatment to certain people, activities and tendencies. The clause prevents discrimination in favour of a particular purpose—the promotion of homosexuality. Therefore, there is nothing in the clause that would give any local authority any justification for discrimination against homosexuals. To the extent that the Opposition's proposed amendment is aimed at making that clear, the amendment is unnecessary. The clause is already clear enough. Whatever the aim of the Opposition, the effect of what they are proposing is very different. Intentionally or otherwise, their proposal would enable local authorities to continue all the practices that the Government find so objectionable. Let me try to explain why.

Since the Opposition's amendment operates to exclude from the provisions of the clause action for certain purposes, we are, by definition only, considering those actions that could be affected by the clause. What are those actions? By definition, they must be actions intended to promote homosexuality. Therefore, a council would be able to do anything it wanted, if the amendment were accepted, provided that it could show that, as well as intending to promote homosexuality, it had the purpose of protecting the civil rights of some person. The plain fact is that it is quite unnecessary to promote homosexuality in order to protect anyone's civil rights.

The second amendment is equally, if not more, objectionable. If the Opposition's purpose is simply to say that what is not prohibited by the clause is not prohibited by the clause, it is unnecessary. Whatever their intentions, we have to look at what their drafting would achieve. It is the effect of their amendment that makes it completely unacceptable. It says that any action, however much it promotes homosexuality, is to be permitted if that action is necessary in the authority's view to provide a service for some other purpose. Therefore, any local authority that intended to get round the clause would simply have to show that in its view it was providing the service for some other reason as well as the promotion of homosexuality. We do not accept that a local authority cannot provide the services its ratepayers and electors require without promoting homosexuality. The Opposition appear to take an opposite view. Its amendment would allow a coach and horses to be driven through the prohibition. It has only to be considered in this way for the true nature of the amendment to become apparent.

10.45 pm

The clause has overwhelming public support. Many thousands of worried families in Britain have been concerned about the abuses that have taken place. I shall conclude my observations with a description of how that abuse has grown up. Before Labour Members react with outrage at what I am about to say, I caution them that the words that I am about to use are not mine. Some Labour councils, not all,

"abused their powers. They took no account of the views of the majority of ordinary people. They launched and financed programmes to aid and abet homosexuality, lesbianism and other minority causes until they became the laughing-stock of the nation . . . Under the reselection system of Labour councils those minorities apply pressure well beyond their electoral strength. Councillors will be bound to bend the knee 'Do as you are told, or else' is the theme that determines their reselection. So inevitably all the Labour groups and councils

will gradually be pressurised into promoting homosexual activity." — [*Official Report, House of Lords*, 2 February 1988; Vol. 492, c. *1000*.]

Those are the words of the noble Lord Mason of Barnsley, who, as Secretary of State for Defence and Secretary of State for Northern Ireland in the last Labour Cabinet, performed more distinguished service for this country than any of those Labour Members sitting on the Opposition Front Bench have done or are likely to do. There can be no better indication to the people of this country of the difference between the Labour party of 10 years ago and the Labour party of today and the gulf between the words of the noble Lord Mason and those that have come forth from the Opposition Front Bench during the debate on this clause.

For the reasons that I gave earlier, I urge the House to reject the amendments moved by the Opposition.

Mr. Allan Roberts: I should like to begin by paying tribute to the hon. Members for Hornchurch (Mr. Squire), for Brigg and Cleethorpes (Mr. Brown) and for Mid-Kent (Mr. Rowe) for their brave and courageous speeches, for standing up to the intentions of this clause and for standing against obtaining votes by bigotry, to which some of their colleagues are putting their names.

I have noticed a change among Conservative Members since the debates on Third Reading and Report. It is now being said, "The clause will not attack gay rights and the civil liberties of homosexuals; it will not prevent a lot of the funding by local authorities of gay groups and other organisations". Those are the same groups that Tories were attacking so vehemently on Third Reading and Report.

A massive campaign against the clause has been organised by the Arts Council, local government, the National Council for Civil Liberties and many other organisations. There was a march of 20,000 people in Manchester, at which there was no violence or arrests, protesting against this clause.

The approach that is now being adopted by Conservative Members is, "Gently, gently, offer faint praise and, without sneering, teach the rest to sneer." Those who try to use other people's bigotry to obtain votes are as bad as the bigots themselves.

The bigotry and prejudice still came through, even in the smooth Minister's speech, but he did not produce any evidence. It has always been verdict first and evidence second. He produced no evidence of abuse in schools and he did not name any schools. The Minister quoted one of the few sources that he has been able to quote throughout the Committee proceedings — the book, "Young, Gay and Proud", which he claimed is recommended by ILEA for children of 13. He knows that that is not true. It was put on a reading list for parents by ILEA advising parents of books that they might want to read if they wanted to understand their homosexual children. The Minister is about to intervene, as he did in Committee, and read from the sleeve of the book, which says:

"Recommended for children of 13 and over."

That was the publisher's recommendation, nothing to do with ILEA, and it was on the reading list for adults. The Minister knows that.

Mr. Howard: Is the hon. Gentleman denying that in the reading list issued by ILEA against the title, "Young, Gay and Proud" there appear the words:

"Its friendly, unpatronising and reassuring tone make it easy to read and very helpful for everyone 13-plus, staff and parents."?

Mr. Roberts: The Minister has quoted the publisher's notes about a book which was on a reading list for adults and was never recommended by ILEA for children. He gives the lie to his own misrepresentation.

Let me read a paragraph from a leaflet entitled "Understanding homosexuality". It says:

"Medical evidence suggests that a person's sexual orientation is formed before the age of five. It is, therefore, unlikely that an adolescent could be turned into a homosexual by an occasional contact. But such a contact might bring to the fore an orientation which is already there but unrecognised. The realisation could put an end to a young person's confusion and unhappiness."

Hon. Members: Who wrote that?

Mr. Roberts: I guess that it is controversial literature. It was written and issued by the Mothers Union in 1983 and is still available today. But it will be caught by the clause if the Mothers Union is funded by local government.

The variety of organisations that may find themselves under attack once clause 28 becomes law is staggering. All they need is to be funded by the local authority. The Minister has made that clear in his speech. The Government will not discriminate against the civil liberties of gays, homosexuals and lesbians; they will just make sure that local authorities do not spend money on them, provide services for them and help and assist them. If that is not discrimination, what is?

Another pillar of the community, founded by ladies doing good works, is the National Association of Citizens Advice Bureaux. Last year, at its national conference, it voted to take account of lesbian and gay issues, oppose discrimination and, where possible, to recruit people who are homosexual to their management committees. Will the Government now turn on the citizens advice bureaux?

The hon. Member for Spelthorne (Mr. Wilshire) said that the Government were worried not just about schools, but the whole of local government. The hon. Member for Birmingham, Edgbaston (Dame J. Knight) said that the clause was just about protecting children, but the Government have produced a clause that has nothing to do with protecting children. According to the advice of lawyers and many organisations, it will make illegal the provision of joint tenancies for persons seeking housing as open homosexuals. It will put in doubt the provision of social services advice and assistance to persons who are uncertain of their sexual orientation. It will put in doubt whether local authorities can refer people seeking advice to social services, and, via social services, to voluntary groups run by and for homosexuals, the provision of grants to students and student unions in higher education, the position of lesbian and gay societies, the stocking and display in public libraries of books and periodicals written by and for homosexuals and the financial support for gay and lesbian centres.

If that is not the case, why are Right-wing Conservative councillors in places like Manchester threatening that when the clause is enacted they will use it to take councillors to court to prevent such funding and activities? That is what is happening at the moment. Yet the Government say that they are against public money being spent for specific purposes. All those activities may

[Mr. Roberts]

depending on the circumstances and interpretation of the words "promoting homosexuality", be made illegal by the clause.

The Minister admits that he cannot say how the courts will interpret the word "promote" or the words "intentionally promote". The danger that he is putting the civil liberties of homosexual people in by promoting the clause is unbelievable.

The other week Elizabeth Taylor was asked on the Michael Aspel show why she got involved with raising money for AIDS research. She said that she was appalled by the silence from Hollywood. She said that homosexuality had become a taboo subject, and yet, as she put it,

"Hollywood was built by homosexuals."

That is not true only of Hollywood; there are homosexuals everywhere. Homosexuality is a part of society. So why do people fear it so much? Is it because, as some Conservative Members said, people fear the abnormal? *[Interruption.]* In the case of the clause, we are talking about fear of abnormal relationships and families. That is what Conservative Members say exists.

But what is normal? Are single parents, step-parents, heterosexual couples living together, married couples without children, single sexually active heterosexuals and celibates normal? Is what the majority does normal? Most people who get married get divorced. Is that normal? Normal is hard to define. Morality is based not on what most people do but on what is acceptable. I find love, care and respect acceptable, and exploitation, bullying and unreasonable prejudice unacceptable.

The clause is unacceptable because it is based on unreasoned prejudice. It is a bullying tactic to push homosexuals back into secrecy. It exploits the fear of AIDS and the misinformation that has been whipped up around it. Fear of AIDS has whipped up prejudice against gay people and the Government are cashing in on that. To quote Tom Robinson,

"The solution is simple. They could do it with ease—stop attacking the patients and attack the disease."

To listen to some Conservative Members one would think that homosexuals were going around proselytising and that homosexual images were being presented everywhere—especially by local authorities—to convert people. The opposite is true. Heterosexual images are used to sell everything from chocolate to cars. Exhibitions of homosexuality are discreet compared with those of heterosexuality, but Conservative Members think that because local authorities help gay groups, homosexuals and lesbians, everyone will suddenly be converted. What nonsense. What nonsense.

The hon. Members for Spelthorne and for Edgbaston——

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak) *rose*——

Mr. Roberts: —want homosexuality to disappear, and do not want to know of its existence. The hon. Member for Edgbaston has opposed all sex education in schools for years. She would rather that any complication to do with sex disappeared. From the beginning, the Labour party has stood firmly——

Mr. Beaumont-Dark *rose*——

Mr. Roberts: —against the Government's intention in the clause. My hon. Friends and I made it clear in Committee that we had seen the clause for the first time only briefly and did not know what the word "promote" meant — *[Interruption.]* If it means advocating homosexuality as an alternative to heterosexuality, we have not changed our position on that. We have tabled amendments to ensure that the clause does not discriminate in the way that the Government refuse to accept that it does.

If the Government do not seek to destroy the civil liberties of gay people, why will they not accept the amendment, which reads:

"other than by any action undertaken for the purpose of discouraging discrimination against or protecting the civil rights of any person"?

Mr. Howard: If the hon. Gentleman had listened to my speech and departed for a moment from his pre-arranged rant, he would have known the answer to that question.

Mr. Roberts: If the Minister had listened to informed public opinion, or the National Council for Civil Liberties, or the associations of local authorities, he would have withdrawn the clause.

Mr. Simon Hughes: Will the hon. Gentleman, whose indignation about the proposal I accept, explain why when he, the hon. Member for Copeland (Dr. Cunningham), the Minister, other Committee Members and I were together in the Committee, we heard the following phrase, said on behalf of the Labour party:

"I shall vote for the amendment and I hope and expect that my hon. Friends will do the same." — [*Official Report, Standing Committee A*, 8 December 1987; c. 1213.]

That was for this clause as proposed and supported by the Government. Why the change?

Mr. Roberts: I just hope that the hon. Gentleman's party's campaign on the issue of gay rights — [HON. MEMBERS: "Answer the question."] I shall answer the question in my own way.

I just hope that the hon. Gentleman's campaign on the issue will be based on the speech that he made today and not on the kind of literature and gay rights campaign with which he and his party have been involved. A June 1987 general election leaflet, entitled "Bermondsey constituency Liberal focus leaflet in support of the Simon Hughes candidacy", states:

"Labour's support for positive discrimination for gays is a key reason why Labour was not even fit to be the Opposition, let alone the Government."

It ill-behoves the victor of Bermondsey to lecture us about gay rights.

Homosexual people are ordinary people made extraordinary or different by other people's and Conservative Members' obsessive interest about what they might, and probably do not, do in bed. Conservative Members' obsession with sex makes me sick.

Mr. David Shaw (Dover) *rose*——

Mr. Roberts: I shall not give way.

To quote Michael Cashman, Colin in "Eastenders", who spoke at the gay rights rally in Manchester, we could round up gay people, we could shoot them or gas them, but they will not go away. As long as men and women procreate, they will continue to create homosexuals, and there is nothing that we can do about it, even if Conservative Members want to.

I urge all those Conservative Members who claim that this is not a bigots' charter and that it is not against the civil liberties of gay and lesbian men and women to vote for our amendments.

Question put, That the amendment to the Lords amendment be made:—

The House divided: Ayes 201, Noes 254.

Division No. 207] **[11.03 pm**

AYES

Abbott, Ms Diane
Allen, Graham
Alton, David
Archer, Rt Hon Peter
Armstrong, Hilary
Ashdown, Paddy
Ashley, Rt Hon Jack
Barnes, Harry *(Derbyshire NE)*
Battle, John
Beckett, Margaret
Beith, A. J.
Benn, Rt Hon Tony
Bermingham, Gerald
Bidwell, Sydney
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Michael *(Brigg & Cl't's)*
Brown, Nicholas *(Newcastle E)*
Brown, Ron *(Edinburgh Leith)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Campbell, Menzies *(Fife NE)*
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Carlile, Alex *(Mont'g)*
Clarke, Tom *(Monklands W)*
Clay, Bob
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Cook, Robin *(Livingston)*
Corbett, Robin
Corbyn, Jeremy
Cousins, Jim
Cox, Tom
Cryer, Bob
Cummings, John
Cunningham, Dr John
Dalyell, Tam
Darling, Alistair
Davies, Rt Hon Denzil *(Llanelli)*
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dixon, Don
Dobson, Frank
Doran, Frank
Douglas, Dick
Duffy, A. E. P.
Dunnachie, Jimmy
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Ewing, Mrs Margaret *(Moray)*
Faulds, Andrew
Fearn, Ronald
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Foulkes, George
Fraser, John
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Golding, Mrs Llin
Gordon, Mildred
Graham, Thomas
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Doug
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Hughes, John *(Coventry NE)*
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Illsley, Eric
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Jones, Martyn *(Clwyd S W)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kilfedder, James
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lamond, James
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livsey, Richard
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
Macdonald, Calum A.
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McNamara, Kevin
McTaggart, Bob
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Prescott, John
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Rees, Rt Hon Merlyn
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Ruddock, Joan
Salmond, Alex
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Squire, Robin
Steel, Rt Hon David
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thomas, Dr Dafydd Elis
Thompson, Jack *(Wansbeck)*
Turner, Dennis
Wall, Pat
Wallace, James
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Wise, Mrs Audrey
Worthington, Tony
Wray, Jimmy
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Frank Cook and
Mr. Tony Banks

NOES

Adley, Robert
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Amos, Alan
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Baker, Nicholas *(Dorset N)*
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Beggs, Roy
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Biffen, Rt Hon John
Blackburn, Dr John G.
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Bruce, Ian *(Dorset South)*
Buchanan-Smith, Rt Hon Alick
Buck, Sir Antony
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Cash, William
Chapman, Sydney
Chope, Christopher
Clark, Hon Alan *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cran, James
Critchley, Julian
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Dykes, Hugh
Eggar, Tim
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forsythe, Clifford *(Antrim S)*
Forth, Eric
Fox, Sir Marcus

Franks, Cecil
Freeman, Roger
French, Douglas
Gale, Roger
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Glyn, Dr Alan
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gow, Ian
Gower, Sir Raymond
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Kellett-Bowman, Dame Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
King, Rt Hon Tom *(Bridgwater)*
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Sir Nicholas
McCrindle, Robert
Macfarlane, Sir Neil
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Maginnis, Ken
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marlow, Tony
Martin, David *(Portsmouth S)*
Maude, Hon Francis
Mayhew, Rt Hon Sir Patrick
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Morris, M *(N'hampton S)*
Moss, Malcolm
Moynihan, Hon Colin
Neale, Gerrard
Needham, Richard
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Parkinson, Rt Hon Cecil
Patnick, Irvine
Patten, Chris *(Bath)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Ross, William *(Londonderry E)*
Rossi, Sir Hugh
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Sayeed, Jonathan
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stewart, Allan *(Eastwood)*
Stewart, Andy *(Sherwood)*
Stradling Thomas, Sir John
Thompson, Patrick *(Norwich N)*
Thurnham, Peter
Vaughan, Sir Gerard
Waddington, Rt Hon David
Walker, Bill *(T'side North)*
Watts, John
Wheeler, John
Widdecombe, Ann
Wilshire, David
Wood, Timothy

Tellers for the Noes:
Mr. Peter Lloyd and
Mr. David Lightbown.

Question accordingly negatived.

Lords amendment agreed to.

Lords amendments Nos. 11 and 12 agreed to.

Local Government Bill

New clause

ADDITIONAL POWERS FOR AUDITORS OF LOCAL AUTHORITIES ETC.

Lords amendment: No. 13, after clause 29, insert new clause—

"—(1) After section 25 of the Local Government Finance Act 1982 there shall be inserted the sections set out in Schedule *[Sections to be inserted in Part III of Local Government Finance Act 1982]* to this Act.

(2) In section 16 of that Act (auditor's right to obtain documents and information) for the words "for the purposes of the audit", in each place where they occur, there shall be substituted "for the purposes of his functions under this Act".

(3) This section and that Schedule shall come into force at the end of the period of two months beginning with the day on which this Act is passed.

(4) This section and that Schedule shall extend to England and Wales only."

Read a Second time.

11.15 pm

Mr. Jeff Rooker (Birmingham, Perry Barr): I beg to move amendment (a) to the Lords amendment, in line 10, leave out 'two months' and insert 'one year'.

Mr. Deputy Speaker (Mr. Harold Walker): With this it will be convenient to discuss Lords amendment 27, amendment (b) to Lords amendment 27, and Lords amendment 35.

Mr. Rooker: I sincerely apologise to the House for returning to the subject of local government, which is the purpose of the Bill, and delaying the House by seeking to debate, for the first time in the House of Commons, the new powers of the local authority auditors in relation to the new clause and schedule that was slipped into the Bill in the other place—*[Interruption.]*

Mr. Deputy Speaker: Order. Would hon. Members whose interest in our proceedings is diminishing please leave the Chamber quickly and quietly?

Mr. Rooker: I am well aware that local authority issues are pretty gripping to hon. Members, as is suggested by the interest in the Bill itself. Nevertheless, we want to go through some of the remaining Lords amendments simply because in the past the House has never had the opportunity to get from the Government the reasons for the new powers being given to the local authority auditors.

The changes involved in the part of the Bill relating to the local authority auditors are important structural changes to local government. There is no question about that. In fact, the argument that was deployed as a result of the Widdicombe report said that those changes should be made as part and parcel of a major change. We register our protest at the Government dealing piecemeal with this matter. On the one hand, the powers for the auditors are put in the Local Government Bill as Lords amendments, when powers which are similar to those of the local authority chief finance officers—again something with which the Widdicombe report dealt at length—are being put in the Local Government Finance Bill, which is known to all and sundry as the "pol' tax" Bill, and which is still upstairs in Committee. Therefore, in two different Bills two substantial changes to the structure of local government are being dealt with.

I allude to amendment (a) briefly. I do not want to go over all the issues that were raised in the Lords or through all the parts of the clause because I do not think that the House would be with me if I did. Basically, the purpose of amendment (a) is to put off the coming into force of the provisions that give new powers to the local authority auditors. We are seeking to put them off for one year instead of two months. The amendment provides an opportunity to criticise the Government for using the Local Government Bill as the legislative vehicle.

I wish to put on the record two simple and short points. First, there has been minimal parliamentary scrutiny of the new auditors' powers under the Bill. We must register that point. It is OK for Governments to find things that are technically wrong with a Bill at the last minute and to make changes in the Lords. That is fine and we accept that because it is part of the process of having two Chambers of parliament. However, the debate that has just taken five hours, took five hours only because that clause was slipped in at the end of the Committee stage. In fact, it was slipped in on the very last afternoon of the Committee stage when we had an agreement with the Government, which we were going to honour, about a finish date. It was not as though we could get any extra half days or an extra few hours. We make no complaint about that. However, that is why the promotion of homosexuality took up so much time on Report and so much time today.

Hon. Members have demonstrated that they believe that the issue of homosexuality is more important than the substance of the Bill—competitive tendering, contract compliance. That is the will of the House. It is no good any hon. Member complaining about the fact that I intend to spend only a few minutes on this amendment. I believe that those hon. Members who spent so much time debating clause 28 should also be made to vote on all the other amendments down for discussion. However that is not how this place works. I believe that what took place tonight was an abuse and should be stopped.

There was nothing to prevent the Government from including the auditors' powers in the Local Government Finance Bill. We would not have complained about that. By the time the Government inserted the clause relating to the new powers for auditors in the Local Government Bill in the other place the poll tax Bill had already had its Second Reading in this place. Hon. Members will remember that the whole thing was done before Christmas. It would have been possible to add new clauses to the poll tax Bill. After all, upstairs the Government have promoted almost 500 amendments to that Bill and 16 new clauses. There is much more to come. Today we had a statement that further clauses, schedules and amendments on important issues will be introduced to the poll tax Bill even after the guillotine motion.

The new powers of the auditors will go hand in hand with the new powers of local authority chief finance officers. Those new powers resulted from the Widdicombe report and they could have been included in the poll tax Bill. In that way those powers would have been subject to parliamentary scrutiny. As it is, those powers will not receive such scrutiny and I make no apology for that. The House cannot do its job properly until those hon. Members who are interested in local government, either for party political reasons or as a result of service in local

[Mr. Rooker]

government, have the opportunity to scrutinise those matters properly. Indeed, there has been no opportunity for hon. Members to consider the implementation of the Widdicombe proposals.

I accept that, since the Minister's appointment in July, the Minister, my hon. Friend the Member for Copeland (Dr. Cunningham) and myself have been locked in Committee almost every day of the parliamentary week. We know what the Minister has been doing, but that means that he has not had the opportunity to sit back and take a long-term view of his responsibilities and what is in the pipeline as a result of reports upon which the Government may wish to legislate, with or without the support of the Opposition — we do not oppose everything.

The Minister should learn a lesson from this parliamentary fiasco. He should decide that the rest of the Widdicombe report should be put to the House of Commons as a coherent package. In that way the House would be able to consider those legislative proposals and give the package proper scrutiny. If the Minister takes that lesson on board I will not have spent the past five minutes in vain.

Mr. Bruce Millan (Glasgow, Govan): I agree with my hon. Friend the Member for Birmingham, Perry Barr (Mr. Rooker) that the relationship between auditors and local authorities and the new powers of auditors are extremely important.

It is wholly unsatisfactory that we should be dealing with this matter on the basis of amendments that were moved by Ministers at a later stage when the Bill was in another place. That denied us the opportunity of dealing with such matters at an earlier stage when we were considering the Bill.

I should declare an interest as parliamentary adviser to the Institute of Chartered Accountants of Scotland. Although the provision applies only to England and Wales, the Scottish institute has an interest in audit functions generally; that is why I declare my interest.

It is nonsense to be giving additional powers in this Bill to auditors to act when they believe that a local authority may be about to behave illegally when, as my hon. Friend the Member for Perry Barr pointed out, similar provisions in relation to chief financial officers are being dealt with in the Local Government Finance Bill. It is even greater nonsense given that the Minister in charge of this Bill in the Lords said on Report that the Lords intended to move amendments to the Local Government Finance Bill relating to chief financial officers and that there may then be consequential amendments to this Bill in the House of Lords.

We are dealing with essentially the same question here. Whatever view one takes of the merit of giving the powers, they relate to circumstances in which there may be reason to believe that a local authority may be acting illegally. Certain powers are given to chief financial officers in the Local Government Finance Bill and certain powers are given to auditors in this Bill, but the two matters are very closely related.

Neither the English nor the Scottish chartered accountants are happy with the proposals. The main reason for that is that it is not the function of an auditor, in a commercial concern or in a local authority, to monitor the day-to-day activities of the organisation being audited. Therefore, in the normal course of his business, an auditor will not necessarily know that a local authority is behaving in a manner verging on illegality.

In my view there is no reason of principle for introducing the powers. However, if they are to be introduced, we need to ask how the auditor will get to know that the circumstances in which he is supposed to act have arisen. If he is to get to know because the chief financial officer supplies him with the information under the powers conferred in the Local Government Finance Bill, his responsibility will be restricted to some extent. If he will have to act only when the information is supplied to him, that at least makes a bit of practical sense, whatever the principle of the thing may be. However, if the auditor is to act on his own initiative, it is difficult to envisage how he will get to know that the circumstances have arisen in which he has been given power to act.

Even if the auditor acts only on the basis of information supplied by the chief financial officer, there will be problems. What happens if the chief financial officer takes the view that the authority may be behaving illegally but turns out to be wrong after the auditor has exercised the prohibition powers provided for in the amendment? What happens if the auditor then finds that he has caused the local authority expense? Will he be subject to claims for damages? And what happens if the chief financial officer was right in believing that an illegality was involved but the auditor took another view and did not act on his powers? If it is found that the chief financial officer is right and the auditor wrong, will the auditor be subject to action for negligence?

Those are important issues, on which I shall not elaborate at this time of night and at this stage in the Bill's proceedings. They demonstrate the close connection between the powers given to chief financial officers in the Local Government Finance Bill and the powers given to local authority auditors in this Bill. It is nonsense, and an offence to the House that these provisions are being dealt with in two Bills that are proceeding through the House simultaneously.

11.30 pm

The amendment that seeks to put power in the hands of the Audit Commission rather than in those of the local authorities has not been selected for debate. However, it is in line with the recommendations of the Widdicombe report and corresponds with the view of the Institute of Chartered Accountants in England and Wales. If the Government wanted to introduce the procedure, it is a pity that they did not put it in the hands of the Audit Commission.

The Opposition amendments would improve what I consider to be a fundamentally misconceived provision. A delay of one year would enable the provisions in this Bill and the Local Government Finance Bill to be more sensibly co-ordinated and allow us to see the entire picture. I do not understand why the Government cannot accept that deferral. The argument that the auditors should act only when a significant sum is involved would seem to be one of common sense. I hope that the Government, on reflection, will be able to accept it.

My personal view is that the provisions in this part of the Bill are fundamentally misconceived. If the Government want to give additional powers to local authority auditors, they should not proceed in the way set

out in the clause. That which applies in England and Wales is not what applies in Scotland. I would not say that the Scottish procedure is entirely satisfactory—certainly it is not, from a local authority point of view—but it makes more sense than that which the Government seek to introduce.

Mr. Battle: As my hon. Friend the Member for Birmingham, Perry Barr (Mr. Rooker) has said, the Government cannot even suggest that there has been proper consideration by Parliament of the issues that are before us. We are left with the impression that the Government are determined to bludgeon these provisions through the House.

The Government argue that they are concerned about the balancing of budgets, yet on this very day the Secretary of State for the Environment, in his statement and his actions on leasehold arrangements, has pre-empted the new clause, a provision that would empower the auditor to issue a prohibition order if he had reason to believe that the authority was about to take a decision or course of action that would lead to unlawful expenditure. The actions of the Secretary of State today have made the clause redundant.

The Government's argument is based also on the provisions that are contained in part IX of the Local Government Finance Bill. The Minister said, "It is a part of the new system of financing local government." After today's events, it seems that the system that the Government have introduced amounts to them saying, "Don't finance it at all." That is why the Government need to take swift action to extend auditors' powers. The phrase used was, "The need for a quick pre-emptive act." It is a classic case of: lest they may, prevent. That is not justice; it smacks of vindictiveness. That shows that the Government are out to get local authorities. Perhaps that is what the Prime Minister meant on election night when she talked about the inner cities and said, "We shall get them next time." This is hardly a friendly amendment that can be wrapped up in a glossy brochure entitled "Action for Cities".

Mr. Irvine Patnick (Sheffield, Hallam): My right hon. Friend the Prime Minister has made cash available to support her statement. Sheffield has been given £50 million for an urban development corporation. There have been other initiatives over the past seven years. An urban development corporation has been set up in Sheffield and there will be others in other areas.

Mr. Deputy Speaker: Order. That is all very interesting, but I find it difficult to see any relevance to the matters before the House.

Mr. Battle: I am sure that I would be ruled out of order if I were to reply that the amount put in matches in no way the amount taken out of local authorities for mainstream funding, which is a crucial issue. That is certainly the case in Leeds.

The amended clause would change fundamentally the role of the local government auditor not just to that of adjudicator or quasi-prosecutor, as the Widdicombe report put it, but to a much more active role. At present the auditor's powers are retrospective. In future the auditor will be asked to seek out unlawful acts. The Government say that these are pre-emptive powers to be used in anticipation of the accounts. That is a power to fix the accounts in advance. Auditors will be Government monitors. Dare I suggest that they will be Ridley's eyes, or Marsham street spies? Once again: lest they may, prevent.

The amended clause would give power to lay a prohibition order on to put a stop notice on a local authority. No details have been given in the debate, and none were given in another place, about the procedure for the imposition of the stop notice. There were cursory references to guidelines. What does the Minister see as the guidelines, or will it be left to the Audit Commission to draw them up? What happens when the stop notice causes a local authority to break off a major contract and it is left wide open to paying damages? The auditor would be identified, but what about local authority? I am tempted to add that that in itself puts auditors in a potentially lethal position in regard to contract corruption.

The Government must accept in all natural justice that local authorities—in other words, the ratepayers—must be indemnified against loss. I look forward to the Minister's comments and reassurances on that. If the amended clause goes through, it will undermine the everyday working trust between auditors and local authority officers. Who would be an auditor in those circumstances?

The auditors' professional body, the Institute of Chartered Accountants, has challenged extension of their responsibilities. In a feature in *Accountancy Age*, the institute recommended that any legal powers to stop local authorities spending illegally should be vested in the Audit Commission and not in individual local authority auditors. It pointed out that there were other problems:

> "If the powers were to be invoked with any regularity they would soon become a costly and time-consuming obstacle to the conduct of local authorities' business and the auditors' other responsibilities."

I urge the Government, even at this late hour, to put off the introduction of these provisions which would give new powers to local authority auditors, particularly when other related legislation is being dealt with in the House. The Government should not hijack the Bill at the end of its journey through the House as the legislative vehicle for these provisions; they should use the Local Government Finance Bill. I urge the House to insist that the Government tackle the issue in that way.

This is another provision to undermine local authorities which is being slipped through Parliament by being tacked on at the end of a Bill. The Standing Committee has been prevented from considering in detail the statutory provision dealing with the powers of appointed auditors in relation to elected members. It verges on constitutional abuse and is another surreptitious shift of power to the centre. The Government are forcing it through the House without giving hon. Members the opportunity to consider it properly. That is an abuse of political power which is being used to bludgeon local authorities because their supporters have the political audacity to vote Labour.

If the Government are unable to desist from that politically vindictive strategy, can we appeal to them not to be so devious as to put the men and women who serve society as auditors into the heart of the conflict to carry out their dirty deeds? Auditors deserve to be treated fairly as independent public servants even if the Government cannot bring themselves to accept the legitimately and democratically elected Labour council. Although the

[Mr. Battle]

councils may differ politically from the Government, they are damned good public servants and they also deserve to be treated with political respect.

Mr. Michael Howard: That was an extraordinary speech from the hon. Member for Leeds, West (Mr. Battle). It would be difficult to extract from his remarks the fact that we are dealing with illegal conduct by local authorities, how that illegal conduct can be controlled and what the powers of the auditors should be in relation to that conduct. I had hoped that there would be common ground between the Labour party and the Government on this matter, because I assumed that Labour Members recognised that auditors should have proper powers to enable them to control illegal spending.

Mr. Rooker *indicated assent.*

Mr. Howard: The hon. Gentleman nods. Although his amendment would delay the coming into force of the powers for a year, which is a little surprising if Labour Members share our view, his attitude falls far short of the language that has just been used by the hon. Member for Leeds, West.

The hon. Member for Birmingham, Perry Barr (Mr. Rooker) and the right hon. Member for Glasgow, Govan (Mr. Millan) commented on the fact that we are seeking to extend auditors' powers in this Bill instead of in the Local Government Finance Bill, alongside the new powers which it proposes for the chief finance officer. Those measures were foreshadowed in the Green Paper "Paying for Local Government" and are part of the new system of financing local government and making it more accountable to its electorate which is provided for in that Bill. The provisions concerning the powers of auditors in this Bill follow not from the Green Paper but derive from Widdicombe, as the hon. Member for Perry Barr recognised. We consulted on them separately, and I emphasise the fact that there has been proper consultation. The proposal has not been inflicted on Parliament without proper, thorough consultation, and the matter has been fully considered.

The powers of auditors are not part of an authority's financial administration, but they relate to the legal and regulatory framework in which authorities operate. The two measures are closely related, and we have taken and will be taking steps to ensure that they operate entirely consistently. The new powers for auditors stand on their own and are not dependent on the chief finance officer's powers. We believe that the powers should be introduced as quickly as possible, and I see no case for delaying their coming into force either until the Local Government Finance Bill reaches the statute book, or—this was the second point made by the hon. Member for Perry Barr—until we are ready to make an announcement on our attitude to the other measures recommended by the Widdicombe committee.

Mr. Millan: Will the Minister give us an idea of the circumstances in which an auditor may detect that a local authority is likely to act illegally while the chief finance officer has not?

Mr. Howard: I was coming to that point. One of the main ways in which the auditor will obtain information will be from the chief finance officer, although one Lords amendment amends section 16 of the Local Government Finance Act 1982 to ensure that the auditor has access at any time to whatever information he needs for the purpose of exercising his new powers as well as his existing functions. We had the right hon. Gentleman's points well in mind, and we are providing the auditor with powers that he will need to provide information.

Mr. Millan: The Minister is not answering my point. It is not a question of providing the auditor with powers. In what circumstances will those powers be used where the chief finance officer has not detected that the local authority is acting, or is likely to act, illegally? It is difficult to conceive of such circumstances.

Mr. Howard: The auditor may have access to many sources of information, apart from the authority. The chief finance officer is an officer of the authority. The auditor will have access to other information——

Mr. Millan: Such as?

Mr. Howard: Any other sources. A member of the public or a member of the council may draw information to the attention of the auditor. But I do not suggest that that will be the ordinary way in which the auditor will obtain information. We are providing the auditor with powers to obtain the information that he needs. In many cases that information will come from the chief finance officer, but it is important that the auditor should have powers to enable effective action to be taken to control illegal activity and spending by local authorities.

11.45 pm

Mr. Millan: Does the Minister understand that if the auditor received information which was not, for some extraordinary reason, available to the chief finance office, the obvious thing for the auditor to do in the first place would be to draw it to the attention of the chief finance officer so that he could exercise his power? I do not believe that the Minister really understands the way in which audits are carried out.

Mr. Howard: The answer to the right hon. Gentleman's question is that the auditor will have to consider whether the circumstances are appropriate for the exercise of his own powers. He will consider the information that has been made available to him and make his decision in that context.

Mr. Millan: Without telling the chief finance officer?

Mr. Howard: No, not necessarily without telling the chief finance officer. I did not say that the chief finance officer would not be told.

Dr. Cunningham: If the auditor comes by some information from a member of the public or from some organisation, he would first have to verify the authenticity or otherwise of that information with the chief finance officer or the chief executive of the authority. The district auditor cannot be given powers to act on hearsay, gossip or innuendo; he can act only on matters of fact. The people able to verify those matters of fact would be the appropriate officers of the authority who, in all circumstances, will have far more accurate and full information than the district auditor.

Mr. Howard: I did not suggest that the auditor would act on hearsay. Of course he would not do that. We would expect him to verify any information that he had received

with the chief finance officer. However, there may be a difference of opinion between the auditor and the chief finance officer. The auditor may regard it appropriate to act in particular circumstances, but the chief finance officer might take a different view. As I said a few moments ago, the auditor has his own responsibilities and powers and his decisions must be taken on the basis of the information available to him in the context of his own powers.

The right hon. Member for Govan, who acknowledged that the auditor would be immune from suit so long as he acted in good faith, asked whether the auditor would be immune from suit if he did not take action against an authority when it subsequently became clear that action should have been taken. I confirm that the immunity that we are providing in the provision before the House will extend to conferring immunity on the auditor in those circumstances so long as he acts in good faith.

Mr. Simon Hughes: Will the Minister tell us whether one of the factors that prompted this amendment at this late stage in the passage of the Bill was the recent experience in Southwark? The Minister will be aware that the district auditor recently issued notices against certain present and former councillors in the borough of Southwark. He will also be aware that the group of recipients of notices included 26 Labour councillors, past and present, one independent councillor, three Liberal councillors, two present and one past, and eight Conservative councillors. Later this month they will all give evidence to the district auditor and they all face disqualification and surcharge.

I believe that I am right to say that that will be the first time that any non-Labour councillors have faced disqualification and surcharge as the result of delaying the setting of a rate, which in Southwark's case dated from 1985. From reading the district auditor's conclusions it appears that the Conservative group, as much as any other, ignored advice from the council and from its officers.

An argument that we had during a debate on a private Member's Bill in February 1986 about disqualification and surcharge revealed that many of us, myself included, believed that there should be a power of pre-emptive action. Obviously, it is far better that intervention on behalf of ratepayers should take place early, when it looks as if something is going wrong, rather than its being left until much later after the event, when action to recover any loss will take years. The Southwark case is an example. The principle, therefore, strikes me as appropriate and worthy of support.

The only point that troubles me is one that was raised by the right hon. Member for Glasgow, Govan (Mr. Millan). I think that the Minister may have misunderstood how the Widdicombe report, for instance, envisages that the powers will be used. The problem is not that the district auditor will be acting on information not available to the chief finance officer of a local authority. Experience suggests that the evidence of a chief finance officer is either that his or her advice may not be followed, or that he or she may not be certain about the result in law—as then perceived and adjudicated by the district officer—of certain actions of council members.

Clearly, what is necessary is an authoritative decision. Of course, the district auditor will have to go to the chief finance officer, because he will have all the figures; I cannot imagine that anyone else will be similarly equipped. But the district auditor, surely, will be acting as the judical intervention, if that is thought appropriate. The merits of whether that will be achievable at notice of a few days or, at most, a week or two, are questionable. If an injunction could be sought whereby the district auditor could intervene—which is the effective aim of the amendment—that method of intervention would seem to be appropriate.

In Southwark, a meeting is taking place at this moment to set this year's rate. While we need powers for the auditor, or someone authoritative, to intervene at an early stage to protect the ratepayer, we also need to tidy up the system so that officers are equipped with the information and the basis of auditors' decisions and can give councillors accurate and authoritative information as early as possible.

Rather than base the law only on what is in the legislation, a better course may be to reflect a bit more on the proposal in the Widdicombe report—in conjunction with others—and to seek some form of declaration, as is available in other parts of the law, on exactly what is the duty of the council in a particular circumstance. Although the intention is clearly sensible, I feel that the clause may be somewhat otiose in practice.

Mr. Howard: The hon. Gentleman will not expect me to comment on the matters into which the district auditor for Southwark is currently inquiring. But one of the reasons why we think that the power contained in the provisions is so necessary is the frustration that is undoubtedly felt at the working of the present system. It takes a very long time for hearings to take place and for decisions to be made; meanwhile, the ratepayers see no investigation taking place.

As for the hon. Gentleman's other points, I can add little to what I said a few moments ago to the right hon. Member for Govan. The powers of the district auditor and chief finance officer will not be the same, and will not be conterminous. The chief finance officer will have the power to put a stop on spending pending the meeting of the council, but if the council wishes to proceed it will be able to do so, notwithstanding any reservations that the chief finance officer may have.

On the other hand, the auditor will be able to obtain an order preventing the spending from taking place. Therefore, they are different powers. The auditor has more extensive powers and, in the Government's view, it is right that he should have those powers as soon as possible.

For those reasons, I commend the Lords amendment to the House and invite the rejection of the amendments tabled by the Opposition.

Question put. That the amendment to the Lords amendment be made:

The House divided: Ayes 77, Noes 175

Division No.208] **[11.55 pm**

AYES

Banks, Tony *(Newham NW)*	Cook, Robin *(Livingston)*
Barnes, Harry *(Derbyshire NE)*	Cryer, Bob
Battle, John	Cummings, John
Bermingham, Gerald	Cunningham, Dr John
Boyes, Roland	Darling, Alistair
Bradley, Keith	Davies, Rt Hon Denzil *(Llanelli)*
Brown, Nicholas *(Newcastle E)*	Davies, Ron *(Caerphilly)*
Campbell, Ron *(Blyth Valley)*	Dixon, Don
Clay, Bob	Doran, Frank
Clelland, David	Evans, John *(St Helens N)*

Ewing, Harry *(Falkirk E)*
Fisher, Mark
Foster, Derek
Fraser, John
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
Griffiths, Nigel *(Edinburgh S)*
Henderson, Doug
Home Robertson, John
Howarth, George *(Knowsley N)*
Hughes, John *(Coventry NE)*
Hughes, Sean *(Knowsley S)*
Jones, Ieuan *(Ynys Môn)*
Kinnock, Rt Hon Neil
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Ian
McKay, Allen *(Barnsley West)*
McNamara, Kevin
McWilliam, John
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martlew, Eric
Meacher, Michael
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Millan, Rt Hon Bruce
Moonie, Dr Lewis
Morgan, Rhodri
Mowlam, Marjorie
Nellist, Dave
O'Brien, William
O'Neill, Martin
Parry, Robert
Patchett, Terry
Pike, Peter L.
Powell, Ray *(Ogmore)*
Prescott, John
Roberts, Allan *(Bootle)*
Robertson, George
Rooker, Jeff
Salmond, Alex
Short, Clare
Skinner, Dennis
Spearing, Nigel
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Thompson, Jack *(Wansbeck)*
Turner, Dennis
Wall, Pat
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Wise, Mrs Audrey

Tellers for the Ayes:
Mr. Frank Cook and
Mr. Frank Haynes.

NOES

Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Amos, Alan
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Batiste, Spencer
Bellingham, Henry
Bennett, Nicholas *(Pembroke)*
Blackburn, Dr John G.
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Buck, Sir Antony
Burns, Simon
Burt, Alistair
Butler, Chris
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Clarke, Rt Hon K. *(Rushcliffe)*
Conway, Derek
Coombs, Anthony *(Wyre Forest)*
Coombs, Simon *(Swindon)*
Cran, James
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Douglas-Hamilton, Lord James
Dover, Den
Durant, Tony
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gale, Roger
Garel-Jones, Tristan
Gill, Christopher
Gorman, Mrs Teresa
Greenway, John *(Ryedale)*
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Hawkins, Christopher
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Holt, Richard
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Jack, Michael
Janman, Tim
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Kellett-Bowman, Dame Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
King, Rt Hon Tom *(Bridgwater)*
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lord, Michael
Luce, Rt Hon Richard
Lyell, Sir Nicholas
Macfarlane, Sir Neil
Maclean, David
McLoughlin, Patrick
McNair-Wilson, P. *(New Forest)*
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Marlow, Tony
Martin, David *(Portsmouth S)*
Mayhew, Rt Hon Sir Patrick
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Moate, Roger
Monro, Sir Hector
Moss, Malcolm
Moynihan, Hon Colin
Neale, Gerrard
Needham, Richard
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Parkinson, Rt Hon Cecil
Patnick, Irvine
Patten, Chris *(Bath)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhys Williams, Sir Brandon
Riddick, Graham
Ridley, Rt Hon Nicholas
Roberts, Wyn *(Conwy)*
Rossi, Sir Hugh
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Sims, Roger
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Stewart, Allan *(Eastwood)*
Thompson, Patrick *(Norwich N)*
Thurnham, Peter
Waddington, Rt Hon David
Widdecombe, Ann

Tellers for the Noes:
Mr. Stephen Dorrell and
Mr. Peter Lloyd.

Question accordingly negatived.
Lords amendment agreed to.

New clause

LOCAL AUTHORITY COMPANIES

Lords amendment: No. 14, after clause 31, insert new clause—

".—(1) A local authority or relevant public body shall not enter into a contract under which a company which is associated with the authority or body is to carry out work falling within a defined activity, unless, before entering into that contract, the authority or body has taken reasonable steps for the purpose of securing competition for the carrying out of that work.

(2) For the purpose of this section a company is associated with a local authority or relevant public body if, by virtue of any decision of the authority or body (including that of any committee or sub-committee thereof in the course of discharging any function conferred upon them by virtue of section 101 of the Local Government Act 1972, or, in relation to Scotland, section 56 of the Local Government (Scotland) Act 1973)—

(a) the authority or body, or

(b) any member or officer of the authority or body, or

(c) any nominee of the authority or body,

is a member either of the company or of another company, which, in accordance with section 736 of the Companies Act 1985, is the company's subsidiary or holding company.

(3) In this section—

(a) "defined activity" has the meaning assigned by section 2 above;

(b) "local authority" has the meaning assigned by subsection (2) or, as the case may be, subsection (3) of section 1 above; and

(c) "relevant public body" means any authority or committee falling within paragraphs (e) to (j) of subsection (1) of section 1 above.

(4) This section (and, so far as is relevant for the purposes of the definitions in subsection (3) above, sections 1 and 2 above) shall be deemed to have come into force on 11th February 1988 and, accordingly, has effect in relation to contracts entered into on or after that day."

Read a Second time.

Dr. Cunningham: I beg to move amendment (a) to the Lords amendment, in line 17, leave out 'is a member' and insert

'form, whether separately or together, either—

(a) a majority of the officers of the company; or

(b) a majority of the shareholders'.

Mr. Deputy Speaker (Mr. Harold Walker): With this it will be convenient to discuss amendment (b) to the Lords amendment, in subsection (4) leave out '11th February 1988' and insert

'the date of royal assent'.

Dr. Cunningham: The Government apparently introduced the amendment to block a loophole which they thought they had identified in part I. They apparently believed that some authorities were contemplating setting up private companies to take over defined activities on long-term contracts with the local authorities before the relevant section of the Act comes into effect. If that happened it would have the effect of frustrating the timetable for the introduction of competitive tendering in such authorities.

We are not aware of what, if any, evidence the Government have in support of the change, although there have been press comments about some local authorities contemplating such action. However, local authorities and their associations are concerned at the introduction of the new clause because of its implications for possible future Government action on local authority companies generally. Moreover, if we are reading the clause correctly, it has some serious implications for the activities of voluntary organisations.

The Widdicombe committee considered the question of limited companies controlled by local authorities. Its general conclusion was that the case for such companies could be properly assessed only in the context of a detailed appraisal of the requirements of the service in question.

Nevertheless, it recommended that the law in relation to local authority-controlled companies should be amended first, to make clear that they may be set up only where there is specific enabling legislation, and, secondly, to incorporate safeguards concerning their articles of association, membership and audit and reporting arrangements.

In April last year, the Department of the Environment requested information from all local authorities on the Companies Act 1985 companies in which they had an interest. I understand that the Department is still seeking responses from some authorities to that questionnaire so the results of the survey were not available—as of a few days ago—to the Government, and they have shown no intention of following up the Widdicombe recommendations.

Subsection (2) is a highly prescriptive, rigorous definition of what might constitute

"a company . . . associated with a local authority"

The impression is given that, whatever the institutional link with the authority, even if it consists of a single nominee on the board, the company is subject to undue and illegitimate influence from the authority. That seems rather draconian.

We recognise that the Government's intention to close a loophole in the Bill may be legitimate, but the subsection goes well beyond what we think is necessary. It is surely sufficient to require an authority not to have a controlling influence in a company, either through the majority of its officers or its shareholders. Beyond that, the new clause sets an unfortunate precedent by seeking to control the influence that an authority has over a company by regulating the membership of the company.

One must examine the objects, purposes and utility of a company, the non-local authority interests it may have, and other relevant matters. A good example of a company involved in one of the defined activities could be a voluntary body whose legal form was that of a company limited by guarantee. The National Council for Voluntary Organisations and other bodies are concerned about the implications of that sort of case. It is important that Parliament does not prejudge wider discussion and consideration of local authority companies on the basis of the Government's current perceived need to block a loophole that may exist in the Bill.

Examples of companies in which member authorities of the Association of Metropolitan Authorities have interests are a company to run a multi-purpose arts centre, a company limited by guarantee, a charity, a company to make investments to promote the development of industry, the creation of jobs and job training in a borough, a regional tourist board, whose membership is spread among various local authorities, a company to advance public education in a subject such as archaeology within an authority's area, and the membership of a regional library association, which is a company limited by guarantee. There are other similar examples.

The key point about local authorities deciding to set up or participate in a company is the flexibility that that gives the authority. It is essential that companies should be able to operate speedily, confidentially, and with minimum bureaucracy, or the employment and economic advantages that have flowed from local authority companies involved in these activities might be nullified. If the Widdicombe recommendation that companies may be set up only when there is specific enabling legislation—a proposition that we would not be inclined to support—is accepted by the Government, either much of the employment and economic development activities of local authorities will be curtailed, or such specific legislation will be required. Such legislation must not be as highly prescriptive as the new clause about local authorities' interests in companies.

12.15 am

Here again, we have an example of a late addition of considerable significance being made to the Bill in the House of Lords. There has been no time properly to scrutinise the proposals in Committee. Like my hon. Friend the Member for Birmingham, Perry Barr (Mr. Rooker), I seriously doubt whether debating these matters at this time and in these circumstances is an adequate scrutiny of powers.

Certainly, in addition to local authority concerns, the National Council for Voluntary Organisations has advised

[Dr. Cunningham]

us of its anxieties. Many voluntary organisations have company status, as the Minister will recognise, although they are obviously not public limited companies such as profit-making concerns. Instead, many are limited by guarantee, bound not to make a profit, and subject to the Companies Act 1985. Therefore, the limitation of the clause to cover companies is not sufficiently precise to serve the Government's purposes and needs to be rewritten at least to include an exemption for companies that are voluntary organisations. The definition of voluntary organisation is taken from previous legislation.

Our understanding of the clause as presented leads us to believe that it will be harmful to the legitimate, effective — indeed, some would say necessary — and beneficial activities of local authorities, and harmful also to the legitimate and constructive activities of voluntary organisations, sometimes on their own account and sometimes in conjunction with local authorities. We know that from time to time voluntary oganisation companies have local authority representatives on them. In such circumstances, it seems that they would be caught by the legislation. That may not be the Government's intention. The Minister may be able to persuade us that that is not likely to be the case, but, for the moment, we believe that it is the case, and that is why we have tabled the amendments to the Lords amendment.

Mr. Simon Hughes: I support the amendments. Local government should be entitled to have discretion to make decisions about such matters. The amendments seem to achieve the sort of compromise that even the Minister should be able to find acceptable. They respect the interests of local authorities of all political persuasions which have shown a desire to be able to work not only with the voluntary sector, although it is important, but independently in the community, while recognising that independence, by making sure that there is no majority domination in such separate companies. I hope that the amendments are recognised as a reasonable compromise between total independence and total dependence on the commercial activities of local government, and that the Government will support them.

Mr. Howard: The hon. Member for Copeland (Dr. Cunningham) asked for evidence to justify blocking the loophole. On this occasion, I am not sure whether I can give him much evidence.

Dr. Cunningham: The Minister did on the last occasion.

Mr. Howard: I did on the last occasion, but not on this occasion.

This is an attempt to close the stable door before the horse has bolted. The Government have received many reports. Local authorities were actively examining the possibility of setting up companies, consisting essentially of their existing direct labour organisations, to carry out work falling within the defined activities listed in the Bill. It seemed to us that, in some cases at least, developments of that kind were likely to be aimed at circumventing competition, rather than putting direct labour organisations into a fully commercial arm's-length relationship with their parent authorities.

No other provision in local government law requires competition prior to awarding work to a company when the work consists of services of this kind. Therefore, the Lords amendment fills the gap in respect of defined activities. What it requires is hardly onerous. Authorities are to take reasonable steps to secure competition before entering into a contract with an associated company. An associated company is not just any company in which the authority holds shares, because that could apply to companies where the shareholding came about simply as a result of pension fund management. Association exists, therefore, only when the authority is a shareholder by virtue of a decision to that effect.

I cannot agree to the amendment further to restrict the definition of an authority so that the clause bites only when an authority and its members or officers hold a majority of a company's shares or form a majority of its officers. It is possible to exercise effective control without having a majority in either of those senses. I am sure that on reflection the hon. Member for Copeland will recognise that.

It is imperative that such provision be retrospective to the date of its announcement, so I cannot accept amendment (b) which would delay its effect until Royal Assent.

As for voluntary bodies and charities, amendments (c) to (e), which were not selected, addressed those issues. I acknowledge that a number of voluntary bodies and charities are established as companies limited by guarantee and that in some cases the links between those bodies and local authorities are close enough to be caught by the new clause. In many cases, however, the authority provides a grant to the voluntary body, and that will not necessarily lead to a contractual relationship between the two. It certainly seems unlikely that many voluntary bodies will be entering into contracts with authorities to carry out defined activities such as refuse collection and street maintenance. The extent of the problem has been greatly exaggerated in some of the views that have been expressed.

I should emphasise that these amendments do not in any sense prejudge the wider question of regulating local authority companies generally. The new clause does not prejudge anything; it merely requires contracts for defined activities to be subject to competition where the local authority has a link with the company.

If there are examples of voluntary bodies which are associated companies entering into such contracts, the new clause would not make that impossible. It would mean only that authorities have to take steps to secure competition from other contractors. That does not seem a huge burden and it will provide a useful check on the value for money secured by using the voluntary body.

The term "voluntary organisation" covers a wide range of bodies. The definition that the Opposition proposed in amendment (d) encompassed wholly owned local authority companies which are not run for profit, which could well have been how authorities would have set up their direct labour organisations. Of course, amendment (d) would have driven a coach and horses through the new clause.

We have never considered the provision to be more than a modest measure likely to affect a small minority of authorities, and even then only by way of requiring financial prudence which should not reasonably be regarded as a burden by any self-respecting body. I shall therefore be asking my right hon. and hon. Friends to oppose the two Opposition amendments to the new clause and to accept the clause as passed by the other place.

Dr. Cunningham: With the leave of the House. The Minister's response is not satisfactory. During the last debate he produced bad-natured and abusive representations in place of evidence. This time he freely confesses that he has no evidence at all to support the Government's proposals—as we suspected when we saw the proposals. Nor does his understanding of the implications accord with ours or, indeed, interesting and importantly, with the views of the local authority organisations or of the voluntary bodies themselves.

The voluntary organisations believe that the new clause would force voluntary organisations to tender for services that they currently provide for local communities. Invariably, those services are based on a joint concern on the part of the voluntary and statutory sectors to promote community development and the provision by local people of flexible services sensitive to local needs. That work is not prescribed by the Government, and in certain areas it is encouraged, but it could be threatened by the new clause.

Therefore, it seems clear that the broad brush approach of the Government is imprecise and dangerous. Even if a perceived loophole in the legislation makes the Government want to act without any evidence at all, that is bad enough. However, it is unsatisfactory that the innocent activities of voluntary bodies and the local authorities that provide them with their funds should be so threatened. It would be far better to write an exemption into the Bill and thereby remove the doubt. The meals-on-wheels service that is provided by voluntary organisations and companies limited by guarantee could be affected. It cannot be the Government's intention that such activities should be caught by draconian legislation. We shall invite the House to vote on our amendment.

Question put, That the amendment to the Lords amendment be made:—

The House divided: Ayes 68, Noes 153.

Division No. 209] **[12.25 am**

AYES

Ashdown, Paddy
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Battle, John
Bermingham, Gerald
Boyes, Roland
Bradley, Keith
Brown, Nicholas *(Newcastle E)*
Campbell, Ron *(Blyth Valley)*
Clay, Bob
Clelland, David
Cook, Frank *(Stockton N)*
Cryer, Bob
Cummings, John
Cunningham, Dr John
Darling, Alistair
Davies, Ron *(Caerphilly)*
Dixon, Don
Doran, Frank
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Fisher, Mark
Foster, Derek
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
Griffiths, Nigel *(Edinburgh S)*
Henderson, Doug
Home Robertson, John
Howarth, George *(Knowsley N)*
Hughes, John *(Coventry NE)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Kinnock, Rt Hon Neil
Livingstone, Ken
Livsey, Richard
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
McCartney, Ian
McKay, Allen *(Barnsley West)*
McNamara, Kevin
McWilliam, John
Marshall, Jim *(Leicester S)*
Martlew, Eric
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Moonie, Dr Lewis
Morgan, Rhodri
Mowlam, Marjorie
Nellist, Dave
O'Brien, William
O'Neill, Martin
Patchett, Terry
Pike, Peter L.
Roberts, Allan *(Bootle)*
Rooker, Jeff
Skinner, Dennis
Spearing, Nigel
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Taylor, Matthew *(Truro)*
Thompson, Jack *(Wansbeck)*
Turner, Dennis
Wall, Pat
Wallace, James
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wise, Mrs Audrey

Tellers for the Ayes
Mr. Ray Powell and
Mr. Frank Haynes

NOES

Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Amos, Alan
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Aspinwall, Jack
Batiste, Spencer
Bennett, Nicholas *(Pembroke)*
Blackburn, Dr John G.
Bonsor, Sir Nicholas
Boscawen, Hon Robert
Boswell, Tim
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Burns, Simon
Burt, Alistair
Butler, Chris
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Carttiss, Michael
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Conway, Derek
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cran, James
Currie, Mrs Edwina
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Durant, Tony
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Franks, Cecil
Freeman, Roger
French, Douglas
Gale, Roger
Garel-Jones, Tristan
Gill, Christopher
Gorman, Mrs Teresa
Greenway, John *(Ryedale)*
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Hayward, Robert
Heathcoat-Amory, David
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Howard, Michael
Howarth, G. *(Cannock & B'wd)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Jack, Michael
Janman, Tim
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Key, Robert
King, Roger *(B'ham N'thfield)*
King, Rt Hon Tom *(Bridgwater)*
Knapman, Roger
Knight, Greg *(Derby North)*
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lord, Michael
Luce, Rt Hon Richard
Lyell, Sir Nicholas
Macfarlane, Sir Neil
Maclean, David
McLoughlin, Patrick
Malins, Humfrey
Mans, Keith
Marlow, Tony
Martin, David *(Portsmouth S)*
Mayhew, Rt Hon Sir Patrick
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Moate, Roger
Moss, Malcolm
Moynihan, Hon Colin
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Irvine
Patten, Chris *(Bath)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Rhys Williams, Sir Brandon
Riddick, Graham
Ridley, Rt Hon Nicholas
Roberts, Wyn *(Conwy)*
Rowe, Andrew
Ryder, Richard
Sainsbury, Hon Tim
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Spicer, Sir Jim *(Dorset W)*

Spicer, Michael *(S Worcs)*
Thompson, Patrick *(Norwich N)*
Thurnham, Peter
Waddington, Rt Hon David
Widdecombe, Ann

Tellers for the Noes:
Mr. Peter Lloyd and
Mr. Alan Howarth.

Question accordingly negatived.
Lords amendment agreed to.

New Clause

COMMUTATION OF SMALLHOLDINGS PAYMENTS

Lords amendment: No. 15, after clause 33, insert new clause:

"Any annual or other periodic payments under the terms of any settlement in respect of amounts payable under section 27 of the Land Settlement (Facilities) Act 1919 which, apart from this section, would fall to be made to a county council or district council by the Minister of Agriculture, Fisheries and Food or the Secretary of State may be commuted by him into a single payment, either by agreement with that council or, in default of agreement, by an order made by him in that behalf."

Read a Second time.

Mr. Deputy Speaker (Sir Paul Dean): I must inform the House that this amendment involves privilege.

Mr. Chope: I beg to move, That this House doth agree with the Lords in the said amendment.

This new clause will enable Agriculture Ministers in England and Wales to commute into a single payment, either by agreement with the individual councils or, in default of agreement, by order, payments made under the Land Settlement (Facilities) Act 1919 for the losses they incurred in first establishing smallholding estates for the settlement of demobilised ex-service men after the first world war.

Payments are currently made in half-yearly instalments on a diminishing scale. It is generally recognised that commutation of those payments would be an administrative convenience.

Mr. Roger Gale (Thanet, North): The House will recall that when we last debated this matter I said that I hoped that the other place would show a little more sense than we had demonstrated at that time. I am grateful to my hon. Friend for accepting the amendment in the spirit in which it was tabled in the other place.

There are five prerequisites for a registration scheme—

Mr. Deputy Speaker: Order. I think that the hon. Gentleman has anticipated the next Lords amendment.

Question put and agreed to. [Special Entry.]

New Clause

DOG REGISTRATION SCHEME

Lords amendment: No. 16, after clause 33, insert new clause:

"(1) The Secretary of State may by regulations make provision for the establishment and administration of a dog registration scheme by local authorities, or such other organisations as he may, after consulting with them, designate.

(2) Regulations made under this section shall be exercisable by statutory instrument."

Read a Second time.

Mr. Chope: I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker: With this it will be convenient to discuss Lords amendments Nos. 17, 36 and 37 and amendment (a).

Mr. Chope: Each of the amendments seeks to improve the already extensive range of legislation that relates to the control and welfare of dogs. The first gives a permissive power to the Secretary of State to introduce a dog registration scheme, the second gives powers to local authorities to deal with stray dogs.

The new clause which is the subject of amendment No. 16 was inserted in the Bill despite our strong reservations about the cost and effectiveness of a dog registration scheme. At present, we simply do not see how registration would add anything to existing legislation. However, we do not want to delay Royal Assent by having unnecessary argument with the other place and we are therefore content to accept the amendment.

Mr. Fairbairn: Before my hon. Friend makes this momentous decision, I wonder whether he understands the reasons why dog licences were introduced in the first place. They were introduced in the middle of the last century because there was a major criminal trade in stealing and selling dogs in London. As late as 1889, my father came to London—[HON. MEMBERS: "He did not."] Yes, he did. He was prevented from bringing his terrier to London because he was told by his father that there were men in London who stole dogs. He made the observation that looking out of the bus he did not see any men stealing dogs.

That is why dog licences were introduced. It had nothing to do with paying for dog wardens, the licensing or registering of dogs or anything else. If someone could not produce a licence, it proved that the dog was stolen. As that criminal purpose has been succeeded by worse, I do not see the point of having licences of any kind at all.

Mr. Chope: I am sure that the whole House is grateful to my hon. and learned Friend for giving us that insight into the reason why the licence was introduced in the first place.

Mr. Andrew Bowden (Brighton, Kemptown): My hon. Friend will recall the debate that we had on dog licences before the Bill went to another place. I think that it is probably fair to say that if the Government accept the amendments they are going back on the arguments that they presented to the House only a few weeks ago. I hope that I have interpreted my hon. Friends remarks correctly. I understood him to say that the only reason why the Government are accepting the amendments is that they do not want to have to send the bill back to the Lords. Can my hon. Friend give us a specific assurance that the new clause will not be implemented during the lifetime of this Government?

Mr. Chope: The Government have no intention of using the powers under the new clause but no Government can bind their successor.

Amendment No. 17 deals with stray dogs. At present, the police have powers to seize, detain and dispose of stray dogs. Local authorities in Scotland have similar powers, in parallel with the police, under the Civic Government (Scotland) Act 1982, while about 100 local authorities in England and Wales have taken the same powers under local Acts. In Committee, we undertook to consider extending this power to all authorities without the need for them to resort to separate, primary legislation.

Consultation with local authority associations indicated general support in principle. I should also stress that the police will retain their existing powers to deal with stray dogs. This is essential because there are areas, such as motorways, where it is only the police who are in a position to take any necessary action.

The powers that will become available to local authorities will enable dog wardens appointed by them to seize stray dogs and detain them until claimed by their owners, who will be required to pay all costs incurred in their detention. If the owner of a stray is identified, a notice must be served on him in writing saying that the dog has been seized, and that it will be sold or destroyed if not claimed within seven days. If a dog remains unclaimed after seven days, it may either be sold or destroyed in a manner to cause as little pain as possible. Authorities which choose to exercise this power will be required to maintain a register of stray dogs that they seize.

Mr. Simon Hughes: First, I welcome the fact that for amazing reasons the Minister has accepted these amendments. It is somewhat paradoxical that earlier today the Secretary of State urged the House to reject the Lords amendments relating to disabled people, he is presumably willing to incur delay and disagreement between the two Houses over that. However, the Minister's only substantive reason for not wanting to disagree with the Lords in this instance is that he does not want to incur delay and disagreement, having already done so on a matter that is arguably of greater importance.

12.45 am

Putting that to one side, we are left with the Government agreeing to accept the Lords amendment while saying that they will not implement it. I hope that the Minister will accept that he should have a little more grace in accepting that the Lords have overturned the Government on this issue, they having been given considerable encouragement to do so in this place when we last debated the matter. It was argued that at least there should be a registration system, if not a licence, and that is what amendment No. 16 provides.

Mr. Fairbairn: There is in that well-known Liberal newspaper, *The Scotsman*, a headline to the effect, "Support for the Alliance Plummets". Can the hon. Gentleman advise the House what an alliance plummet is and tell us whether it is covered by the registration scheme?

Mr. Hughes: Whatever the support at present, I do not think that there will be any difficulty in leaving the party of the hon. and learned Gentleman a long way behind before long. Its support in Scotland has been plummeting for some years, not least because of local government legislation, of which the Bill is an obvious example. I guess that the more the Scots hear of the Bill the more likely it is that support for the Conservative party in Scotland will plummet.

I am glad that the Minister has decided to accept the amendment that I moved when the Bill was last before us. As he knows, the proposal to tidy up the law on stray dogs emanated from the Association of County Councils, which argued that often the police did not want to have responsibility for dealing with stray dogs, whereas the local authority did and was willing to exercise it. The only concern is that local authorities are not yet to receive any more money for the responsibility of dealing with strays.

To direct a new responsibility and to provide no extra money for discharging it is a tradition with the Government, but that does not mean that it is satisfactory. It is accepted that stray dogs pose a substantial problem, and accordingly the necessary resources should be provided. We are saying that it should be made clear in any given area whether the police or the local authority have primary responsibility.

The Minister said that the police may want to retain responsibility for dealing with stray dogs in the vicinity of motorways, but experience suggests that it may be better to transfer primary responsibility from the police to local authorities, which have other enforcement responsibilities under this sort of legislation. They should be able to retain their environmental control and responsibility.

The Government's acceptance of the amendments is welcome but I seek to push the Minister a little further along the lines of amendment (a). Having accepted the undesirable prospect, for him, of accepting amendment No. 16 and overturning Government policy, I ask him to accept the implications of that and to ensure that the scheme that will be written into the Bill will be implemented to curb the nuisance that dogs can cause. I ask him to provide local authorities with the resources to ensure that dogs are less of a nuisance environmentally, more under control and generally looked after more responsibly by local authorities on behalf of the local community.

Mr. Gale *rose*——

Hon. Members: Sit!

Mr. Gale: I apologise for my eagerness in seeking to speak early in the debate.

I am pleased that my hon. Friend the Minister has accepted the amendment. It would have been kinder to the House if he had accepted it rather more gracefully and had said that he would be willing to consider implementation. As I was saying when I was so rudely interrupted a few moments ago, there are five ingredients in a registration scheme—that a dog should have a national identification, that the number should be carried by the dog at all times, that there should be one legally responsible keeper, tha the scheme should be self-financing and that the scheme must assist in the financing of local authority dog warden schemes. I add a sixth—that, so far as humanly possible, the Government should have no involvement in it.

A few days ago, a representative of the National Farmers Union, one of the organisations which support a registration scheme, took the trouble to visit the Wood Green animal shelter, which serves as a model for a national registration scheme. I ask my hon. Friend to consider an invitation to that animal shelter to see for himself the manner in which the registration scheme has been implemented. If, after a visit, we can convince him that it is a practical working scheme, he should consider the implementation of the Lords amendment.

Mr. Cryer: I hope that the Minister will be able to elaborate on the wording of the new clause which says:

"The Secretary of State may by regulations make provision for the establishment and administration of a dog registration scheme".

Although it is permissive, I hope that the Minister, if approached by a local authority, will consider the scheme put forward. The Secretary of State is shaking his head. It

[Mr. Cryer]

appears that the Minister will tell the House that under no circumstances will the Government approve a scheme which is put forward by a local authority and that a local authority would be wasting its time and official power in drawing up a scheme. Local authorities should know, because they are being squeezed in every way by the Government as they are trampled on by every legalistic and other influential means which the Government can muster.

There is no point in local authorities wasting the valuable time of officials in producing schemes if the Government intend once more to kick them in the teeth, although the amendment is being accepted by the Government and was voted for in the House of Lords. It is the Government who place such emphasis on the importance of the House of Lords as the second part of the legislature. Then they turn round and say to the Lords in effect, "Get lost, because, whatever you do, we will take no notice of it. Although the powers will be there, we will say to local authorities that we will not exercise them." That seems to be flying in the face of the spirit of the amendment which the Lords — the body which the Government defend to the hilt — have made and have sent here for our consideration.

When the Bill was considered before in the House, there was a great deal of support for a dog registration scheme. I outlined various considerations, as did other hon. Members on both sides of the House, in support of a scheme. I pointed out that a number of my constituents had written to me. One woman could not take her children into a park because of stray dogs ganging up, roaming round and, as she thought, placing her children at risk. Of course, there was also the problem of the dogs fouling the footpaths and the grass so that it was difficult for her to take her children to play freely in the park without the dangerous, offensive and messy business of the children being fouled by dog excreta.

I mentioned too the headmaster in my constituency who took home a small boy who was suffering from ill health. When he got to the house a Doberman pinscher set about the headmaster. The dog literally had to be dragged off and was subsequently killed. The vet who attended said that that breed of dog was extremely difficult to deal with because often they were untrained and were hard to control. The dog attacked the headmaster so savagely that he was off work for several weeks. The police took no action. The police informed me that there is no legislation under which, once the dog is killed, they can take action against an owner. They cannot take him to court to bring a dangerous dog under control because the dog has gone.

That omission in legislation should be rectified. The dog that was killed has been replaced — *[Interruption.]* The portly hon. Member for Crawley (Mr. Soames), who is so fond of making sedentary interventions, finds all this very amusing. But ordinary people live in fairly modest houses, not the jazzed-up mansion that I imagine he inhabits — with his many suits. That is in stark contrast to the terraced houses in which many of our constituents live, and parents in such houses dare not let their children out because of dogs roaming loose.

I believe that a dog registration scheme is needed so that we can have some control over dogs that are not properly looked after. There is no bone of contention with owners who look after their animals. There would be no problems if everyone was of good will, care and devotion and looked after their dogs well. The problem is that not everyone does. When they do not, it is not the fault of the dogs, but the consequences are visited upon perfectly respectable, law-abiding citizens.

One such example is a constituent with a six-month-old baby who lives near a house where three Doberman pinschers or rottweilers are allowed to roam loose in the garden — *[Interruption.]* Perhaps the Conservative Members who find this so funny would put up their hands if they would like a six-month-old baby to be lying in its pram in the garden with those three dogs roaming loose next door. Of course they would not. It is a potential danger, and the dogs have already leapt over the fence. Parents must have some assurances.

Bradford runs a perfectly good dog warden scheme, but it is not on call when an immediate problem arises. It rounds up stray dogs and helps to contain the problem, but it does not have the facilities to cope. Bradford, like every other local authority, has many more matters on which to spend money and, inevitably, the problem of stray dogs has a lower priority. The dog registration scheme proposed by the House of Lords would be useful if the Government——

Mr. Ridley: How?

Mr. Cryer: If there was a fee for registration, the income could be used to extend the scheme. The Secretary of State cannot be so blasé as not to be aware that local authorities are short of money. They must provide education, housing, roads and all the rest, and the dog warden service must have a lower priority.

Mr. Brandon-Bravo: Conservative Members take the hon. Gentleman's point seriously, as we did when he ably presented his amendment last time. But neither then nor now do I see the relevance of registration. I do not believe that that rottweiler would have acted differently had it been registered. I do not understand what difference it would make.

I am

Mr. Cryer: The hon. Gentleman has obviously been doing some analysis, and he will realise that dogs cannot read the registration document and would not behave differently. But without a registration scheme, the presence of three rottweilers or Doberman pinschers would be brought to the attention of the authorities only when an accident occurred. If an adult is bitten, it may be an inconvenience and it may be painful. If a child is bitten, depending on the age, it could be fatal. Then people will say, "Goodness gracious, we have some dangerous dogs at 24 Acacia avenue." Without a dog registration scheme, it would be impossible to know that —[HON. MEMBERS: "Why?"] Of course it would be impossible for anyone to take remedial action.

The police do not take remedial action. That action is provided by the dog warden service, but only when complaints are made. If the local authority operates a dog registration scheme, the authority will be able to help people to look after dogs and provide them with guidance. The authority representative would be able to tell owners that they should have decent premises and that they should not keep three dangerous dogs tied up all day while they are at work. The authority can explain that if owners do not provide the dogs with exercise, they should not be

staggered when the dogs behave in what might be termed an anti-social manner when they are released. It is simply a matter of help and guidance for owners who do not look after their dogs.

If Conservative Members believe that some dog owners do not look after their dogs, then they recognise reality. However, if they believe that all dog owners, at all times, supervise, train and exercise their dogs with complete dedication, they are living in cloud-cuckoo-land. That simply is not the case.

The scheme that has come from another place is useful. It is not as good as the scheme that I proposed in an amendment which was designed to help dog owners provide better guidance and better care for dogs and at the same time would have provided better care for the public. Those are reasonable aims.

I cannot understand the Minister's obdurate refusal to accept the provision. It fits in perfectly with his philosophy, which is not for collective provision out of general taxation revenue, but for specific charges. Where people use facilities, the Government argue that they should be charged because that is much closer to the philosophy of the market place. The Minister has been obdurate; perhaps that results from the fact that his right hon. Friend the Secretary of State glowers at him constantly. I suppose that that is enough to frighten most reasonable people in the Conservative party.

However, the Minister has not provided a philosophical reason to tell local authorities, "We've got the legislation. It's come from the place we revere." Truth to tell, most members of the Conservative party try to get into the other place at some point in their lives——

Mr. Tristan Garel-Jones (Watford): And one or two Labour Members.

Mr. Cryer: Another sedentary intervention. Of course one or two Labour Members try to get to another place, but they are, thank God, a minority. The majority of Conservatives dedicate their political careers to reaching the other place. Yet when it comes to producing a tiny piece of sensible legislation, the Government obdurately refuse even to consider implementing it. That is a matter of deep regret.

Mr. Peter Griffiths (Portsmouth, North): My hon. Friend the Minister's grudging acceptance of the amendments from another place will be a gross disappointment for many people inside and outside the House who strongly believe that a registration scheme would help. Now that they see that such a scheme is approaching the statute book, they will not be satisfied for it to remain a dead letter. They will constantly press hon. Members to remind my hon. Friend the Minister and his ministerial colleagues that the provisions exist and should be used.

Even after my hon. Friend the Minister's earlier comments, I urge him to reconsider the possibility of looking closely at schemes produced by local authorities and, as the clause seems to suggest, bodies other than local authorities which might administer such a scheme.

If proposals are brought forward, if people make the effort to produce them, they deserve the care and attention that my hon. Friend the Minister and his colleagues can give them. I commend the amendments and trust that they are the forerunners of action on the registration of dogs.

Mr. Pike: I will be very brief because I do not want to delay the House. I was a member of the Select Committee on the Environment that considered the question of dog licences on several occasions, and I am aware that some pressure must have been brought to bear on the Government to deal with the present crazy situation in which we spend far more collecting the licence fee than we receive. I also want to speak from my experience in Burnley about banning dogs in a few parks.

I am well aware of the controversy that can arise on issues affecting dogs. I believe that the present licence system is stupid and crazy and cannot go on, but what we are to do if we do not abolish it is a different issue. Speaking, as I say from local government experience, I feel that we should have reservations about allowing local authorities to determine the fixing of a local fee in any registration scheme. That is quite contrary to my normal stance, which is to disagree with the Government taking powers away from local authorities. However, I recognise the difficulties that will be caused—difficulties out of all proportion to the decision involved.

I believe that there is a case for a national registration scheme, with a fixed fee at national level to be operated by every local authority. The provision introduced by the Lords for the Secretary of State to consult with a view to setting up such a scheme should not be ignored. It was somewhat regrettable that the Minister implied that the Government would accept the amendment but take no notice of it and hold no consultations. Perhaps at the end of such consultations the Government would say that the scheme was not a goer; nevertheless, I feel that they should look at it.

The Association of District Councils has expressed the view that the amendment is worth while and should be pursued. I am sure that many other hon. Members will also have received a letter from Michael Ashley, the assistant secretary with responsibility for community services, who writes:

> "The ADC gave support to the amendment and believes that a registration scheme with a once-only fee of about £15 will meet the objective of getting dog owners to take their responsibilities seriously and enable district councils to provide an effective dog warden service."

I think that those two points are worthy of consideration and consultation. I do not disagree with the Government's line on the amendment, but I hope that they will be a bit more positive, that there will be some genuine consultation and that a scheme can be set up that will allow local authorities to deal better with the problems of dogs.

Mr. Marlow: I congratulate my hon. Friend the Minister and the Government on their sagacity in accepting the amendment. The last time that this issue was debated in the House, there was something of a punch-up and a small revolt on this side of the Chamber. Their Lordships, in their wisdom, have introduced this amendment, and the Government, in their wisdom, have come to understand the will of both Houses of Parliament and have now accepted the amendment. I hope that my hon. Friend, despite what he has said this evening and his lack of enthusiasm, will come forward with an order before too long.

The amendment, as I understand it, will allow local authorities to introduce schemes for registering dogs and raising funds that they will be able to spend on schemes for the control and welfare of dogs within their individual

[Mr. Marlow]

local authority areas. I imagine that the limits on the amount that can be raised will be set by central Government.

Many of my hon. Friends rightly have a horror of bureaucracy, and I have a horror of it as well. But I put it to my hon. Friends that in some parts of the country —in the urban and inner-city areas mentioned by the hon. Member for Bradford, South (Mr. Cryer)—there is a real problem of dog noise, dog nuisance, dog disease and swarms of dogs roaming the streets. In those areas it is probably the strongest local problem that comes to Members of Parliament. My area is not as deprived as that of the hon. Member for Bradford, South but I receive a great deal of correspondence on the problem of dog nuisance and there is very little that we can do about it at the moment.

The Lords amendments will allow a dedicated source of funds to provide wardens to deal with this very real problem that disfigures so many of our inner city areas. At the moment, we are introducing schemes for local government finance which will make it more difficult for the areas represented by Labour Members to raise and spend money. The last thing they will do when they are being squeezed of finance, which they will be—I am not against that—is seek to spend what little money they have on dog warden schemes. The order, if introduced, will allow a special sum of money to be used to address the problem; otherwise nothing will happen.

I ask my hon. Friend the Minister to consider this issue, to look at it symathetically and, hopefully, to come forward with an order. The great beauty of this amendment is that in the past, to do anything about this problem, we have required primary legislation, a dogs Bill. No Government would gird themselves up against the opposition they would meet. People would say that it was a trivial measure. It would be putting their head in the dog's mouth, and no Government would risk that because they would get their head bitten off. However, an order, late at night, which could introduce exactly the same legislation is sexy and exciting. I ask my hon. Friend the Minister to let us have one quickly.

Mr. John Home Robertson (East Lothian): It is not often that I find myself agreeing with the hon. Member for Northampton, North (Mr. Marlow) about anything. However, there is an overwhelming case for having a national dog licensing scheme set at a reasonable rate in order to provide funds to enable local authorities to provide the services that are required.

I was a little disturbed to hear what the Minister said this evening. He agreed to the amendment but said that there is no intention of implementing it in England and Wales. However, two Secretaries of State are referred to in the Bill. Since a Minister from the Scottish Office is sitting on the Government Front Bench and since there will be scope for introducing separate orders affecting Scotland, it would be useful if the hon. Member for Edinburgh, West (Lord James Douglas-Hamilton) could give us some indication as to whether it would be possible, or, indeed whether it is likely, that the Scottish Office would be prepared to introduce an order to enable local authorities in Scotland to introduce licensing schemes on the basis of the Lords amendment, which seems to be a constructive one. I hope that it will not remain a dead letter.

Mr. Chope: With the leave of the House, I shall reply to the debate.

The Lords amendment gives my right hon. Friend the Secretary of State the power to make regulations. It does not require him to do so. I can understand that some hon. Members may have wished the amendment to say that it should require my right hon. Friend to make regulations but that is not what it provides. It is perfectly right and proper that we should be open with the House and say that the Government have no intention whatsoever of making the regulations and exercising the power being given by the amendment.

Mr. Marlow: Having listened to the debate, can my hon. Friend say why the Government have no intention of doing that?

Mr. Chope: Yes, I can say why the Government have no intention of making the regulations. There are two separate rationales put forward in favour of a registration scheme. The first is to raise money for local authorities in order to enable them to exercise greater control over dogs in their area. In effect, that would be to go back to a dog licensing scheme, which we have abolished by the Bill. The alternative rationale for dog registration would be to improve the identification of dogs that commit offences. That point was made by the hon. Member for Bradford, South (Mr. Cryer).

The hon. Gentleman told a story about a Doberman pinscher. There is no way in which a registration scheme would have resolved that problem. He told the House that the dog was apprehended and put down because it was so unruly. Under the law as it is now, anyone may complain to the magistrates court that a dog is dangerous and not kept under proper control and the court may order that it should be kept under proper control or be destroyed. Therefore, massive powers are already available.

Mr. Marlow: The hon. Member for Bradford, South (Mr. Cryer) made a good and clear speech. He said that, if there were a dog registration scheme and a system of dog wardens, the dog wardens would know where these large dogs were and when there were two or three large dogs in a house. The dog registration scheme would enable dog wardens to provide advice and assistance to people owning those dogs. What my hon. Friend the Minister has just said is not correct.

Mr. Chope *rose*—

1.15 am

Mr. Cryer: In addition to the location of dogs, dog wardens would advise and guide dog owners. Dog experts have pointed out that there has been growth in the use and breeding of large and savage dogs such as rottweilers and Doberman pinschers. Owners often buy such dogs without any proper knowledge. They do not know about training, housing, feeding or controlling them. As I made abundantly clear, the dog registration scheme would offer advice and help to dog owners.

Mr. Chope: I disagree with the hon. Gentleman on that matter; he takes a very paternalistic view about dog owners. Many measures are already available to local authorities, the police and other individuals to deal with dogs.

Those who argued in favour of a dog registration scheme assume that it would be easy to register all dogs and to maintain and enforce the register. I was interested to hear the hon. Member for Burnley (Mr. Pike) say that a registration scheme would be a practical possibility, because he and some of his hon. Friends have been arguing for many hours in Committee that the much simpler and more straightforward process of registering for the community charge will be so fiendishly complicated, so easily avoided and so difficult to enforce that it is not worth introducing. The community charge registration scheme will be straightforward and easy. However, a registration scheme for dogs would be a lot more complicated than the community charge registration scheme.

Mr. Pike: On reflection, I am sure that the Minister will agree that his comparison is completely irrelevant. If the registration of dogs were to be agreed, the system would be quite different from a poll tax that has a rolling register, that will change every day. I am sure that the Minister is making a false comparison.

Mr. Howard: What about student dogs?

Mr. Chope: My hon. and learned Friend mentions the problem of student dogs, but I do not want to get involved with such problems.

Mr. Andrew Bowden: It is easy for hon. Members to talk gaily about registration schemes, but what would happen in practice is the same as what has happened with the dog licence in the past—irresponsible dog owners would not buy licences or register their dogs. Hon. Members who believe that it will solve all the difficulties are living in cloud-cuckoo-land.

Mr. Chope: I agree with my hon. Friend, which is why the Government do not intend to introduce a scheme.

Mr. Marlow: Will my hon. Friend give way?

Mr. Chope: I will not give way again to my hon. Friend because as yet I have not answered the points raised by the hon. Member for Southwark and Bermondsey (Mr. Hughes). We cannot accept the amendment that he moved because, in effect, it asks for powers that at present are permissive to be made mandatory. The power of the police to deal with stray dogs has been discretionary since the Dogs Act 1906 because it is essential for the police to be flexible in dealing with different cases. It may not always be necessary to seize a dog which appears to be a stray if the owner is nearby.

The Government deliberately did not make it mandatory upon local authorities to appoint dog wardens. They must remain at liberty to decide whether to appoint them or not, depending on local circumstances. Where a local authority does decide to appoint dog wardens, that local authority will no doubt give them policy guidance on how to exercise their discretion under the Dogs Act. The amendment would therefore be superfluous in that context.

If a local authority does not appoint its own dog wardens, the amendment would require local authorities to secure that police officers exercised their powers. Since their powers are discretionary it is very unclear how that would operate in practice. There is also a more fundamental objection in that the amendment would give local authorities a power to interfere in police activities. It is eminently sensible that local authorities and the police should co-operate where they are both dealing with stray dogs so that owners searching for their strays can be directed to the police or local authorities——

Mr. Marlow: My hon. Friend might like to contact the Medway towns, where, under the current system of dog wardens, the take-up of the licence is enforced. If people were working at it, there could be an effective registration scheme, particularly if it was raising money for the dog wardens who would then be able to spend that money on the control and welfare of dogs.

Mr. Chope: My hon. Friend has made the same point in an earlier debate. That is an example of how a local authority is able to operate perfectly effectively under the existing law. There is no reason why other local authorities should not do likewise.

Mr. Rooker: The Minister had finished.

Mr. Chope: I was about to make one more point against the amendment of the hon. Member for Southwark and Bermondsey, but if that is not necessary——

Mr. Marlow: My hon. Friend said, quite rightly, that the Medway towns run a good dog warden system, collecting the licence fee and so on. But, to be fair, some local authorities — Left-wing Labour authorities and urban authorities—will be further constrained financially and have a severe problem of dog nuisance. Under the existing financial arrangements, they will not set up dog warden schemes. A dedicated scheme, of the sort that has been described, could be financed by such authorities.

Question put and agreed to.

Lords amendments Nos. 17 and 18 agreed to.

Schedule 1

COMPETITION

Lords amendment: No. 19, in page 33, leave out lines 14 and 15.

Lord James Douglas-Hamilton: I beg to move, That this House doth agree with the Lords in the said amendment.

This is a technical drafting amendment. I can speak on it at great length, but it is not necessary in the circumstances. It deletes an unnecessary definition consequential on an amendment made in the House.

Question put and agreed to.

Lords amendments Nos. 20 to 22 agreed to.

Schedule 3

LOCAL GOVERNMENT ADMINISTRATION

Lords amendment: No. 23, in page 37, line 27, at end insert—

"(2) In subsection (2) (complaint not to be entertained unless made through a member of the authority concerned) after 'unless' there shall be inserted 'it is made in writing to the Local Commissioner specifying the action alleged to constitute maladministration or'."

Mr. Howard: I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker: With this it will be convenient to take Lords amendments Nos. 24 to 26.

Mr. Simon Hughes: This allows people to go to the ombudsman directly and is to be welcomed. The matter

[Mr. Simon Hughes]

was raised during consideration of the Bill that implemented part of the recommendations of the ombudsman's report, and will short-circuit some of the delays that people experience in getting maladministration by local authorities rectified. I hope that wide publicity will be given to the fact that when this Bill become law, people will be able to go to the ombudsman on their own without needing to go through a local councillor. I ask the Minister to make this long-sought-after extension of remedy widely known as soon as possible.

Question put and agreed to.

Lords amendments Nos. 25 to 37 agreed to.

Committee appointed to draw up Reasons to be assigned to the Lords for disagreeing to certain of their amendments to the Bill: Dr. Cunningham, Mr. Grist, Mr. Peter Lloyd, Mr. Rooker and Mr. Howard; Three to be the quorum.—*[Mr. Howard.]*

To withdraw immediately.

Reasons for disagreeing to certain of the Lords amendments reported, and agreed to; to be communicated to the Lords.

Rate Support Grant (England)

Motion made, and Question proposed,

That the Rate Support Grant Supplementary Report (England) (No. 4) 1983-84 (House of Commons Paper No. 325), a copy of which was laid before this House on 19th February, be approved.—*[Mr. Chope.]*

Mr. Bob Cryer (Bradford, South): On a point of order, Mr. Deputy Speaker. I inquired after this report a moment or two ago in the Vote Office. It appears that there are no copies of it, although copies are being brought. The Leader of the House has a responsibility to ensure that copies are available. The Government Whip is passing me one, but another half dozen hon. Members may want copies, too. It is inadequate that the Leader of the House has not ensured that sufficient copies are available.

1.30 am

Mr. William O'Brien (Normanton): I shall briefly refer to the report, because it would be wrong to allow it to go without comment. It is the fourth supplementary report to the main 1983-84 RSG report in four years. I understand that the Secretary of State has consulted local authority associations on the content of the report. The main points raised by the Association of Metropolitan Authorities related to the GRE, and data corrections. Certain errors were made by the Department of the Environment in the social services GRE, which, when corrected, had devastating implications for GRE revisions and consequential grant reductions, which are significant for some authorities.

I shall give some examples. Newham lost £1·1 million, Wandsworth and Waltham Forest lost £1 million, and Hammersmith and Fulham lost £700,000. The biggest loser was Southwark, which lost £2·5 million. The adjustments were made retrospectively, after the local authorities' accounts had been audited. Therefore, the Association of Metropolitan Authorities takes the view that, as the errors were of the Secretary of State's making, they should be corrected at his expense and not at the expense of local authorities. The grant pool should be increased to compensate the authorities which have lost by the error; otherwise, all other authorities' grants will be reduced to pay for the correction. Obviously, the AMA's representation has been ignored. Therefore, other authorities will be unfairly penalised for an error made by the Secretary of State's Department.

I refer also to relevant and total expenditure and specifications under the Local Government Finance Act 1987. The Secretary of State intends to amend the definitions of relevant and total expenditure under powers in the Local Government Finance Act 1987. The proposed amendment would take out transfers to special funds that give rise to a deficit on the rate fund revenue account, which are not in respect of specific liabilities, or transfers back to the rate fund account of sums so transferred—so-called deficit financing transfers.

The association objects to the fact that the adjustments are made retrospectively. The proposals require authorities to change their earlier accounting practices, which, at the time, were quite proper and have not been subject to any criticism from external auditors.

The grant implications of the enforced change in accounting practices have not been revealed by the Government, but it is thought that in some cases there could be significant reductions in authorities' grants. All

the representations that have been made by local authority associations have obviously been ignored. The issues are important to local government.

I draw attention to annex 1 of the report. The estimates in the third supplementary report, compared with the one that the House is now considering, show that there has been no increase in domestic rate relief. The report also shows a continuing reduction in local government expenditure in significant respects, such as education, school meals and milk, libraries and museums, police, local transport, local environment services and employment. Other services are also affected.

In the report, the Government make provision for police pay and the policing of industrial disputes, but they disregard the increase in police recruitment. During the past four years, local police authorities have made representations for additional resources to make sure that the streets of our towns and cities are safe. Their requests found no favour with the Secretary of State. The adjustments in the report are retrospective and require authorities to change their accounting practices. I put it to the Minister that that principle is wrong and that local government is entitled to better consideration.

I ask the Minister to consider carefully the implications that face local authorities, because of what has been reported to the House tonight, and that certain provisions should be made to ensure that local authorities do not suffer because of errors that have been made by the Department of the Environment. I ask the Minister to take note of those points with a view to correcting the errors.

1.36 am

Mr. Simon Hughes: Given the fact that the hon. Member for Normanton (Mr. O'Brien) said that the London borough of Southwark is most severely affected by the report, it will not surprise the House that I intervene briefly to make a specific point about my local authority and the people of Southwark, although it applies generally to the nature of the report.

Last month we debated the rate-capping order on a series of local authorities which included Southwark. We debated that the day after we had debated the other supplementary rate support grant reports, with which this report was originally intended to be debated. As the House will remember, it was withdrawn at that stage because there had been some Government error and it could not be debated.

At that stage, the effect of the remaining supplementary orders in relation to other years, was that Southwark received a £2·7 million reduction in the money it was to receive for the coming year. By the rate-capping order the following night, Southwark was not allowed to raise any more money to compensate for that. The effect of that was a 5 per cent. to 10 per cent. cut in real services.

When, within a matter of weeks, we are back again to have another slice of money taken off, we have to ask Ministers why the system is working in relation to the financial year 1983-84 to remove more money from Southwark at this late stage with no compensating recovery.

I do not propose to examine the subject in great detail, but in general terms we all understand that a corrective mechanism is built into the existing rate support grant allocation system whereby grant entitlements are altered depending on the latest information as to what local authorities spend, the changes in the methodology of calculating grant-related expenditure assessment, new principles for calculating grant-related poundages and on certain local authority expenditure being disregarded.

The figures in Southwark give rise to questions as to whether it has worked out fairly for Southwark. If it has not, presumably other boroughs and districts have also been affected. Between the third and the fourth supplementary reports laid this year, relating to four years ago, Southwark has lost £2·6 million. The figure for the supplementary grant in the third report was £38·13 million, and in the fourth report the figure was £35·53 million. The total loss of grant between the original 1983-84 rate support grant settlement and this report is some £3·806 million, according to officers in Southwark whom I have consulted today and during the past few days.

I could go through a list of the effects in each year during the past five years. Without going into detail, they show that there is a substantial net loss to Southwark, which at this late stage, only three weeks before the end of the financial year and too late for Southwark to do anything about the next financial year, will result in a loss of income to Southwark and less money being available to the borough.

I should like to ask the Secretary of State a specific question that follows the general point made by the hon. Member for Normanton. Is it fair to justify to a particular borough and its residents—in this case, Southwark—how the miscalculations and wrong estimates given four years ago can be corrected at this late stage to the detriment of a community of 250,000 people? If the Government are arguing that theoretically the rate support grant should enable a standard level of services to be provided, by removing at this stage £2·5 million the Secretary of State is saying that the local authority cannot be allowed to provide a standard level of services.

Is there any way in which the Secretary of State could concede that Southwark's rate-capped figure or grant-related expenditure figure for next year could be looked at again to compensate for this late-in-the-day withdrawal of a substantial sum of money? The council has a budget of only about £130 million. To take £2·5 million out of it would have a substantial effect on its provision of services. The borough's resources are being enormously stretched to provide nursery places and home helps. It is threatening to close homes for the elderly, lunch clubs, day centres and the like. It does not seem that the borough will be able to recoup the £2·5 million.

Greater accountability is not achieved, four years after the event, by readjusting the figures to compensate for a miscalculation four years ago. About an hour ago Southwark's budget for next year was set in Southwark town hall. The rate has also been set and is now in place, but it was set without this report having been approved, without its effect having been worked into the Southwark system and without Southwark having been able to compensate adequately, both this year and next, for adjustments that have nothing to do with Southwark's alleged failings or defects.

I cite Southwark as an example of the way in which the report appears to be unfair to the borough, but I believe it to be unfair generally. The report is very much a last-minute adjustment to an accounting year that is now nearly four years ago. On the face of it, it is very much a tidying-up exercise and involves millions of pounds. It

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ought not to be approved without representatives of those communities seeking assurances that money lost through no fault of their own can be recouped in some other way.

I hope that the Minister will consider ways in which he can help Southwark. I hope that he will be prepared to meet representatives from Southwark and other communities that will be affected by the report so that means can be found to compensate them for these late-in-the-day losses and so that justice can be done, even at this late stage.

1.42 am

Mr. Bob Cryer (Bradford, South): The order shows how the Government are making a trawl, four years after the relevant year, in order to make adjustments to expenditure. It also shows how scrupulous the Government have been in battening down local authority expenditure. Increases in the rate poundage have been brought about in every case by the cuts, the clawbacks and the rate capping by central Government. In our earlier debate, several Conservative Members said how proud they were that local authority expenditure had been squeezed.

The order provides for a wide range of services. The poorest, those who need the most help and guidance, are in difficulties because of the constant adjustment of local authority expenditure by central Government. It would be useful if the Government applied the same scrupulousness to their own expenditure, but they do not. Local authorities nearly always meet their expenditure targets. It is central Government who are sloppy.

For example, defence expenditure is out of control. If some items of central Government expenditure were incorporated in a report such as this—for example, the millions, even billions, of pounds spent on devices such as the Sting Ray torpedo by the Ministry of Defence—the Government would press forward eagerly to the Dispatch Box to attack the local authorities responsible, whether Conservative or Labour. Naturally, however, the Government would be more gleeful if they attacked a Labour-controlled local authority. However, the Government cannot pick out any local authority in that fashion because such things do not happen: scrutiny is tight and central Government weigh down heavily on local authorities.

Four years on, this scrutiny seems unnecessarily zealous, especially when we consider that the order provides for disregarding expenditure on several items, such as the 1983 police pay award, which is perfectly reasonable; civil defence, which is some of the lunatic expenditure that the Government insist that local authorities undertake as part of the Government's cloud-cuckoo-land of a radioactive cinder heap—part of the Prime Minister's vision for the future; and expense incurred in policing the miners' industrial dispute of 1984 and the mass demonstrations at Ministry of Defence sites —presumably against nuclear weapons.

Instead of following the example of the ordinary sensible housewife—so beloved of the Prime Minister's vision—and being paid on the nose at the time and with a clear object, the expenditure is often shielded by being forced on local authorities, although at the time of the dispute some local authorities refused to sign the cheques for the extra police time and police costs. I am convinced that it was forced on them because, if central Government had been seen to spend millions of pounds policing the miners' strike, that would show how much public money —not their own money, as the Prime Minister keeps inveighing about Government expenditure—was spent on attacking the miners; then the shift of mood and opinion might have been much more marked.

Section D of the introduction provides for that sort of disregard. I assume that the mass demonstrations at Ministry of Defence sites were associated with nuclear weapons. Again, the cost of policing those demonstrations was unnecessarily high because the Government wanted to demonstrate a paramilitary might to intimidate the demonstrators, which they nevertheless failed to do.

The report is a demonstration of the crushing weight placed by central Government bureaucracy on local authorities, instead of giving them the freedom of choice —much vaunted by the Conservatives—and allowing them some choice in expenditure so that they can improve services. The report is introduced by the Government at a time which forbids or inhibits the detailed examination that could usefully be given to such a report because the Government seem absolutely obsessed with filling the House with legislation.

The Committee Rooms are bursting with people working at all hours for some frenetic purpose that is quite beyond the comprehension of the ordinary average sensible citizen, who does not think that Lords amendments to the Local Government Bill need to be dealt with tonight. We could usefully have spent a great deal more time on this report, which is important as it points to the structure of the local government system, which is vital to us all but which is being increasingly pressed by the Government.

1.48 am

The Parliamentary Under-Secretary of State for the Environment (Mr. Christopher Chope): The report is important. As a result of new information from the local authorities, we have made changes.

The report reflects the final outturn expenditure information which, for most local authorities, is certified by the auditor. That is why the report has been introduced rather late in the day.

There are a small number of cases where deficit financing issues have led my right hon. Friend to the conclusion that total expenditure figures, other than those given to us by the authorities, are the correct ones. The final figures show that the relevant expenditure for the year was £34 million less than the amount estimated in December 1984 for the previous supplementary report. We estimate that the relevant expenditure was almost £23 billion, which is £700 million more than the amount provided for in the 1983-84 settlement. We now estimate that the total of specific grants was £42 million higher than in the last report. There are no changes to be made to the total of rate support grants. Therefore, this report increases aggregate Exchequer grant by £42 million to £11,528 million.

Mr Cryer: That is not enough.

Mr. Chope: I would impress upon the House that the sum of £11,528 million is substantial. The report brings up to date our assessments of what authorities needed to spend to provide a standard level of service—that is,

their GREs. We have incorporated into the revised GREs a final estimate of the level of interest rates paid to local authorities on their cash balances, final outturn information on non-discretionary expenditure on certain items such as mandatory student awards and land drainage precepts to water authorities.

We have made other changes affecting individual authorities, including the effects of the boundary changes made at the beginning of 1982 and 1983. We have corrected an error which was made in the personal social services components. When the numbers of elderly people in certain categories in each local authority were calculated from census information, the wrong scaling factors were used and that also affected several other indicators. We have now put that right.

The hon. Member for Normanton (Mr. O'Brien) said that it was extremely unfair that the consequences of that change will be paid for by local authorities.

Mr. O'Brien: The cut in the allocations to personal social services is the most important part of the report. Serious consideration should be given to the joint financing between health and local authorities. The House is aware that more and more elderly and mentally sick people are being discharged by health authorities into local authority care. No provision is made in the report to cover the additional expense that must be borne by local authorities. The cut in the allocations to the personal social services is denying local authorities the resources to provide the services that they are being forced to provide by health authorities.

Mr. Chope: The report has nothing to do with the GRE indicators for the community care programme. The provision for personal social services has changed because of new information that became available. Incorrect population figures were used in the 1983-84 settlement main report to scale the numbers of elderly living alone. There were various other errors and changes resulting from that information. The effect of those changes has meant some losses for some local authorities.

Those losses are nothing like the £2 million that the hon. Member for Southwark and Bermondsey (Mr. Hughes) says has been lost by Southwark. As a result of the social services changes, that borough has lost £43,000. I accept that Southwark has suffered some other losses, but the borough has been aware of those impending losses for some time and they were the result of other changes to the GRE.

The hon. Gentleman understands local government finance and he will know that changes to GRE feed through to alter the amount that is given to individual local authorities. The hon. Gentleman will be aware that the rate limit for Southwark for 1988-89 took account of the estimated effects of this supplementary report. There is no significant difference between our estimates and the actual effects arising from the supplementary report. I believe that the treasurer of Southwark exaggerated when describing to the hon. Gentleman the effects of the supplementary report.

Mr. Simon Hughes: I will confirm the treasurer's remarks later. Will the Minister confirm that the change between the No. 3 and No. 4 supplementary reports means a loss of £2·6 million for Southwark? The change in the original rate support grant report means a loss of £3·8 million for Southwark. Although an authority budgets against the contingency of money being taken away, it is clear that an assessment of Southwark's needs made a few years ago has been altered to Southwark's detriment and has affected a substantial proportion of its allocated budget. Over the past few years we have not gained; we have lost. Surely the Minister accepts that, even though only a small part of that is due to the technical changes made since the report was originally tabled and then withdrawn.

Mr. Chope: I cannot accept that. On the latest information, Southwark received more money than it was properly entitled to. It has benefited from that money over a period and it is only as a result of this latest adjustment, following the final audit, that we can see that Southwark has been overpaid in the past. Naturally enough, that money is being clawed back from Southwark. The Southwark treasurer, as a prudent man, will have been able to anticipate that.

We are talking about one of the effects of the present rate support grant system. As the hon. Gentleman knows, when we move over to the new system, each local authority will know in advance of each financial year exactly how much grant it will get, and the grant will not vary according to the authority's level of expenditure over the year. There will be much more certainty and simplicity, and we shall not be debating supplementary reports going back four years.

Mr. Hughes: I hope that the Minister will not mislead the House into thinking that the new community charge or poll tax system means either that there will not be a rate support allocation or its equivalent or that there will be absolute certainty from one year to the next. There will always have to be a rolling method of calculating allowances for local authorities. Of course the prudent treasurer budgets for potential take-back, but what happens if he has nothing left in his reserves because he has had to spend it all? There is nothing more to provide from the budget. That is the problem for overstreched authorities such as Southwark.

Mr. Chope: Those considerations were taken into account in arriving at the rate limit for Southwark this year. I do not say that under the new system the grant will be the same each successive year for each local authority, but it will not be subject to the same degree of variation as under the present system. In the year that we are discussing — 1983-84 — not only did we have variations resulting from individual changes in expenditure by individual authorities, but those changes had an effect upon the grant of every authority as a result of recycling.

We have covered the points raised in the report. The new changes to the revenue support grant and the grant system that will come in in 1990 will make debates such as this a thing of the past. I am sure that most hon. Members will welcome that change when it comes.

Question put and agreed to.

Resolved,

That the Rate Support Grant Supplementary Report (England) (No. 4) 1983-84 (House of Commons Paper No. 325), a copy of which was laid before this House on 19th February, be approved.

Electricity Generation and Transmission (Inquiries)

[Relevant document: First Report from the Energy Committee (House of Commons Paper No. 310 of Session 1987-88), on the Electricity Generating Stations and Overhead Lines (Inquiries Procedure) Rules 1987.]

1.57 am

Mr. John Garrett (Norwich, South): I beg to move,

That the Electricity Generating Stations and Overhead Lines (Inquiries Procedure) Rules 1987 (S.I. 1987, No. 2182), dated 16th December 1987, a copy of which was laid before this House on 18th December, be revoked.

Even at this late hour we are pleased to have the opportunity to debate the rules and we are also pleased to see that the Parliamentary Under-Secretary of State for Energy has managed to find time in his busy schedule to join us; at one time we thought that he had gone missing. He will now know that the Joint Committee on Statutory Instruments drew attention in its 16th report to the defective drafting of this instrument. I shall not rehearse the points that the Committee made. There were two substantial elements in the observations of defective drafting and no doubt the Under-Secretary will wish to answer the Committee's concerns.

The effect of the rules was summarised in paragraph 5 of the first report of the Select Committee on Energy of 3 February:

"All of these changes tighten procedure in a way which enhances the position of the CEGB and the Area Boards . . . Although the Government consulted widely, it seems that it has paid particular attention to the arguments from what might be described as the establishment side."

In a brief but useful report, the Select Committee drew attention to a number of features of the rules that it saw as causes for concern. We see them as raising a number of issues of public policy, including citizens' rights, secrecy and the democratic right to know what powerful and dangerous bodies are doing. In a short debate, these issues can receive only a brief hearing. British Governments are notoriously secretive and a citizen's right to challenge the activities of, for example, the nuclear power industry is already loaded in favour of large organisations and against the objector. We consider that the rules are evidence of more loading on the wrong side of the balance.

The debate gives us the opportunity to raise a number of important issues for the Minister to answer. First, we would like the Minister to explain the manner of the introduction of the rules. As the Select Committee on Energy said, the 1986 consultation paper dealt with rules for inquiries under the Town and Country Planning Acts. Yet no comparable rules have been produced by the Department of the Environment or the Department of Transport. It is said that the Department of Energy has been rather more precipitate, and we do not have to look very far for the reason.

In August, 1987, the CEGB applied for consent to build a pressurised water reactor at Hinkley Point in Somerset. On 16 December the new rules were produced, and they were laid on 18 December. On 17 December the Government announced the public inquiry into the Hinkley Point power station. The Select Committee on Energy stated:

"It can hardly be a coincidence that the rules were made the day before the inquiry was announced."

On 22 January, the Under-Secretary of State for Energy announced that an application had been made to divert transmission line entries to Hinkley Point. The local planning authority objected and said that an inquiry must be held under the rules. The remarkably abbreviated timetable did not give the Select Committee time to take oral evidence. Why not? Why the rush? In his commentary on the Select Committee's report of 6 February the energy correspondent of *The Guardian* observed:

"The new rules were laid before Parliament two days before the Christmas recess at a time when the House was winding down. There was no press release from the Department of Energy and their existence was first reported in the national press by *The Guardian* on January 14, the day they came into effect."

The headline that appeared in *The Times* read:

"Guidance to reactor inquiry inspector is rigged, say MPs."

It is clear that the rules were rushed out to limit the objections to the proposed Hinkley Point development. This view is confirmed by an analysis of the changes proposed in the new rules from the existing rules of 1981. The purpose of the changes is to increase the power of the Secretary of State to limit the time taken by pre-inquiry procedures and to increase the inspector's power to require information in advance of the inquiry. They are designed also to confine the evidence that may be presented at the inquiry.

There appear to be nine new provisions in the rules, and no fewer than seven of them have the effect of limiting the effectiveness of objectors. Clause 5(6) constrains the pre-inquiry meeting to within 16 weeks of notification of the local planning authority and potential appellants and objectors. Clause 6(2) allows the inspector to confine evidence to the inquiry to matters set out in the statement of case made by the applicant. It changes the serving of a statement from six weeks before the inquiry to six weeks after the notice of intent. This will disadvantage objectors. Objectors will have only four weeks to serve their statement of case on the Secretary of State.

Clause 10(1) governs the date of the inquiry and introduces yet another new time constraint. Clause 10(3) alters established planning practice by changing 42 days' notice of the inquiry to 28 days when all other inquiries are subject to 42 days' notice. The Select Committee on Energy referred to this provision as "most striking". Clause 13(3) obliges witnesses at an inquiry to set out their case three weeks before the inquiry. Clause 14(4) is a new provision that gives additional powers to the inspector to restrict evidence and cross-examination that he considers irrelevant or repetitious.

We have seven new provisions that are all aimed at limiting the scope of objections to nuclear power stations and similar developments. Perhaps the Minister will explain the justification for all these restrictions. What problem are they intended to overcome? I can answer that question. They are intended to overcome the Sizewell problem, the inquiry that lasted two and a quarter years. But, as I shall show briefly, there were many features of Sizewell which were unique.

A second area of concern for us is secrecy. That again was usefully discussed by the Energy Committee. The Committee was supplied by the Department of Energy with extracts from the Department of the Environment's planning inspectors' handbook which gives guidance to inspectors on the procedure of inquiries, with useful definitions of such terms as "irrelevant", "repetitious", "contrary to the public interest" and "disruptive manner" as applied to the behaviour of people who attend inquiries.

The Committee was asked to treat the procedural guidance as confidential. The Committee observed at paragraph 2:

"We can see no good reason why this part of the handbook should not be in the public domain."

The Energy Committee went further:

"We recommend at least that these extracts should be made available to any interested party. If this does not happen there will always be the natural suspicion that 'contrary to the public interest,' for example, is equated with 'contrary to the Government's interest'."

Why is there to be no public right to know what is contrary to the public interest? Surely there must be considerable public interest in knowing what is contrary to the public interest, and such knowledge would influence the behaviour of those making objections. Why is the definition of

"conduct in a disruptive manner"

not a matter of public guidance? What good is served by secrecy on such trivial matters? Such information would be helpful to participants in inquiries. Secrecy about them is petty regulation at its worst. I would like the Minister to undertake to make the inspectors' guidelines available to the Hinkley Point inquiry. Will he also issue the code of practice for the pre-inquiry stage?

Clearly there are justifiable concerns about the length and cost of major public inquiries. The Government's objective, stated in their consultation document, is that

"inquiries should be as efficient and effective as possible, while not in any way impairing the fairness and impartiality of the proceedings, or the ability of the participants to make representations which are relevant to the decision".

The Energy Committee commented:

"This is an objective of which the Committee broadly approves: we have no wish to see the Sizewell marathon run again. However, the construction of a power station, and especially a nuclear power station, raises local and national environmental, economic and safety concerns. There must be an opportunity for these concerns to be aired and assessed."

That is the Opposition's position in agreeing with the views of the Energy Committee.

Sizewell was exceptionally protracted, at 340 days, for a number of reasons which are unlikely to recur at an inquiry into Hinkley Point, for example. The Sizewell inquiry was the first on a nuclear power station in Britain which gave detailed consideration to safety. The applicant, the CEGB, appeared to be inadequately prepared, to put it mildly. The fifth report from the Select Committee on the Environment in July 1986 pointed out at paragraph 152 that the nuclear installations inspectorate promised that a full safety assessment of the pressurised water reactor project at Sizewell would be available before the inquiry began. In the event that did not happen. The nuclear installations inspectorate blamed the CEGB, whose pre-construction safety report was 10 months late. I believe that it arrived after the end of the inquiry.

There were universal complaints about the unsatisfactory quality and presentation of much of the CEGB's data on safety matters. The CEGB took 32 days to read its opening statement. There were 130 days of the inquiry spent on safety, of which only 19 were taken up by the objectors. The Sizewell inquiry ranged over the issue of advanced gas-cooled reactors against PWR comparisons, thanks to the diligence of my distinguished constituent, Mr. Round, formerly deputy chief engineer of the Eastern electricity board.

The Sizewell inquiry examined fuel policy and other national issues. In addition, there were many site-specific issues about access, unemployment, accidents, evacuation and the effects on wildlife habitats of international importance. Sizewell, known as the inquiry to end all inquiries, ventured into unknown territory. It was a learning experience for everyone. Its lessons do not lead automatically to the stifling of objections in the interests of efficiency, as these rules seek to do.

There were many lessons to be learnt from Sizewell, but the Government have drawn only one: the need to shut up objectors. The other lessons included the opaque and confusing adversarial style of the proceedings, the legalisms, the cross-examination, the formality, the ritual, and especially the grossly unbalanced funding arising from the costs of legal representation. Time and again, the weighting in favour of applicants because of the unsustainable costs of representation by objectors is mentioned in connection with Sizewell. Objection, dissent and inquiry are rationed by the purse, on this most crucial issue of the development of nuclear power.

The Select Committee referred to funding at paragraph 8:

"One other topic which concerns the Committee is the lack of financial assistance for objectors at inquiries. We regret that no such provision is included in these rules."

Friends of the Earth spent £120,000 on its Sizewell case from donations and fund-raising. It could afford to attend for five weeks of the two and quarter years for which the inquiry lasted. The Council for the Protection of Rural England had to raise £70,000 through public appeal. The Town and Country Planning Association could not afford to be legally represented, and said that it simply could not monitor the additional evidence presented during the inquiry.

A study by Jennifer Armstrong, published by the Town and Country Planning Association, concluded:

"Lack of funding for one half of the argument is one of the chief reasons for the low level of confidence in this part of the decision-making process . . . An independent fund should be established, administered by trustees, to which voluntary bodies seeking to take part in the inquiry may apply for financial aid. This would exclude aid for legal representation. . . The size of the fund would depend on the scale, complexity, location etc. of the inquiry. The removal of legal representation would substantially reduce the amount of money needed to promote a far fairer inquiry. The sums of money for which aid might be available are easily verifiable and no organisational or administrative problems are anticipated. This is clearly one of the key recommendations in the establishing of a fairer inquiry system."

The fifth report of the Select Committee on the Environment made much the same recommendation, but in their response the Government refused to consider the idea of funding third parties because it would

"be more likely to make major inquiries run even longer."

We return continually to the Government's proposition that an inquiry is effective only if objections are abbreviated and objectors stifled.

At the forthcoming Hinkley Point inquiry, we shall see whether the CEGB shelters behind the "contrary to public interest" rule. The local authorities are already worried that the CEGB has been unwilling to discuss its application openly, and the fear is that the CEGB will use the public interest as a device to avoid proper examination of its reasons for selecting Hinkley Point as the site of another PWR station. We fear that the rules are meant to restrict objection. As the Select Committee on Energy said, Ministers should

"assure the House and country that all participants at an inquiry may be able to put their views, irrespective of their financial or political muscle."

[Mr. John Garrett]

Funding bona fide objectors would enable them to put a briefer, better-researched and better-organised case.

A public inquiry fulfils an important national role in policy-making. We have no Office of Technology Assessment, as they have in the United States. I notice that many Conservative Members have signed an early-day motion asking for such an office. There is no other forum for evaluating nuclear power generation. Weakening the rights of objectors is shortsighted and stifles genuine public interest and concern about a matter of the greatest national importance.

2.13 am

Mr. David Heathcoat-Amory (Wells): There are better things to do at this time of the morning than dwell for too long on these inquiries procedures rules. But I shall speak briefly because of the importance of the rules to the proposal by the Central Electricity Generating Board to build a second PWR station at Hinkley Point in Somerset. The site is in the constituency of the Secretary of State for Northern Ireland, my right hon. Friend the Member for Bridgwater (Mr. King), who is closely involved in the issues, but the site is visible from my constituency and some of the workers are my constituents.

We want a fair and thorough inquiry into the application. If it is approved, it will be a big construction project and the station will cost about £1·5 billion. It will be the third station to be built on the site, but when Hinkley Point A is decommissioned in a few years there will be two there. The station, if completed, will not only produce a lot of electricity; it will secure supplies in the south-west region. It will bring much money and many jobs into the area. On the other side of the coin, it will create considerable disruption. New roads will be needed and site workers will have to be housed. In passing, I should state that the same kind of disruption would occur if the Severn barrage was to be constructed.

The appearance of the station is also important in the low-lying topography of the estuary. I believe that there is no reason why a large building, even an industrial building, should be ugly and I hope that the CEGB will choose architects who will produce something more sympathetic than Hinkley Point A and B. There would also be effects on the fishing industry in the estuary, on tourism and on wildlife. The inquiry would have to consider whether the geology of the site is appropriate. I am glad that the nuclear installations inspectorate will have reported on the suitability of the site by then.

All those matters and others must be discussed. I am glad that the new rules will be in force by then. It must be in everyone's interests, including those of the objectors, to have an orderly timetabled inquiry with prior disclosure of documents.

I also believe that it is sensible to assume that a planning inspector can read. At the Layfield inquiry into Sizewell, the CEGB's opening statement took 32 days to read out. That benefited only the lawyers employed in that inquiry.

It must be right to try, where possible, to shorten the inquiries. Our constituents tell us that planning inquiries are already too long, too slow and too cumbersome. Shorter inquiries are cheaper. The CEGB may have plenty of money, but objectors to Hinkley Point C and local authorities will welcome a shorter, and therefore cheaper, inquiry.

Sir Jim Spicer (Dorset, West): As a Member representing a Somerset constituency, does my hon. Friend agree that it seems rather strange that a local authority, Somerset county council, should already have £50,000 of ratepayers' money set on one side as well as a contingency of £500,000 to fund opposition to what we would all agree should be a shortened inquiry? Does he agree that, while the Select Committee on Energy has already said that the last thing anyone wants is a re-run of the Sizewell marathon, it appears that Somerset county council is looking not for a proper inquiry, but to drag the matter out because it is basically anti-nuclear in its approach?

Mr. Heathcoat-Amory: My hon. Friend has made a reasonable point. That is a lot of money and the ratepayers in Somerset may have something to say about it in due course. The county council has allocated £500,000 of ratepayers' money to fighting the inquiry. However, its objections run much wider than its objections to a nuclear power station on the site. It appears to me to be questioning the very concept of nuclear energy and of the pressurised water reactor; that is precisely why the Sizewell inquiry sat for more than two years and cost many millions of pounds. We do not want a re-run of the Sizewell inquiry in Somerset. I am glad that the hon. Member for Norwich, South (Mr. Garrett) said that himself. But that is what could happen if the rules are not used to try to restrict and delineate the terms and scope of the inquiry.

Mr. Frank Cook (Stockton, North): The hon. Gentleman has already conceded that the greater part of the time of the Sizewell inquiry was taken by the applicant, rather than the appellant. Does the hon. Gentleman agree that the restriction should be not on the appellant, but on the applicant? That surely would be a way of shortening the inquiry.

Mr. Heathcoat-Amory: Nothing in the rules prevents objectors from stating their case. They are required, for instance, to give written notice of the objections that they choose to raise. My own view is that the basic economic and safety case for the PWRs was established at Sizewell; but that is only my opinion, and it is not in any way binding on the inspector.

I feel that the inquiry at Hinkley Point should try to confine itself to issues that are relevant to that site. We all concede that the world has moved on since the Sizewell inquiry. The price of fossil fuels has dropped further and faster than the inspector may have anticipated. But that has not necessarily undermined the economic case, because Hinkley C will be considerably cheaper than Sizewell. About £200 million-worth of design costs will not be incurred again.

Mr. Paddy Ashdown (Yeovil): May I return to the hon. Gentleman's criticisms of Somerset county council? Is he not aware that he also criticises his own party members, quite a few of whom have voted in favour of Somerset's general policy in the matter — as, indeed, have many other local authorities in the Somerset area, including some under Conservative control, which have joined the consortium with Somerset county council to oppose the

inquiry in the most effective way possible? In so doing, I suspect that they are closer to the views of the people of Somerset than the hon. Gentleman.

Mr. Heathcoat-Amory: Councillors from a number of different parties to whom I have spoken are of the opinion —which I share—that it is the job of the county council to obtain the best possible deal for the county: to get the roads and bypasses built, and to make the station, if it is approved, as unobtrusive as possible. Where I part company with the Liberal group on the county council is on the issue of spending a great deal of money in trying to undermine the concept of a PWR. I regard that as having been satisfactorily addressed at the Sizewell inquiry. However, I agree with the hon. Member for Yeovil (Mr. Ashdown) that we want a thorough inquiry into all the relevant issues.

I do not fall into the habit the Liberal party has of saying, "National and regional needs are one thing, but please, not here in Somerset." Let us be a little wider in our vision. I repeat, however, that it is not for me to determine the scope of the inquiry, and the rules that we are discussing do not lay down or restrict that scope either. They are modest changes, and should be welcomed by anyone who believes that a planning inquiry should be about planning, rather than an opportunity to trot out preconceived notions aside from the relevance to the site under consideration.

2.24 am

The Parliamentary Under-Secretary of State for Energy (Mr. Michael Spicer): Like the hon. Member for Norwich, South (Mr. Garrett), the Government also welcome this opportunity to debate the new inquiry rules — *[Interruption.]* We have been offering dates to the Opposition for the past two or three months and those offers have not been taken up.

Mr. Frank Cook: That is not true.

Mr. Spicer: That is perfectly true, and the hon. Gentleman knows it.

Mr. John Prescott (Kingston upon Hull, East): The Minister should be careful about what he says. The date was offered for one day and the Government withdrew. The Opposition were quite prepared to have a debate in the afternoon in proper time because this is an important issue. We would have preferred that rather than a debate at this time of night.

Mr. Spicer: As the hon. Gentleman knows, this is a matter for the usual channels. However, my understanding is that several offers have been made to the Opposition and that those offers have been turned down. I do not want to make an issue out of this. I mention it only because Opposition Members mocked me when I said that the Government welcome the opportunity to debate this issue.

The debate fulfils one of the recommendations of the Select Committee on Energy's recent report on the rules.

Perhaps I could begin by reminding the House of something that the hon. Member for Norwich, South ignored, no doubt inadvertently. It was a Committee of the House that first expressed concern about the length and cost of some public inquiries. The point was made, as the hon. Member for Norwich, South acknowledged, in the fifth report of the Select Committee on the Environment in Session 1985-86. That Committee was chaired by my right hon. Friend the Member for Hornsey and Wood Green (Sir H. Rossi). The House will recollect this point was made by the hon. Member for Norwich, South — that more than six years passed between the application to build Sizewell B and the consent and that the public inquiry cost £4 million. I was intensely and genuinely interested in what the hon. Member for Norwich, South had to say with respect to his view that the length and cost of the Sizewell inquiry is likely to be exceptional. That was an interesting remark.

In their response to the Environment Committee's report, the Government recognised the concern about the cost and length of time taken by public inquiries and made proposals for revising planning procedures. Our aim has been to make the procedures for public inquiries more effective and efficient without impairing the right of all the parties to have their views heard. There is no question, if I may use the words used by the hon. Member for Norwich, South, of shutting up objectors. Indeed, in so far as there will be more written material available before major inquiries, life will be made easier for objectors.

The Government's proposals were included in a consultation document which was widely circulated and which contained a draft of new rules to govern inquiries under the town and country planning legislation. It is against that background that the new rules, which we are debating tonight, were prepared.

The new rules include the setting up of firm timetables for the exchange of statements between the main participants before an inquiry. They will provide a reasonable balance between the need to avoid unnecessary delay, which I am sure is shared by most hon. Members, and the need for parties to have adequate time to prepare their case. Early exchange of information before the inquiry will help to identify the principal points on which the inquiry should properly concentrate.

There are special new requirements for major inquiries, including the submission of outline statements before, and detailed statements after, one or more pre-inquiry meetings. Pre-inquiry meetings have often taken place, as at Sizewell, but there is now to be formal provision for them in the rules, although, as I have said, the principle involved is not new.

Mr. Ashdown: I am interested to hear that the Minister is seeking to make matters easier for those who are preparing their cases for the inquiry. Does he realise that the Government's complete failure to publish the terms of reference for the Hinkley C inquiry is making it impossible for those who wish to construct a case, particularly Somerset county council and the consortium of local councils which are opposed to it? Will the Government publish the terms of reference to enable them to do what the Minister says he wants them to do?

Mr. Spicer: The terms of reference will be published.

Mr. Ashdown: When?

Mr. Spicer: I am not in a position to give the hon. Gentleman an answer to that question. The terms of reference will be published.

Mr. Ashdown: When?

Mr. Spicer: I have just said that I am not in a position to answer that question. The inspector will also have discretionary powers to require that a summary of a statement of evidence shall be prepared, and that only that

[Mr. Spicer]

summary shall be read out at the inquiry, although cross-examination will normally be permitted on the contents of the full statement; and that must be right. There is no good reason why time should be taken up unnecessarily by reading out before the inspector material which can be read by all the parties beforehand.

It is such a change that one——

Mr. Prescott: That is what the CEGB did.

Mr. Spicer: The hon. Member for Norwich, South said that the way in which the CEGB presented its case was a costly waste of time. However, we now have a method of making the inquiry more cost effective without anybody being harmed by it. It seems that the hon. Member for Kingston upon Hull, East (Mr. Prescott) is agreeing with that.

It became evident towards the end of last year—this deals with the point raised by the hon. Member for Norwich, South—that a major public inquiry would be necessary into the Central Electricity Generating Board's application to construct a pressurised water reactor power station at Hinkley Point in Somerset. It was clearly right—there is nothing sinister or untoward about this—that the Government's proposals to make such inquiries more efficient should apply to that major inquiry. We therefore pressed ahead with revising the relevant rules in time for this inquiry. As it was right to make a change in the rules, it was appropriate that they should have been brought forward in time for the inquiry.

As to planning inquiries, I can tell the House that my right hon. and noble Friend the Lord Chancellor, on behalf of my right hon. Friend the Secretary of State for the Environment, will shortly be making new rules governing inquiries held under the town and country planning legislation.

Mr. John Garrett: As to Hinkley Point, will the Minister reply to the question that I asked him: if he is so keen to move matters along and to avoid a protracted inquiry, will he undertake to issue the inspector's handbook, which contains useful definitions of what is or is not in the public interest? If a definition of the public interest were to be published for objectors, clearly many fruitless objections could be obviated.

Mr. Spicer: The short answer to that question is yes, and I shall deal with it in more detail in a moment.

The first of the two recommendations of the Energy Committee was that certain extracts from the Department of the Environment's planning inspectors' handbook should be made publicly available. My Department supplied those extracts to the Committee in response to its request, at short notice, for written evidence. The advice of the Department of the Environment was that its handbook was written and issued for official use only, but that the Committee should be given in confidence extracts relevant to its inquiry.

I understand that the handbook was in fact placed in the Libraries of both Houses some years ago. It is unfortunate that that was not drawn to the attention of the Energy Select Committee.

Having said that, we do believe that those passages of the handbook referring to how inspectors should deal with disruptive behaviour on the rare occasions that that takes place at inquiries are best not given wide publicity because they could assist anyone wishing to disrupt an inquiry. I hope that the Select Committee and the House will agree with that specific point. Disruptive behaviour at an inquiry threatens people's statutory rights and it must be right that we are tightening the inspectors' powers in that respect.

However, I agree with the Select Committee and the hon. Member for Norwich, South that there is a strong case for giving wider publicity to the passages in the handbook which deal with repetition, irrelevance and evidence contrary to the public interest. In any event, the handbook will be revised to take account of the new rules, including those now under debate, and we shall listen carefully to what is said by hon. Members.

The Select Committee's other main recommendation, which, I accept, is controversial, concerns financial assistance for objectors at public inquiries. That point, too, was raised by the hon. Member for Norwich, South. The Government's position on that is well established and was discussed at length in our response to the Fifth Report of the Select Committee on the Environment. We continue to be against the public funding of objectors for at least three reasons.

First, most objectors appear at inquiries to defend their own interests. That is perfectly proper, but there is no reason why that should be financed from public or other funds.

Secondly, the task of deciding which objectors should receive funding and which should not could be—Labour Members laugh, but I would like to see them doing this—invidous and highly controversial. If the decision were taken before the inquiry, either by the Government or by the inspector, there could be allegations that we had predetermined what evidence was likely to be helpful and relevant.

Finally, it has to be accepted that the local planning authority and other publicly-funded bodies already appear at inquiries to represent the general public.

I had meant to intervene shortly at this stage. If I catch your eye, Mr. Deputy Speaker, and with the agreement of the House, I shall spend a few moments at the end answering the particular points raised.

The new rules reflect the widespread concern, shared by many of those involved in major public inquiries, about the length and cost of such proceedings. The rules are designed to make the inquiry process as efficient and effective as possible, without in any way impairing the fairness and impartiality of the proceedings or the ability of participants to make representations which are relevant to the decision.

Hon. Members may not accept that, and they may have their reasons for doing so, but that is the Government's firm position. I commend the new rules to the House and ask the House to reject the motion.

2.37 am

Mr. Matthew Taylor (Truro): Only this week, on other subjects in the House, the Secretary of State for Energy has been putting the consumer first and emphasising how Government plans will do that. Yet the Minister's attempt to defend the rules go against that objective. The Minister's attempt to say at one and the same time that the rules limit and yet do not limit objectors borders on the ludicrous.

The manner in which the rules have been introduced at all stages shows that the Government have no intention of

putting the individual consumer first. The very fact that we are having this debate in the early hours of the morning is a sign of that. When the Select Committee called for a full debate on the regulations, it did not envisage one at 3 am following a heavy work load. The Government have failed to explain at any stage why the rules have been introduced in the way that they have, in what can only be described as an underhand manner.

Mr. Rhodri Morgan (Cardiff, West): Sneaking them in.

Mr. Taylor: Indeed. The Energy Select Committee's first report stated that

"it is not difficult to surmise"

why the rules were tabled two days before the House rose for the Christmas recess. That was precisely and directly related to the Hinkley C proposals. The Government do not attempt to deny that. When I tried to obtain a copy of the new rules three days after they were presented to the House, I was informed that they were not even available at the Vote Office. They had not left the Department. In the end, a special car was sent over from the Department of Energy to give me a copy. That gives us an accurate idea of what the Department is about.

It is regrettable that the Government, who preach the accountability of industry to its customers, fail to respond to the massive nationwide concern about the development of civil nuclear power. The report "British Social Attitudes 1987" showed that only 10 per cent. of the public wanted more nuclear power stations. The Minister feels that he cannot accept the views of the British people on this issue, but he must at least respond to the nation's desire to have the matter properly debated and to be given proper assurance on the safety of nuclear power.

Instead, the Minister tries to implement the new rules, which, in the words of the Select Committee,

"tighten procedure in a way which enhances the position of the CEGB and Area Boards . . . the Government . . . has paid particular attention to the arguments from what might be described as the establishment side."

If the Government want to win the arguments fair and square, they should give people a fair chance to debate them.

Sir Jim Spicer: I seek one clarification. Is the hon. Gentleman, on behalf of the Liberal party and the Social Democratic party, saying that he is in favour of open-ended inquiries such as the Sizewell inquiry, or does he believe that some time limit should be set so that we do away with all the objections that are designed purely to waste time, because those making them do not want nuclear power stations anyway?

Mr. Taylor: Thank goodness that time limits are not being imposed. We are seeking open-minded inquiries; we do not believe that they are to be found in the Minister's proposals. Much of the debate so far has concerned the efficiency with which inquiries can be conducted——

Mr. Frank Cook: I am a little concerned that the hon. Gentleman has not rejected what was implied by the hon. Member for Dorset, West (Sir J. Spicer)—that time was wasted at Sizewell by the appellants rather than the applicants. If time was indeed wasted, was it wasted by those who objected to the proposals, or by those who spun out the time by writing, re-writing, presenting and re-presenting and failing to come up with a safety case in the end?

Mr. Taylor: The hon. Gentleman is right. Sir Frank Layfield, in the report on the Sizewell B inquiry, said:

"There was an expectation that the Inquiry would consider a fully developed safety case from the CEGB. The nature and scope of the Board's case as presented was not clear . . . The Board's evidence was elaborated and details added, but the safety case remained insufficiently complete for a site licence to be issued by March 1985."

I suggest that that report does not refer to time-wasting by various lobby organisations. It suggests that the lack of detail produced by the CEGB, which presented its case in outline, was the essential problem. A great deal of time was wasted because the CEGB failed to present its case properly at the beginning of the inquiry, which is the point that the hon. Member for Stockton, North (Mr. Cook) made. Given the inquiry's concerns about the lack of detail on safety issues, I am sure the House will agree that to attempt to curtail further debate is an encouragement for planners to cut back more on detail and give less time to matters of safety. If Conservative Members do not believe that these are legitimate concerns for inquiries, they are out of tune with general public feeling.

Mr. Ashdown: While my hon. Friend is on the subject of the Layfield report, which the Minister carefully prayed in aid, is it not the case that, because of the Government's restrictions, certain specific recommendations by the Layfield report about what should be considered when the next PWR comes under consideration will be excluded from the inquiry? I refer in particular to the requirements laid down in paragraphs 108.4 and 91.28 of the report. Other considerations that should be considered are now to be excluded. The Government are deliberately excluding some of the things that Layfield recommended should be included.

Mr. Taylor: My hon. Friend is absolutely right. I shall elaborate the points that he raised.

The proposals seem to allow the applicants to delay their submission until the objectors have spoken, subject to the inspector's discretion. In other words, they need not come in at all until right at the end of the inquiry. Surely that is nonsense. How can objectors possibly be expected to make the best of their case if they have not heard the applicants' argument in advance of that taking place? That is not an acceptable process that the House should be asked to adopt.

The Secretary of State referred to the future of the Hinkley C inquiry. He stated that he did not want

"a tedious, repetitious inquiry in which people use the procedure to prevent a decision from being made."

However tedious and repetitious the Secretary of State may find such an inquiry, the people of Somerset will want broad terms of reference and easy access to the debate to allow them to have their say about future proposals for their community.

Mr. Ashdown: And Dorset.

Mr. Taylor: And Dorset, as my hon. Friend said.

It is not just a case of where one happens to choose a site for a power station. That is the least of the issues concerned with the siting of a PWR.

As my hon. Friend asked, will the Government pay attention to the recommendations made during the Sizewell inquiry? In his report, Sir Frank Layfield made it clear that the inquiry was seen as a single inquiry affecting one type of power generation in one area. It is vital that the arguments are looked into again to search for alternatives, if that is deemed to be more suitable.

[Mr. Taylor]

It is suggested in the report that, if further progress is made in combined heat and power generation, for example, it should be considered. Another point that was made during the inquiry was that if there were a future inquiry

"The CEGB has made it plain that the possibility of such a sequence"——

that is, PWRs—

"would not remove the need for a proper comparison of alternative means of generation."

That is precisely contrary to what Conservative Members have argued.

Like many of my colleagues, I shall watch the proceedings of the Hinkley Point inquiry with interest to see whether the recommendations have been noted or whether Sir Frank Layfield simply wasted his breath in making his suggestions. I hope that it will be possible for objectors to debate alternative forms of generation, and that they will not be ruled out of order for being repetitious or even perhaps disruptive of the general flow of debate on putting in a PWR.

Many people fear that the general tenor and implication of the new rules is a great increase in the level of secrecy. A good illustration of that—even following the Minister's comments—is the Department of the Environment's planning inspectorate's handbook. The new rules still propose that substantial parts of it remain confidential. I welcome in part what the Minister has said on that matter.

Objectors must be able to know why their evidence is deemed to be contrary to the public interest, irrelevant or repetitious. To keep the book confidential would strengthen the argument of those who say that the Government are siding with the establishment, as has been said, or worse, as the Select Committee has said, that

"contrary to the public interest"

will come to be equated with

"contrary to the Government's interests".

It is in the interests of all hon. Members and all who believe in democracy that that should not be the case. The Minister said that such aspects should get some kind of publicity, but he does not go far down that line. He suggests some extracts. He does not even make any absolutely definite commitment.

Objectors have not won a single case in the last 20 public inquiries. They hardly need things any more weighted against them than they already are. There is no great evidence that objectors are making such use of the freedoms that are given to them that they are getting far in persuading anybody. I do not know why the Minister is so afraid of them. Frankly, the Minister's comment that what is considered as disruptive should remain secret is absurd. Should the police not reveal what they would describe as grievous bodily harm? People must be able to find out, if they are interested, what they are allowed to do and what are the boundaries beyond which they are not allowed to step. That must be available to the public.

There are other examples of the secrecy surrounding the issue from the CEGB at Hinkley. The objectors to Hinkley C, in an attempt to assess its economic viability, have asked the CEGB to release a statement of the projected costs of the proposed power station. Yet so far the CEGB has refused to release those figures. That can only hinder the objectors in their attempt to draw up their case. Indeed it may well lead them to make cases that, in the Minister's words, are irrelevant or repetitious because they do not have the facts to make their case properly. Such secrecy cannot be in the public interests.

A letter from the CEGB states:

"On the matter of capital costs for new coal-fired plant, a decision on whether or not these will be included in our inquiry document for Hinkley Point 'C' will be influenced, among other things, by the Rule 5 Statement."

In other words the CEGB may or may not give the information.

There can be no doubt that these new rules are aimed at the small objectors and have been created to hinder the small objectors. That is the only respect in which they can save time on the inquiries.

The Secretary of State can call a pre-inquiry meeting within 28 days and a full inquiry within eight weeks of the pre-inquiry meeting giving short notice to any of those wishing to lodge objections.

The Department of Energy believes that it would provide greater flexibility to arrange an inquiry sooner. I do not know what that means. Would it perhaps have provided the Government with less flexibility to debate this issue sooner? Is that why they have delayed?

The new rule 6(4) will state that every objector issuing a document must give a copy to every person concerned. At a large inquiry there may be as many as 100 objectors. If the objection covers 100 pages, that could amount to more than 10,000 pages. How is a small objector expected to bear the costs of that?

The hon. Member for Dorset, West (Sir J. Spicer) said that shorter inquiries are cheaper inquiries. Under these rules the inquiries will be anything but cheap to the smaller objectors who actually want to make their case. It will also mean that the inquiries are less thorough, and that is a greater concern. The hon. Gentleman said that it would help the smaller objector, as a shorter inquiry would be a cheaper inquiry. The appropriate answer would be to ensure that those smaller objectors are helped to produce those documents.

A straightforward, simple answer would be for the Government to take on board the cost of giving copies of the various submissions to all those involved in the inquiries. Objectors will not have very long to make those submissions, so it is unlikely that they will be very long. The Government could take that point on board. It might actually help the hon. Member for Dorset, South to make his point.

I remain deeply suspicious of the Government's motives. I remain suspicious of the underhand methods that they have used in bringing forward these proposals, the secrecy surrounding the CEGB and the rush to implement this new rule when other Departments, such as the Department of the Environment and the Department of Transport, have held back. Why is the Department of Energy in such a hurry? Is the intention simply to rush through the inquiry and commence construction of Hinkley C before privatisation and before we have to meet the question whether private companies will want to build the power station at all?

We should be watching closely for what I can describe only as insidious change by insidious methods. I find it ironic that the Government claim to speak for the individual and for the consumer. I am tempted to ask how they can do that when they will not even give people the adequate opportunity to present their case so that the Government can listen to what they have to say.

2.54 pm

Mr. Frank Cook (Stockton, North): As time is limited, I shall not cover all the ground that I had intended to cover—and I could speak at considerable length. However, I must allow myself to be tempted by some of the Minister's comments.

The Minister referred to the need to contain and minimise disruptive behaviour in relation to planning inquiries. It is rich for the Minister to be addressing affairs related to the nuclear industry and talking about disruptive behaviour. I advise the Minister to talk to hill farmers in Wales or Cumbria about their lambs and to the Governments of the 15 Third world countries that have received huge consignments of contaminated milk powder from the Common Market as a result of Chernobyl.

The Minister said that he had offered a debate on this issue but that the Opposition had turned it down. I remind him that week after week I have appealed to the Leader of the House during business questions for such a debate.

The Government tried furtively to sneak these rules on to the Order Paper when hon. Members were dashing home to nibble at their Christmas pudding and find a sprig of mistletoe. During the second week of January I tabled an all-party early-day motion that drew attention to the restrictions which have been placed on objectors but which Conservative Members say do not exist. The new rules will affect planning inquiries into the 10 proposed power stations. The majority of the inquiries will affect those people who vote for the Tories. They will be affected by the new power stations and the overhead power lines.

I draw attention to the scientific advisory panel's final report on the New York state power lines project. Its title is "Biological effects of power line fields." I referred to the report in early-day motion 498. I intend to quote selectively from the report, which says:

"magnetic fields stimulate the rate of cancer cell growth . . . children with leukemia and brain cancer are more likely to live in homes where there are elevated 60-Hz magnetic field levels than are children who do not have cancer . . .for the cancer cells, but not the normal cells, magnetic or combined magnetic and electric fields caused increased cell proliferation, increased numbers of surface transferring receptors, increased resistance to natural-killer-cell activities and increased expression of tumor-cell antigens . . .All studies demonstrated significant alterations of behaviour . . .Several areas of potential concern for public health have been identified, but more research must be done before final conclusions can be drawn."

In the light of that evidence, it is astonishing that the Government can so blindly try to impose such restrictions.

I have received a letter dated 4 March 1988 from a borough council concerning overhead power lines. The chief planning officer wrote:

"I refer to your recent enquiry concerning Overhead Power lines. I have checked through the main sources of planning information and found very little guidance or advice on this particular subject."

Apart from restrictions on the right of objectors to make representations to planning inquiries, very little guidance will be made available by the planning authorities.

The letter continues:

"There is no guidance on residential development either existing or proposed in relation to Overhead lines . . . Whilst there has been concern voiced about the effects of electro magnetic fields there is no substantial evidence which the Local Planning Authority could utilise to deal with such proposals any differently or possibly refuse planning permission."

In other words, the information which the New York state brought out in its final report is not made available to our planning officers. I find that astonishing, especially in the light of another two pieces of correspondence that I consider relevant to our discussions tonight. One is dated 18 July 1982. We have heard a lot about Sizewell and about Sir Frank Layfield—and I am not surprised. This is even more interesting because the letter is signed by Sir Frank Layfield and is addressed to the then Secretary of State for Energy, who hon. Members today will recognise in his present position of Chancellor of the Exchequer. The letter was before the Sizewell inquiry.

Sir Frank Layfield advised the Secretary of State:

"the most frequent request made to me was for the provision of public funds to objectors and others who wished to appear at the Inquiry . . . these requests reflected strongly and widely held views which in many instances were based on thoughtful and well-considered arguments.

Many of those present at the meeting asked me to pass on their arguments to you and this I now seek to do. In doing so, I realise that requests of a similar kind have been drawn to the attention of Ministers on a number of previous occasions . . . because of the extent, character and importance of the representations and to the extent of considerable feeling they reflect, I ask that the provision of financial assistance be reconsidered."

The basis of the appeal made to the Secretary of State by Sir Frank Layfield is that

"the likelihood is the Inquiry will be the sole opportunity which the public will have to take part in a critical examination of the national issues involved. It was argued that, if Sizewell B is permitted, all future Inquiries into P.W.R. Stations will be concerned, wholly or mainly, with siting and local environmental aspects only."

That was the representation that a responsible man, Sir Frank Layfield, who since then has rightly been held up by the Government as a figure of esteem, made to the then Secretary of State for Energy.

What was the reply? The Secretary of State wrote:

"I recognise the sincerity and care with which the case for such aid has been put and I am grateful to you for setting out the arguments so fully and so fairly."

The Secretary of State is a fair man. His letter continued:

"I have read your letter and its enclosures very carefully and reconsidered all the arguments . . . It is argued that this will be the only opportunity to examine these issues directly in relation to the PWR."

Then he damned it all by stating:

"Any future application for a nuclear power station will be judged on its own merits. Like Sizewell, future inquiries under Section 34 of the Electricity Act 1957 must conform both to the provisions of that section and the Electricity Generating Stations and Overhead Lines (Inquiries Procedure) Rules 1981 made last December. These rules require from the Secretary of State a written statement of the points which he thinks relevant to his consideration of a power station application. This is for the guidance of the Inspector but it is not binding on him."

However, we now find the Government furtively trying to sneak in amended rules applying to planning inquiries purely for power stations and for overhead power lines. It is all right for the Minister to protest that the Government are going to bring in revised planning rules for other areas. Why could they not do so simultaneously? Why could the Minister not give us a date? If he says that it is the Opposition who are ill prepared for this debate, why does he not have the answers to such questions tonight? He will say that it is because it is so early in the morning, but as we have been waiting for the debate for so long, surely he has had all the more time to prepare the case. It is nonsense.

The Secretary of State went on to say that the nuclear installations inspectorate's report to the Sizewell inquiry would be

[Mr. Frank Cook]

"a valuable independent aid to all parties wishing to probe and discuss the safety aspects of the project."

That was before the inquiry. Do I need to remind the Minister and other hon. Members that the NII was unable to present any kind of safety case because the CEGB had been unwilling or unable to submit the basis upon which that safety case would be assessed?

It is important that all the arguments are placed on record. The coalition of local authorities that are opposed to Hinkley Point have made eight arguments. The first is:

"The CEGB possesses considerable resources and expertise and thus easily out-resources all other objectors. The CEGB should accordingly be full and frank both in their dialogue with objectors and in readily making information available. So far the CEGB has been unwilling to engage in a full exchange of information."

I hope that the Minister will address the CEGB about that later today.

The second is:

"The new Rules require non-local authority objectors to serve copies of their statements of case on other parties".

The cost of providing such copies should fall on the applicant rather than the appellant. After all, those costs fall on the taxpayer in one way or another.

The third is:

"The Rules . . . enable the Secretary of State to give 28 days' notice of the start of an inquiry. (42 days under the existing Rules.) This period is patently insufficient in the case of major inquiries."

The Minister should ensure that that period is adjusted.

The fourth is:

"Responsible non-local authority objectors should receive appropriate funding to ensure their objections are presented with the benefit of professional advice and representation, as recommended by Sir Frank Layfield in relation to the Sizewell B public inquiry."

The fifth is:

"The Inspector's Handbook should be available to all interested parties."

That echoes what my hon. Friend the Member for Norwich, South (Mr. Garrett) said, and I am grateful that the Minister has given an undertaking about that.

The sixth is:

"The CEGB must not be allowed to shelter behind the 'contrary to public interest' rule."

Mr. Michael Spicer *indicated assent.*

Mr. Cook: I am grateful that the Minister agrees. That argument also echoes what my hon. Friend said.

The seventh is:

"The forthcoming 'Code of Practice', dealing with major inquiries, which may be relevant in the context of the Hinkley Point inquiry, should be made available as soon as possible."

Thus, objectors will then be able to make pre-reference to that code.

Finally, the coalition states:

"The Secretary of State should ensure that a full scrutiny of the issues of site selection, economics, environmental planning and local safety issues takes place at the Hinkley Point Inquiry.".

I am challenging the Minister to prove that my early-day motion 497, which was tabled in the second week of January, was an accurate prediction. I would be pleased to hear that.

3.7 am

Mr. Jack Thompson (Wansbeck): The problems of the Hinkley Point site stem from the Sizewell inquiry. At that time the Government would not accept that the inquiry into the PWR and the inquiry into the power station at Sizewell were separate. If PWRs had been the subject of a Royal Commission or a debate in the House distinct from the issue of Sizewell we would not be faced with our present problems.

Public confidence is vital for anything to do with planning proposals or changes to planning proposals. In my area—beyond my constituency—public confidence in planning inquiries has been seriously damaged by the Sizewell inquiry and the Hinkley Point proposals. It may seem strange that the north of England is concerned about those two stations, but two authorities in my areas helped to present cases. The Northumberland county council made a significant investment in a presentation at Sizewell. I was the leader of the council who asked the county to make that investment. Wansbeck district council also contributed towards the cost of making a presentation at Sizewell. It looks as though those authorities will be making similar presentations at the Hinkley Point inquiry.

The people in my area are extremely interested in such matters. Indeed, a local association was formed about five years ago because it was discovered that the CEGB planned to build a nuclear power station close to my constituency. Druridge bay is on the CEGB's hit list of sites for a nuclear power station. The Druridge bay association is very enthusiastic and raises its funds by the normal methods used by charities—including encouraging me to run three miles along the beach last year. I am not capable of doing that again; having spent so much time in this place I am not in condition.

The suggested changes preclude individuals from objecting. Paragraph 11(f) says:

"in relation to applications under section 2 of the Electric Lighting Act 1909, owners and lessees of land situate within three hundred yards of the land"

may appear. That is a restriction; why not three miles or 30 miles? I assure the Minister that people who live far more than 30 miles away are interested in the site in my area. Indeed, my hon. Friend the Member for Stockton, North (Mr. Cook) came far more than 30 miles to support me and my colleagues once.

Mr. Frank Cook: I would do it again.

Mr. Thompson: I am most grateful.

The important concept is that the public should have the right to make representations, and the suggested changes give too much power to the Secretary of State to eliminate or restrict representations by individuals and allow the inspector to eliminate, thin out or water down people's represention. That is a diminution of democracy —another little bit that has been taken away.

I am sure that my constituents and those in the area will express their concern in whatever way is possible. We have not yet had from the CEGB a specific proposal to build a power station at Druridge bay. The CEGB, with a great deal of secrecy, has been on site. It has brought machinery to do borings on the site at 7 o'clock in the morning. That is the sort of activity in which the CEGB involves itself. It is now drafting detailed plans for the development of the site but it has said, "We are not going ahead with it yet." My advice to the people of my area is to start saving up. It is clear from the Minister's comments that we shall not get any help. We shall have to raise the funds by holding jumble sales and sponsored runs on the beach and by whatever methods we possibly can.

I assure the Minister that when the time comes to fight for Druridge the money will be there: it will come out of the pockets of those who are interested in that area. We shall find the cash to fight the CEGB—or anybody else—because we must remember that there are likely to be changes in the generating industry by then. The fight will be on. We shall do it by the penny, by the sixpence—by whatever means are necessary, to fight the campaign.

3.12 am

Mr. Rhodri Morgan (Cardiff, West): I am grateful for the opportunity to put my views and those of my constituents before the House now that we have finally reached the stage of the debate—3.12 am—at which the spirit of nuclear glasnost has descended upon us and we can have a discussion on the rules, which were originally sneaked in like a thief in the night, the day before we adjourned for Christmas. My constituents and I are very grateful to the usual channels for having arranged this debate at such a convenient time.

I can say without a doubt that my constituents in Cardiff, West—through the usual Bristol channels—have a major interest in the Hinkley Point C nuclear power station which will be the testbed for the new rules. It will be the test of their fairness to the kind of objectors who will wish to present a case at a public inquiry about a nuclear power station.

What kind of people want to present their case to such an inquiry? The example of the Sizewell inquiry has been held before us by the Minister and others as a horror show in which objectors made light of proper procedures and disrupted proceedings causing them to be long drawn-out and disorderly. There was far too extensive a lead-in by the CEGB, and far too untidy a safety case was presented. Therefore, there is no reason why the Hinkley Point C inquiry should be similar to the Sizewell inquiry. There is every reason to ensure, however, that objectors have the right to present their case at the Hinkley Point C inquiry, as they did at the Sizewell inquiry.

It is significant that the Sizewell inquiry took place before the Chernobyl disaster. The impact on people's concerns about safety, the long-term effects of radiation and their health is thus all the greater. I do not think that the Minister has taken account of that factor.

Secondly, there are far more objectors to Hinkley Point C than there were to the Sizewell proposal. The number of objectors to the Sizewell proposal was about 8,000, and I understand that there are about 12,000 to the Hinkley Point C proposal. How can there be more restrictive rules when there are 50 per cent. more objectors? The increase is obviously strongly linked to the Chernobyl incident. As some hon. Members have said, that has had a major impact in areas of Wales, apart from my constituency. It has been revealed by the Government's experts that in some areas caesium levels will prevent the grazing of sheep for a generation. That is the position in one part of north Wales because of the Pd nature of the soil.

If that can be expected as a result of an accident that took place about 1,500 miles away, constituents of mine who live no more than 25 miles from the proposed Hinkley Point C will demand to have their objections heard properly. They will demand also that the material that they want to introduce to the inquiry shall not be restricted, bearing in mind that they will be amateurs competing with professionals. They will want their views to be made known to the inquiry, and they should have every right under our system to ensure that their voices are heard. They may not have the skills—they will certainly not have the money—to prepare their case in the same way as the CEGB, but they will wish to ensure that the Government take note of their views. The applicant, the CEGB, will have to take the same approach.

The third difference from the Sizewell inquiry stems from the announcement that was made on Monday during the debate on the proposed privatisation of the electricity supply industry. The Secretary of State stressed that he expected that a more entrepreneurial approach would apply in the electricity industry as a result of the competition that will develop in the generation of electricity. He argued that it will be an entrepreneurial private sector organisation as soon as the necessary legislation passes through the House. He told us that it will cease to be a public utility. This will happen in a minimum of two years. Of course, it could take much longer than that.

If the proposed legislation is enacted, the body that will be operating a power station at Hinkley Point C will be expected to follow a more entrepreneurial line than a public utility. That was not the position at Sizewell. The animal that will be operating a nuclear power station at Hinkley Point C, if it is successful in seeing its way through a public inquiry and an investigation into safety, will be different from the one at Sizewell that was known to be a public utility.

The three factors that I have mentioned require that objectors' rights should not be restricted at the Hinkley Point C inquiry. The amateur objectors—and there will be many—must not find themselves crushed under the feet of the Goliaths, the CEGB and the other large organisations that have enormous resources, a large team of professional staff and all the facts at their finger tips. These large organisations will find it only too easy under the new rules to disqualify evidence and to blind people with science at a time when objectors will take the view that a nuclear power station of the sort that is proposed at Hinkley Point, in that location, with populations in the Cardiff and Bristol areas only about 30 miles from the site, will be an unwise choice and unsafe, even if it is operated by a public utility, let alone a private sector organisation.

The proposed use of the new rules for the first time at Hinkley Point C has to be seen in the context of the unholy triangle of moves that the Government have initiated for the nuclear power programme. They are bringing in new rules for public inquiries which will restrict the rights of objectors to present their case to the inspector. At the same time they are preserving the nuclear industry from the climate of competition that they are introducing in the privatisation of the electricity supply industry. Everybody else will have to compete, but the nuclear industry will not. It will have a reserved share. That is the second part of the unholy triangle.

The third part is the levy which will be imposed on the electricity industry on 1 April. There will be a 9 per cent. increase in prices in England and Wales and a 2 per cent. increase in Scotland. There will be a further 6 per cent. increase next year. In England and Wales that will mean that there will be a 15 per cent. levy on consumers, which the industry did not ask for, to fund the most capital-intensive part of the industry—the nuclear part. It will put money into the pocket of the CEGB which will later go to the successor body, Big G, as it is commonly known in the generating industry. It will go to the 70 per cent. part

[Mr. Rhodri Morgan]

of the CEGB's generating function which will have a duty laid on it by the Government because the Prime Minister has almost a tryst with the nuclear industry. She is Gretchen to Lord Marshall's Dr. Faust in trying to ensure that, whatever happens to the price of oil or the cost of energy, we will have a major nuclear power programme.

There may be a lot of private generators coming into the industry. It does not matter whether the price is competitive; we will have a nuclear power programme. The Prime Minister has sold her soul to the nuclear power industry. Come what may, the normal rules of free market Conservatism will not apply. I am amazed that some of the free marketeers lined up on the Conservative Benches do not seem to mind that they are throwing away Conservative free market principles when it comes to the nuclear power industry. We have the unholy triangle, of which a key part is to ensure that the rules of public inquiries are rigged in favour of the nuclear power programme, as well as the increase in prices for which the industry did not ask but which will be imposed on it so that it will have funds. As the Americans would say, they will take our money in order to build nuclear power stations that we do not want.

3.22 am

Mr. Bob Cryer (Bradford, South): As some hon. Members know, I chair the Joint Committee on Statutory Instruments, which has reported on the rules. Because some of the 12,000 objectors who have been mentioned might be seeking information. and since the Joint Committee's report is not well known, it should be recorded in *Hansard* that this is the 16th report of the Joint Committee, House of Commons paper 49-xx.

We reported on the rules on the basis that they are made by the Lord Chancellor's Department, but there is no one from the Lord Chancellor's Department here to answer points. The definition of England and Wales is provided only by the fact that the rules are made by the Lord Chancellor alone, although on the face of the rules there is no indication that they apply purely to England and Wales.

We also made the point in the report, in the third paragraph, that

"The Rules provide procedures for public inquiries in connection with certain electricity works. Rule 10(3) requires the Secretary of State to give at least 28 days' notice of an inquiry to every person entitled to appear, but empowers him to reduce the notice period by agreement with the promoter of the works and the local authority."

Concern was expressed that an acquiescent local authority and the applicant could come to a collusive arrangement whereby the notice would be reduced.

Our report continued:

"The Committee asked the Department why the Secretary of State was not required to consult other parties entitled to appear at the inquiry before holding it at short notice. The Department replied in their first memorandum that this provision was precedented in Rules for similar or comparable inquiries made in 1974 and 1981, and in their further memorandum that the Department of Energy would 'wherever possible . . . take account of the views of such parties in exercising this power', but that not all other parties would necessarily be known to the Secretary of State before the inquiry began. The Committee could see no reason why the Secretary of State should not be required to consult such other parties as had notified him of an intention or a wish to appear at the inquiry; but they acknowledge that, since this provision appeared in the 1974 and 1981 Rules, it cannot be regarded as an unusual or unexpected use of the Department's rule-making power, and that the Department have given an assurance which mitigates the concern expressed by the Committee."

Mr. Michael Spicer: The fact that I allowed the hon. Gentleman to speak means that I shall not have time to reply to the debate, but on this important point that he is making on behalf of the Joint Committee, the easiest thing would be for me to write to him.

Mr. Cryer: I am grateful to the Minister.

The memorandum provided by the Lord Chancellor's Department, not by the Secretary of State for Energy, says:

"The ability to reduce the period within which written notice of an inquiry should be given from 42 days to 28 days provides greater flexibility to arrange an inquiry sooner, particularly in respect of overhead lines proposals where few parties may be involved. For major inquiries, however, it has always been envisaged that much more than 28 days' notice will continue to be given."

That assurance has now been read into the record. It was given to the Joint Committee, which expressed its misgivings. I should emphasise that there is a majority of Government Members on that Committee, but it reported unanimously its concern about the reduction in rights, and I hope that the fact that it is recorded in *Hansard* will enable potential objectors to obtain wider information about the nature and content of the rules.

3.26 am

Mr. John Garrett: In view of the Minister's failure to answer the serious questions asked about secrecy, citizens' rights to protest about nuclear power development, the definition of the public interest and the serious risk that, at the Hinkley Point inquiry, the CEGB will try to hide behind the definition of the public interest to stifle debate and objection, I invite my hon. Friends to support the prayer.

Question put:—

The House divided: Ayes 24, Noes 84.

Division No. 210] **[3.27 am**

AYES

Ashdown, Paddy	Morgan, Rhodri
Barnes, Harry *(Derbyshire NE)*	Nellist, Dave
Battle, John	Pike, Peter L.
Clay, Bob	Prescott, John
Cook, Frank *(Stockton N)*	Skinner, Dennis
Cryer, Bob	Steinberg, Gerry
Cummings, John	Strang, Gavin
Davies, Ron *(Caerphilly)*	Taylor, Matthew *(Truro)*
Dixon, Don	Thompson, Jack *(Wansbeck)*
Evans, John *(St Helens N)*	Wise, Mrs Audrey
Garrett, John *(Norwich South)*	
Henderson, Doug	Tellers for the Ayes:
Hughes, Simon *(Southwark)*	Mr. Alun Michael and
Lloyd, Tony *(Stretford)*	Mr. Frank Haynes.

NOES

Alison, Rt Hon Michael	Brazier, Julian
Amess, David	Bright, Graham
Amos, Alan	Brooke, Rt Hon Peter
Arnold, Jacques *(Gravesham)*	Burns, Simon
Arnold, Tom *(Hazel Grove)*	Burt, Alistair
Bennett, Nicholas *(Pembroke)*	Butler, Chris
Boscawen, Hon Robert	Carrington, Matthew
Boswell, Tim	Coombs, Anthony *(Wyre Forest)*
Bottomley, Peter	Cran, James
Bowden, A *(Brighton K'pto'n)*	Currie, Mrs Edwina
Bowden, Gerald *(Dulwich)*	Davis, David *(Boothferry)*
Bowis, John	Day, Stephen

Devlin, Tim
Dorrell, Stephen
Dover, Den
Fallon, Michael
Field, Barry *(Isle of Wight)*
Forman, Nigel
Forsyth, Michael *(Stirling)*
French, Douglas
Garel-Jones, Tristan
Gill, Christopher
Greenway, John *(Ryedale)*
Griffiths, Peter *(Portsmouth N)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hargreaves, Ken *(Hyndburn)*
Harris, David
Heathcoat-Amory, David
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Hunt, David *(Wirral W)*
Irvine, Michael
Jack, Michael
Janman, Tim
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
King, Roger *(B'ham N'thfield)*
Knapman, Roger
Knowles, Michael
Lennox-Boyd, Hon Mark
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
Maclean, David
Mans, Keith
Martin, David *(Portsmouth S)*
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Moss, Malcolm
Moynihan, Hon Colin
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Paice, James
Portillo, Michael
Rathbone, Tim
Redwood, John
Riddick, Graham
Ryder, Richard
Sainsbury, Hon Tim
Shaw, David *(Dover)*
Shaw, Sir Michael *(Scarb')*
Shephard, Mrs G. *(Norfolk SW)*
Smith, Tim *(Beaconsfield)*
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Thompson, Patrick *(Norwich N)*
Thurnham, Peter
Waddington, Rt Hon David
Widdecombe, Ann

Tellers for the Noes:
Mr. David Lightbown and
Mr. Kenneth Carlisle.

Question accordingly negatived.

A1(M) (Safety)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Maclean.]*

3.38 am

Mr. Gerry Steinberg (City of Durham): It has been a long night—or should I say morning—but I appreciate the opportunity to raise a case which, both in itself and in its wider implications, causes me great concern. I hope that, by the end of the debate, my feelings will find sufficient echo with the Minister to persuade him to act. If so, it will have all been worthwhile.

In August 1985, a young constituent of mine, Emma Bowring, boarded a National Express coach at Durham bus station for the journey to London. Although she had qualified as a nurse in Durham the year before, she had been forced out of the area by the scarcity of jobs. So, each month, after a short visit to her family and friends in Durham, she would get on to her coach to return to her work in Kent. A significant part of her leisure was spent in trying to keep up her links with home, and she was familiar to the point of tedium with the coach journey. Doubtless she was also aware—as is anyone who travels to the north-east—of the diabolical traffic levels on the A1 road, especially north of Ferrybridge. It is always groaning with heavy vehicles negotiating the two-lane carriageway. In only a few places is the A1 up to motorway standards.

Something else that Miss Bowring might have noticed on her monthly journeys was the swarms of passenger-carrying coaches that our trunk roads seem to attract so freely. As a regular passenger, she could not have missed the experience of her coach charging at 80 mph plus, past somebody doing perhaps a couple of miles an hour above the speed limit. We have all seen it happen. Just in case the Minister has not seen it happen, I have here a set of photographs taken only last month by *Today* newspaper, each of which shows a coach exceeding the speed limit on the motorway.

I should like to quote from *Today* newspaper which says:

"The perils of high-speed coaches have become a daily fact of life on Britain's motorways as drivers battle to keep to timetables. In recent years these have led to a spate of fatal crashes."

The article goes on to say:

"Using a Porsche sports car — widely accepted in the motor industry as having the most accurate speedometer — the speeds of passing vehicles were monitored. Within minutes, as the Porsche kept to 70 mph, the first offender roared past. The single-decker owned by the Berks/Bucks Bus Company was travelling at between 75 mph and 80 mph as it carried passengers into London. Shortly after, the British Airways coach, driving even faster, powered past . . During a similar check on the M1 between Leeds and Manchester, almost all the long-distance coaches were driving to the maximum speed limit. At one stage a coach operated by Fastway, part of the Wakefield-based West Riding Automobile Company, was seen travelling at 85 mph on the outside edge of the fast lane, spraying dust and dirt on to cars behind it."

The newspaper's evidence is consistently backed up by the results of more scientific studies, including those of the Minister's Department.

It is no use blaming coach drivers' self-indulgence for the problem. The real danger appears to arise from under-generous scheduling by companies anxious to make the most use of their vehicles and to present the most

[Mr. Gerry Steinberg]

competitive journey times, however nominal. The five hour 15 minute scheduled journey from Newcastle to London preserves a legal average speed of about 60 miles an hour. However, it fails to take account of the time needed for intermediate stops, roadworks and the congested approaches to London. It can mean drivers rushing to make up time to meet advertised connections or to prevent inroads into their rest time before they must start on their return journey. Keeping up with the timetable can mean speeds of well over 80 mph.

Miss Bowring's journey on 3 August did not last long. Shortly after leaving Durham, just north of the Bradbury interchange on the A1, her coach swerved to miss a sheep which had been allowed to wander on to the carriageway. The coach overturned. The passengers were thrown across the vehicle and a number of them who were trapped inside were dragged along the road on a bed of broken glass and oil. Emma Bowring was killed and her 13-year-old sister, travelling with her, suffered serious spinal injuries. She was in hospital for two years and still needs regular medical attention. The disaster could have been worse than that of King's Cross and it was only a miracle that it was not.

It was said at the inquest that the driver, who was 64, lost control, swerving his vehicle through a 180 degree turn. Tachograph records showed that the bus had been travelling at speeds in excess of 80 mph shortly before the accident. The double-decker vehicle contained 48 passengers, 42 of whom were on the top deck.

Since Miss Bowring's death, her parents have been engaged in an exhausting battle for some sort of recompense. Money is important—no one can pretend that it is not—to ensure the future of their maimed young daughter. Even more than that, there is a wish for the bus company to pay some sort of attention to them and the wider circle of victims after the disaster for which it was responsible. So far, the company has consciously failed to do that. The company, United Motor Services, can legally refuse to offer anything in respect of Emma, and I am sure that hon. Members will not be surprised to learn that that is what it has done. Appalled by the meanness and irresponsibility of United Motor Services, the girl's parents came to see me recently and started off the process that has led to this debate. The girl's father wrote to me and said:

"The bereaved families, in addition to the problems they have to cope with, are forced to face the harrowing experience of carrying their argument into the glare of publicity to get any sort of result. Our experience gives us no other hope that the Company will reveal its concern or its conscience."

United Motor Services looks to me, and to everyone else whom I have asked, as being outstandingly arrogant and uncaring. It is quite happy to take people's money but when the debt is the other way around it is not interested.

From what Mr. Draper, the girl's father, tells me, United Motor Services has not contacted him to apologise yet. Apparently, for United Motor Services, under our law, it is cheaper for Emma Bowring to die than for her to be injured, and surely that cannot be just.

From the outset I have been conscious that Miss Bowring's case is a matter for the courts and not for the Minister. The mammoth task of tackling the compensation laws is not yet one for which I feel properly equipped. As I looked deeper into the messy issue of coach safety I became more certain that too many people were going through the circus of injuries, bereavements and compensation fights. The rate of death and injury is still too high, despite recent improvements, and there are proven safety measures that could surely reduce it, given the will of the Government and the strength of regulation.

I am aware of the measures that the Government have adopted in certain regards, and some are very encouraging. Speed governors are an important improvement, even if they are rather overdue, and I welcome the new regulations. I ask the Minister to monitor coach schedules and speeds in the three years until installation is universal to counter the dangerous practices to which I referred earlier.

Other measures will be less useful. I am particularly concerned about the narrow scope of the new seat belt regulations, which as the Minister will know apply only to the few exposed seats on a coach and will not apply retrospectively. As the coach fleet that is already in service is quite new and will not need replacing for many years, very few vehicles will have seat belts fitted in the near future. I feel that the question of whether seat belts should be fitted to all seats deserves closer examination.

As the Minister will know, compulsory seat belt wearing in the front seats of cars has led to an appreciable drop in the casualty rate. No doubt the same will happen when rear seat occupants are brought under the scope of the Motor Vehicles (Wearing of Rear Seat Belts by Children) Bill. The principles involved in passenger coaches are not exactly the same, but the results should be fairly similar. If anything, the seats of a coach carry more people than the rear seats of a car, although they are comparable.

In a collision, seat belts prevent people being thrown around inside the vehicle or being thrown outside it, which is the cause of the most serious injuries. Seat belts would save coach passengers from a host of minor and extremely common injuries, such as when someone's head is knocked against the seat in front.

To be worth while, seat belts would have to be compulsory. That might lead to some aggravation at first, but passengers would surely get used to them, particularly as there is little need for movement on a coach.

Last year the Consumers Association had a meeting with the Minister and pressed

"that fitted seatbelts should be mandatory on all coach seats — they are technically necessary, low cost, available and wanted by consumers.

The outcome was disappointing . . . the Minister's argument was that compulsory seatbelts would not be effective.

Rather than waiting for the ECE Regulation we would like to see the UK setting the pace on this, and encouraging Europe to join in."

I ask the Minister what chance there is of a satisfactory ECE regulation in the near future. I question his judgment of cost-effectiveness, because surely anything that will save hundreds of deaths and injuries for an outlay of about £7 per seat is automatically cost-effective.

The other proposal that would cut down on the future numbers of Bowring cases is to reform the speed limits. Britain has arguably the most crowded roads in Europe. If I were a regular coach user, I would be frightened by the fact that Europe's most crowded roads also have Europe's highest coach speed limits. Seventy mph is a reasonable speed for cars, but for a six-wheeled 20-tonne, 15-ft tall monster with 60 people and their luggage on board, it is a disaster. Other countries seem to understand that. Nowhere else does the motorway coach limit come closer

than 62 mph. Even Britain recognises that heavy goods vehicles should not exceed 60 mph or enter the third lane on motorways. With all the double-decker coaches nowadays, the only difference between them that matters is that heavy goods vehicles carry far fewer people.

Indications are that impact strength in a collision at 60 mph is 44 per cent. less than in the same collision at 70 mph, and that a speed limit of 60 mph would reduce the gravity of injuiries and the number of accidents.

To ban coaches from the third lane of three-lane motorways is the final major measure that I consider would improve standards. It complements a lower speed limit well. Indeed, it is probably wrong to have one without the other. Speed limits without lane restrictions would mean that coaches hampered cars in the fastest lane and lane restrictions without speed limits could mean that coaches were travelling too fast for the traffic in the two lanes to which they had access. Removing coaches from the third lane would keep them out of the fastest traffic and oblige them to slow down. It would also feduce the need for lane changes and overtaking, the most dangerous parts of motorway driving.

No doubt the Minister will be thankful to hear that I am nearing the end of the things that I think that his Department should be doing. As I do so, I would just like to touch on a few other matters—briefly, I promise.

The first is driver training. I am not happy that the public service vehicle test does all that it can to help drivers cope with motorway conditions. Nor am I satisfied with the frequency and rigour of the medical and other checks carried out during a driver's career. Will the Minister give me some assurances on that in his reply?

I am also concerned that a situation can arise—this refers specifically to the Bowring case—when a local authority is never able to guarantee that its fencing will prevent animals from wandering on to a high-speed road. Should not councils keep records of inspection? When confronted with the fatal gap, through which Miss Bowring's sheep passed, the authority blamed land subsidence at some date in the past for the fact that it was 5 ins wider than it should have been, despite clear evidence of the regular passage of animals through it. Miss Bowring's father is also of the opinion that there must be prosecutions against landowners whose sheep or other animals frequently stray on to motorways, and I certainly agree with that.

Loading of the double-deckers is another factor. Although I have been unable to discover much about the importance or otherwise of coach loading, perhaps the Minister can help me. To have 42 out of the total load of 48 people on the top deck does not seem to be the safest arrangement that can be obtained. Surely a top-heavy bus must be unstable. Instructions on the safest principles of passenger loading should be given to staff and be displayed. Perhaps that would help to reduce overturning or cartwheeling.

Lastly, I accept that double-deckers are here to stay, but is it altogether too optimistic to ask for an end to or a restriction of new production? I ask more in hope than expectation.

This, then, amounts to a programme for reform in coach safety. It is curious that our overloaded roads are constantly packed with coachloads of people whose dearest wish is, reportedly, to be able to afford the price of a rail ticket, and yet the trains run half empty. I can think of no other country outside the Third world of America where buses are a serious mode of long distance volume public transport. It seems unfair that the railway should bear its infrastructure costs, but the coaches pay only the £100 road fund, and the Government pay the rest.

We live in hope of an increase in British Rail's PSO grant, but we must accept that coaches are the here and now and they need to be safer. We must also acknowledge that coaches, traditionally the transport of the poor, have often been the Cinderalla of safety regulations and that, with increased business deregulation and competition and commercial developments in the industry, are sometimes in danger of outpacing safety developments.

I strongly believe that good public services are crucial to a civilised way of life, especially in a country as crowded as Britain. Unfortunately, that does not seem to be a belief shared by many of the Minister's colleagues. King's Cross showed what can happeh when carelessness or hostility is allowed to weaken necessary public services. The Government must learn that there are some areas, although perhaps fewer than we thought in 1979, into which commercialism cannot intrude. I am genuinely worried that they may learn their lesson the hard way, after repeated lapses of safety standards, followed by a series of calamities.

I am sure that the Minister has come across cases like Emma Bowring's. I am sure that he, like me, wants to come across as few of them as possible in future. Accordingly, I appeal to him to think about the measures I have mentioned and to respond generously to them. He must be an old hand at these late-night debates, and I, as one of the newest hands at them, thank him for his consideration and patience, even when he thought I would never finish.

3.57 am

The Parliamentary Under-Secretary of State for Transport (Mr. Peter Bottomley): The hon. Member for City of Durham (Mr. Steinberg) has done the House and country a service by raising a road casualty reduction issue —even at this time of day. I should welcome more debates on the subject.

Between 16 and 18 people have died on the roads in the past 24 hours, 12 of them in built-up areas. Taking 1984, 1985 and 1986 together, 18 people died in long-distance coaches on motorways and on A roads. In 1984, five passengers died in public service vehicles on those roads; in 1985, 12 died; and in 1986, only one. The number of fatalities obviously fluctuates, but it is low. However, any unnecessary deaths should be avoided whenever possible, even deaths that can be described as accidents. I remind the House that the coroner's verdict was that the tragic death of Miss Emma Bowring was accidental. Any death, whether accidental or due to an obvious cause, is to be regretted. That is why the Secretary of State has set out a target of cutting road casualties in the United Kingdom by a third by the year 2000.

I should welcome much more interest in drink-driving, which is the largest single cause of deaths on our roads, and in motor cycle safety. The motor cycling world thinks that I have a bee in my bonnet about motor bikes, but 700 people die on them each year and 52,000 are injured.

Compared with other forms of road passenger transport, coach travel remains by far the safest. Given the choice between driving myself up the A1(M) to Durham or going by coach, I should be far safer travelling by coach.

[Mr. Peter Bottomley]

The hon. Member for City of Durham raised the issue of compensation. I do not think that he wants me to go into too much detail on that now, but there are no plans to change the existing basis for liability for road accident injuries, which is based on the principles of negligence. The civil justice review, set up in 1985, is examining ways of reducing cost, delays and the complexity of litigation. The review is expected to report to the Lord Chancellor shortly. As the hon. Gentleman said, that will not affect the claim in the case that he mentioned, but it is information that people will want to have.

The hon. Gentleman also raised the standard of training of public service vehicle drivers. We constantly monitor the tests, but there are no plans to revise them at present. My hon. Friend the Minister for Public Transport has endorsed the Bus and Coach Council's code on driving standards and restraint on coach speeds.

The Department of Transport's survey, conducted in July and August last year, showed that 9 per cent. of buses and coaches exceeded the 70 mph limit on stretches of roads where it was easy for them to do so. That is a substantial reduction on the 1983 figures, when nearly a third of coaches exceeded the maximum speed limit. Even 9 per cent. exceeding the speed limit is not satisfactory, but it is a remarkable improvement, and it is better than for other vehicles on motorways.

The hon. Gentleman referred to the introduction of speed limiters. They are coming in. The House has had the relevant information. They will physically prevent coaches exceeding 70 mph.

The hon. Gentleman asked whether it would be appropriate to reduce the motorway speed limit for coaches from 70 mph to 60 mph, and whether we should consider banning coaches from the third lane. We have the safest roads in the European Community, because we base our decisions and regulations on monitoring and seeing whether there will be benefit. People may say that I am being too hard-hearted in rigidly sticking to what produces the best benefit. But the reason the death rates on our roads are significantly better than the West Germans', who have 50 per cent. more deaths for the same population, or the French who have twice as many deaths for the same population, is that we do not just work on what the Minister might see as common sense. It is subject mainly to the work of the Transport and Road Research Laboratory, to which I pay public tribute.

The problem with restricting coaches, apart from seeing what benefit there would be, is that they would be confined to bunching with heavy goods vehicles, which are heavier than coaches and have thicker skins—if I may put it that way—than coaches, I suspect that we would not end up with significant benefit. I hope that people will realise that the various requirements that we have been putting on coaches, in addition to speed limits that are coming, will also have the effect of increasing the safety of coaches. From 1 October, we shall have seat belts fitted to all exposed forward coach seats. I am looking at the possible extension of the requirements to exposed seats on existing coaches.

The hon. Gentleman asked whether it would be appropriate to have seat belts on all seats. I feel strongly about that issue. The evidence is that passengers in exposed seats are at most risk. I refer to the tragedy of the coaches involved in the crash on the M4 at Heston a few months back. Passengers in exposed seats suffered the greatest injury and died. Coaches met head-on at speed, because of the inexplicably dangerous behaviour of a lorry driver. Nearly all passengers were either not significantly hurt or survived. That shows the integral strength of coaches when one is not sitting in an exposed seat.

Anti-lock brakes will be required on coaches from 1 April 1990. They will also help drivers to maintain stability on braking suddenly or in adverse conditions. There will be improvements to coach roof strength. Ordinary coaches will become safer in roll-over accidents. A stronger roof built to a new international standard will be required on new coaches from 1 April 1990.

On fire safety, we have recently tightened up the requirements on emergency exits from the top deck of double-deck coaches. The European standard for flammability of upholstery materials, now agreed, will be implemented as soon as possible.

There is no reason to ban double-deckers from motorways. I understand the hon. Gentleman's point about whether it is sensible to have 42 out of 48 passengers on the top deck. I shall make inquiries and write to the hon. Gentleman. The vehicles which are banned from motorways are those considered to be of particular hazard to other traffic such as slow-moving agricultural vehicles. Double deckers do not constitute a particular hazard.

The hon. Member for City of Durham raised some other points to which I shall reply in more detail. I want to emphasise that we want to avoid all unnecessary crashes and collisions. According to our information, at present 75 per cent. of the death and injury on our roads is unnecessary. We are continuing research to find out what more could be avoided.

Last year, 5,382 people died on our roads. Of that number, 248 died on the motorways. Motorways carry 14 per cent. of all traffic and have only 2 per cent. of the injury accidents. None of that is any consolation to any family caught up in the casualty toll, especially to the family of Miss Emma Bowring. However, it is worth recognising that motorways are the safest roads and that coaches are the safest vehicles on those roads.

I share with the hon. Gentleman the intention of making coach travel on and off the motorways as safe as it reasonably can be. I say to the hon. Gentleman and to the House that the greatest returns will come by dealing with drink-driving and by dealing with motor cycles so that we can preserve what is good about motor cycling and cut out what is bad about it—although there has been remarkable distortion in the motor cycle press—and if we pay more attention to safety in built-up areas, as 40 per cent. of our vehicle traffic is in built-up areas and 80 per cent. of injuries occur in built-up areas.

We should take a balanced approach that deals with every issue that arises. The hon. Gentleman has raised a particular issue tonight. If we take a broad approach to the other issues that are killing a large number of people, we shall be able to deliver the Secretary of State's target. That is not to make the Secretary of State happy, but to make sure that police officers will knock on the doors of fewer homes to tell people that their son or daughter, their husband or wife or one of their parents will not be coming home.

It is also worth recognising that we must involve young people in road casualty reduction from an early age. I should like to pay a public tribute to class 9 of the Wharton primary school in Salford where I was this

morning where children between the ages of eight and a half and 10 were looking at road casualty reductions, some of which applied to collisions on motorways.

If we can all take our responsibilities seriously, whether it is the people maintaining the fences which led to the sheep coming onto the A1(M) or whether it is people's own road use behaviour, we shall be serving the people of this country and helping to make the roads as safe as they reasonably can be.

Question put and agreed to.

Adjourned accordingly at seven minutes past Four o'clock.

House of Commons

Thursday 10 March 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

BIRMINGHAM CITY COUNCIL BILL

DARTMOUTH-KINGSWEAR FLOATING BRIDGE BILL
Read the Third time, and passed.

BRITISH RAILWAYS (LONDON) BILL *[Lords] (By Order)*
Order for Third Reading read.
To be read the Third time upon Thursday 17 March, at Seven o'clock.

LONDON REGIONAL TRANSPORT BILL *(By Order)*
Order read for resuming adjourned debate on consideration [10 December], That the Bill be now considered.
Debate further adjourned till Thursday 17 March.

TEIGNMOUTH QUAY COMPANY BILL *(By Order)*

YORK CITY COUNCIL BILL *[Lords] (By Order)*

ASSOCIATED BRITISH PORTS (NO. 2) BILL *(By Order)*
Orders for Second reading read.
To be read a Second time upon Thursday 17 March.

BRITISH RAILWAYS (NO. 2) BILL *(By Order)*
Order for Second reading read.
To be read a Second time upon Tuesday 15 March, at Seven o'clock.

CARDIFF BAY BARRAGE BILL *(By Order)*

CITY OF LONDON (SPITALFIELDS MARKET) BILL

(By Order)

FALMOUTH CONTAINER CARGO TERMINAL BILL

(By Order)

NORTH KILLINGHOLME CARGO TERMINAL BILL

(By Order)

ST. GEORGE'S HILL, WEYBRIDGE, ESTATE BILL

(By Order)

SOUTHERN WATER AUTHORITY BILL *(By Order)*
Orders for Second reading read.
To be read a Second time upon Thursday 17 March.

Oral Answers to Questions

NATIONAL FINANCE

Forestry

1. **Mr. Ron Davies:** To ask the Chancellor of the Exchequer what estimate he has made of the revenue impact for the Exchequer of the removal of all special taxation provisions for forestry development.

The Financial Secretary to the Treasury (Mr. Norman Lamont): The income tax forgone is currently estimated at some £10 million. No information on which to base an estimate of the cost of capital tax reliefs is available.

Mr. Davies: I am grateful to the Minister for his half helpful reply. Does he realise that most current commercial afforestation is carried out despite the objections of those who care for our landscape and wildlife and not especially for timber production but to provide tax dodges for the very rich? I do not expect the Minister to give away any Budget secrets, but will he at least confirm that there can be no social or economic justification for allowing the present tax regimes to continue?

Mr. Lamont: I note what the hon. Gentleman says, although some people would point out that forestry is important for employment in some rural areas and for the pulp and paper industries. The hon. Gentleman will be aware that we have introduced the broadleaved woodlands scheme so that there can be a better environmental balance in some of the forests that are being developed.

Mr. Bill Walker: When my right hon. Friend is considering matters affecting the taxation of forestry, will he bear in mind that the many thousands of acres of forest in Scotland and many hundreds of acres in my constituency are an essential part of the balance of the economy in many parts of Scotland, including my constituency, and will he not be taken in by all the noise of those who have never been near the forests?

Mr. Lamont: I note what my hon. Friend says. I said that forestry was important for employment, especially in remote rural areas. It is true that the industry operates on an extremely long time scale.

Mr. MacDonald: Is the Minister aware that inefficient use of public money on forestry does not stop with tax exemptions? Is he aware that, under the provisions of Wildlife and Countryside Act 1981, landlords are compensated not for planting trees but for not planting them? Is the right hon. Gentleman aware that one Highland landlord raked in almost £500,000 for not planting trees in a Caithness bog? When will the right hon. Gentleman put an end to this scam?

Mr. Lamont: I note what the hon. Gentleman says and shall draw it to the attention of my right hon. Friend the Secretary of State for the Environment.

Sir John Farr: Does my right hon. Friend recognise that in the October gales more than 1 million trees were lost and that they will not be replaced without suitable tax provisions for those engaged in planting forests?

Mr. Lamont: I note what my hon. Friend says.

Mr. Gordon Brown: Is it not true to say that, not only in forestry, but in business expansion schemes, enterprise zones, bed and breakfasting and executive share options, tax avoidance is mushrooming? Will the right hon. Gentleman agree that the money which is squandered for no real economic benefit on the tax havens of a few would be better invested in a better National Health Service for us all?

Mr. Lamont: I note that the hon. Gentleman takes advantage of a question on forestry to repeat his speech of the other day about tax breaks. I note also that the hon. Gentleman is not in favour of tax incentives that help small companies to raise capital or enable rundown areas of cities to be regenerated.

Self-employment

Mr. Ground: To ask the Chancellor of the Exchequer what has been the increase in self-employment in the British economy since 1979.

The Chief Secretary to the Treasury (Mr. John Major): Self-employment fell between 1974-79, but has since risen in every year. The total increase since 1979 is nearly 1 million.

Mr. Ground: Does my right hon. Friend agree that the striking increase of more than 50 per cent. shows that substantially more people — [HON. MEMBERS: "Reading".]

Mr. Speaker: Order. I think that the hon. and learned Gentleman is referring to his notes.

Mr. Ground: Does my right hon. Friend agree that the striking increase of more than 50 per cent. in the number of people in self-employment shows the substantial interest of many people in the freedom and independence provided by self-employment? Will he agree to ensure in the monitoring work being carried out by his Department that no pressure is exerted on self-employed people to become employed and that no one is deterred from self-employment by pressure from his Department?

Mr. Major: On the first point, I entirely agree with my hon. and learned Friend. On the substantial point about the Inland Revenue, I note my hon. and learned Friend's concern, but whether an individual is self-employed is a question of fact and general law. Essentially, the test is whether someone is in business on his own account. If he is, the Revenue will treat him as self-employed.

Mr. Boyes: The enterprise allowance scheme has allowed a number of people to become self-employed. However, my research shows that a number of them could have survived in business had an allowance been available to them in the second and even in the third years. Some are failing unnecessarily at the end of the first year. Will the Minister consider examining the enterprise allowance scheme with a view to funding people for a second year?

Mr Major: I note the hon. Gentleman's point. I think he will agree that the enterprise allowance scheme has been very successful. The number of entrants has increased by about 70 per cent. since 1985. Of those who remained on the scheme for more than a year, more than 60 per cent. were still trading two years later and in most cases had employed further staff by then. It has been an exceedingly successful scheme.

Mr. Thurnham: Does my right hon. Friend agree that it is a sign of the health of our economy that more and more people are self-employed, whereas under the last Labour Government the self-employed represented a declining proportion of the total?

Mr. Major: My hon. Friend is quite correct. Self-employment has grown in every region in the country in recent years, whereas, as my hon. Friend said, it fell between 1974 and 1979. It now stands at its highest level since 1950.

Value Added Tax

3. **Mr. Grocott:** To ask the Chancellor of the Exchequer whether he has any plans to discuss with his European Economic Community counterparts the question of zero rates on value added tax.

The Economic Secretary to the Treasury (Mr. Peter Lilley): The Economic and Financial Affairs Council will discuss the Commission's proposal for tax approximation in the light of the report by its economic policy committee, which is expected in the spring.

Mr. Grocott: Does the Minister think that the Prime Minister's assurances during the last election campaign that there was no question of imposing VAT on food or children's clothes should be treated with more, or less, confidence than her assurance on 23 April 1979, before the 1979 election, that there was no question of massive increases in value added tax?

Mr. Lilley: My right hon. Friend made it clear to the Ecofin Council in November that we would not allow to come into force any proposals that would in any way impinge on our election promises to retain zerorating of VAT on those products, and that stands.

Mr. Beaumont-Dark: Does my right hon. Friend agree that many Eurofanatics are more concerned with harmonisation than with common sense? They should be told to mind their own business in matters that do not affect Europe but concern this country alone, and be told that we still run our own affairs, thank God.

Mr. Lilley: My hon. Friend has put an opinion that clearly has widespread support in this country. The

Government have made it clear that they have difficulties with many of the proposals that have been put forward by Lord Cockfield. Those difficulties are shared in different ways by several other countries. Indeed, we find some of the proposals quite unacceptable.

Mr. Beith: Will the Minister heed the report of the Treasury Select Committee, published this morning, which suggests that VAT harmonisation is in no way essential to the achievement of the internal market, which, contrary to the views of some hon. Members who have been calling out, is in the interests of this country?

Mr. Lilley: The hon. Gentleman is correct. The Treasury Select Committee echoed a point that I and the Government have made. We welcome the moves towards an internal market, but do not believe that it is essential to harmonise all excise duties or necessarily to approximate all VAT rates.

Mr. Watts: As Lord Cockfield seems unable to understand the messages that have gone from the House previously, and for the avoidance of doubt, will my hon. Friend write to him and explain in explicit terms that his proposals for the approximisation of VAT, and especially for the abolition of zerorating, are totally unacceptable to Her Majesty's Government and to the House of Commons?

Mr. Lilley: The noble Lord is perfectly well aware of our views. Over the years he has shown an ability to learn from experience and argument. After all, he was once the chairman of the Price Commission, and subsequently realised that there were less bureaucratic and more effective ways of reducing inflation. A similar relevation may occur in this matter.

Mr. Holland: Inquiring with interest whether the Chancellor of the Exchequer will be consulting the Almighty as well as other Finance Ministers in Europe before he imposes VAT on the Bible, may I ask whether, in pressing for allowing different rates of indirect tax, the Minister will draw to the attention of those other Finance Ministers the fact that the United States has a large internal market without integrating or harmonising state or local taxes? Will he further press on them that if they want industrial competitiveness they need to move beyond harmonisation of taxation to a joint or common industrial strategy in the European Community?

Mr. Lilley: The hon. Gentleman is correct. The United States has achieved what is by any standards a free and open internal market and has done so without requiring its states to give up some freedom to operate different rates of taxation. Clearly, the United Kingdom Parliament should retain greater freedom than an individual state of the United States of America.

Vehicle Excise Duty (Coaches)

4. **Mr. Adley:** To ask the Chancellor of the Exchequer what representations he has received seeking changes to vehicle excise duty for coaches.

Mr. Lilley: My right hon. Friend has received a forceful representation from my hon. Friend.

Mr. Adley: To avoid framing any questions that would enable my hon. Friend to make a bland comment about not revealing Budget secrets, may I ask whether he is aware that vehicle excise duty is £100 for a small private car but £84 for a 50-seat coach? In view of the pollution, congestion and road damage done by those coaches, is that not a grotesque distortion of the tax system? So that we may know whether to blame the Treasury or the Department of Transport, can my hon. Friend make it clear whether he has received any specific proposals on that matter from the Department of Transport?

Mr. Lilley: The Government have only one policy on every issue, and that is the collective responsibility of the whole Government. However, I note my hon. Friend's point. I advise him that this country is unique in operating a policy whereby categories of vehicle are required to cover, both by VED and their fuel taxes, the track costs that they generate. Coaches cover their track costs.

Mr. Snape: Instead of increasing vehicle excise duty for coaches, will the Minister consult his right hon. and hon. Friends at the Department of Transport and suggest that the Treasury charges British Rail £84 for every passenger vehicle while, at the same time, meeting its track, signalling and infrastructure costs, which is what happens with the coach business at present? That would at least lead to lower rail fares and go some way towards the principle of fair competition about which the Conservative party is always talking.

Mr. Lilley: I note the hon. Gentleman's point. Of course, in assessing whether fair competition applies between rail and road, one has to take into account not only vehicle excise duties but the fuel costs borne by the different industries.

Mr. Higgins: I welcome my hon. Friend's statement that road taxation should cover vehicle track costs. Will he consider carefully whether that policy is being implemented in relation to coaches?

Mr. Lilley: Before I came to the Dispatch Box today I checked to confirm that coaches cover their track costs through a mixture of VED and fuel duties.

Mr. Campbell-Savours: Does the Minister accept that any additional VED on coaches would make them less competitive? Does he understand that that has implications for my constituency, where most of the United Kingdom's coaches are built? We would not want additional VED on coaches and the Minister should not go down that route.

Mr. Lilley: I shall certainly ask my right hon. Friend the Secretary of State for Transport to take note of that point as well as all the other points that have been made in this exchange.

VAT (Confectionery)

5. **Mr. Gregory:** To ask the Chancellor of the Exchequer what value added tax revenue is expected from United Kingdom confectionery sales in the current financial year; and if he will make a statement.

Mr. Lilley: VAT on confectionery, including chocolate biscuits and similar products, is expected to yield some £450 million.

Mr. Gregory: I thank my hon. Friend for that reply. On behalf of the House may I extend warm birthday congratulations for tomorrow to my right hon. Friend the Chancellor of the Exchequer and hope that he may still

enjoy confectionery despite the penal rates of taxation imposed upon it. Does my hon. Friend agree that there would be considerably more employment in the manufacture of confectionery if, along with other EEC countries, we re-regulated VAT on confectionery in line with food?

Mr. Lilley: Obviously I join my hon. Friend in wishing my right hon. Friend a happy birthday. I understand that I must extend the same congratulations to my hon. Friend, because he shares a birthday with my right hon. Friend. I am sure that confectionery will be in order.

I have noted the points that my hon. Friend has persistently and assiduously made in the House on behalf of an industry which is of great importance to his constituency and the country. He will appreciate that I cannot be more specific during this pre-Budget period.

Mr. Henderson: Does the Minister accept that it is ridiculous that children at birthday parties tomorrow who eat cookies with chocolate on the outside will have to pay VAT on that chocolate, but that those who eat cookies with the chocolate on the inside will not pay VAT?

Mr. Lilley: I pay tribute to the hon. Gentleman, who has also pursued the interests of the confectionery industry in Adjournment debates and otherwise. He has displayed a great knowledge of the details and complexities of the industry. The hon. Gentleman should take up his argument with his right hon. Friend the Member for Leeds, East (Mr. Healey), who imposed VAT on confectionery in the first place.

Mr. Harry Greenway: Is VAT constant on all confectionery at a relative level? If so, why is some confectionery so much more expensive than others, although the same items are involved? Why are humbugs and fudge up the road so much more expensive than they are in the House of Commons?

Mr. Lilley: Humbug is in more plentiful supply in some places than in others and, doubtless, that determines the price. Taxation does not determine the price. The rules of taxation, as they apply to biscuits, are somewhat strange and include as confectionery only buscuits that are entirely covered with chocolate. Those that are partially covered with chocolate are, for some reason, exempt.

Personal Taxation

6. **Mr. Fearn:** To ask the Chancellor of the Exchequer what proportion of earnings of a married male on average earnings with a non-working wife and two children were taxed by *(a)* income tax, *(b)* national insurance contributions, *(c)* value added tax, *(d)* other indirect taxes and *(e)* domestic rates, in 1979 and 1987.

Mr. Norman Lamont: I refer the hon. Gentleman to the answer I gave to my hon. Friend the Member for Hornchurch (Mr. Squire) on 18 December 1987.

Mr. Fearn: I thank the right hon. Gentleman for that answer. Does he agree that tax incentives are now overdue after the promises given in two general elections? Will we soon see those tax incentives? Does he also agree that the vast majority of people would rather see some incentives put into the National Health Service and into small businesses?

Mr. Lamont: I note what the hon. Gentleman says and that he is singing a very different tune from the one that his party sang last year. He will understand that I cannot anticipate my right hon. Friend's Budget.

Mr. Fallon: Does the question imply that taxation should be lowered? Does my right hon. Friend expect the Liberal party to support any forthcoming tax cuts, or does the hon. Member for Southport (Mr. Fearn) represent a separate Southport branch of the Liberal party?

Mr. Lamont: That seemed to be the clear implication of the hon. Gentleman's question and, as I said, there seemed to be a very different approach last year.

Mr. Nicholas Brown: It might be more useful to examine the Government's position rather than the Liberal party's position. In a very helpful written answer, the Financial Secretary told the House on 28 January that in the last year of the Labour Government total tax and national insurance contributions were 33·8 per cent. of the gross domestic product, yet between 1981 and now the same figure has averaged well over 38 per cent. In those circumstances, how can the Government claim that the Conservative party will give people more say over their spending decisions?

Mr. Lamont: I note the hon. Gentleman's very interesting intervention which, again, clearly seems to be a plea for reduced taxes, which I note.

Pay Increases

7. **Mr. David Shaw:** To ask the Chancellor of the Exchequer what level of pay rise would be required by the average employee paying tax in order to compensate for price increases over the past year.

The Chancellor of the Exchequer (Mr. Nigel Lawson): Given the tax cuts in the last Budget and the low rate of inflation, the pay rise needed to compensate fully the average tax-paying employee for the rise in prices over the past year is about 1½ per cent.

Mr. Shaw: Does my right hon. Friend therefore agree that claims for pay increases of 8, 9 and 10 per cent. can only be damaging to the economy and possibly lead to increased inflation and the loss of jobs?

Mr. Lawson: My hon. Friend is correct in much of what he says. Unlike the previous Labour Government, we do not believe in a prices and incomes policy, but there is no doubt whatever, and the country should be aware of this, that excessive of pay increases, which are certainly not warranted by the figure that I quoted, are liable to lead to a loss of competitiveness and a loss of jobs.

Mr. Morley: Does the Chancellor agree that other aspects of Government policy, particularly the large increase in electricity prices and the way in which rates are being forced up in the shire counties into double figure increases through the Government's reduction of rate support grant, have put added burdens on people in employment? Should not those facts be taken into consideration in determining the average increases that those people need to maintain their living standards?

Mr. Lawson: The figure that I quoted at the beginning took all those factors fully into account. The plain fact is that under the last Labour Government the real take-home pay of a married man with two children who was on

average male earnings rose by less than 1 per cent., but under the present Government the take-home pay of a married man on average earnings with two children has gone up in real terms by 23 per cent.

I think it right that the House should be more concerned about the number of jobs, which, although rising fast, would rise even faster if there were greater moderation in pay claims.

Mr. John M. Taylor: Does my right hon. Friend agree that the average employee has benefited from reduced rates of taxes and that there is some evidence that his own receipts have gone up since the reduction of rates of tax and duty? Why does he suppose that he is opposed in these matters by the Opposition Benches? Could it be that the Opposition's taxation policies owe more to spite than to reason?

Mr. Lawson: My hon. Friend is right that, although, under Labour Governments, taxes go up, the tax revenues have not risen nearly as much as they have under the Conservative Government, who have been able to reduce rates of income tax. There will be one occasion on which the Labour party can show more clearly its attitude towards reductions in taxation, and that will be next week.

Asset Sales

8. **Mr. Wallace:** To ask the Chancellor of the Exchequer what is the expected level of asset sale receipts for 1987-88; and if he will make a statement.

Mr. Norman Lamont: Five billion pounds.

Mr. Wallace: I am sure that the Prime Minister's guide to household economics says that capital asset receipts should be reinvested in capital projects and not used to fund current expenditure. In the light of that, can we expect the sum that the Financial Secretary mentioned and any sums that may accrue in the next financial year to be used to fund infrastructure projects in the community and to invest in the health and education of our people?

Mr. Lamont: As the hon. Gentleman will be aware, capital spending is broadly, in real terms, around the same level as it was in 1979. There has been a very considerable increase in expenditure on roads, railways and other items of infrastructure, but I am sure that the hon. Gentleman's plea for more expenditure on infrastructure has been noted by my right hon. Friend the Chief Secretary.

Mr. Redwood: Does the Financial Secretary agree that, while we welcome the progress that has been made in electricity and other big asset sales, now is also the time to look at some of the lesser assets that are languishing in the public sector, such as the PSA and Ordnance Survey, and to bring them forward to be included in this excellent programme?

Mr. Lamont: I note what my hon. Friend says. I am sure that he will welcome yesterday's announcement about the Professional and Executive Register, which is one of the smaller agencies of precisely the sort to which he rightly says we should give attention.

Mr. Mullin: What will the Chancellor do when there is nothing left to sell?

Mr. Lamont: Fortunately, there is a long way to go. As the hon. Gentleman well knows, we are expecting the implementation of water and electricity privatisations to occupy us for a little time yet.

Mr. Riddick: Will my right hon. Friend accept my congratulations on this excellent figure, which is a reflection of how successful the Government have been in transferring ownership of these assets from the state to individual shareholders? Does he not think that it is time he speeded up the process by privatising British Coal and British Rail?

Mr. Lamont: I note what my hon. Friend says. We have said that we have no present plans to privatise those industries. As I said to the hon. Member for Sunderland, South (Mr. Mullin), privatising the electricity and water industries is a considerable task in itself at present.

Interest Rates

9. **Mr. Duffy:** To ask the Chancellor of the Exchequer if he will make a statement on the present level of interest rates.

Mr. Lawson: Bank base rates are currently 9 per cent.

Mr. Duffy: In view of the present balances on trade and external payments, and the serious extent to which both will be aggravated by this week's predictable surge of sterling, how does the Chancellor explain last month's hike in interest rates—or was he overruled?

Mr. Lawson: I am not sure what the hon. Gentleman means by the predictable rise in sterling; I was not aware that he had predicted it. We remain committed to maintaining a policy of exchange rate stability. That was agreed by the Group of Seven Finance Ministers and central bank governors in the communiqué of 23 December last year. While stability certainly does not mean immobility, any further significant rise in the exchange rate, certainly against the deutschmark, would in my opinion be unlikely to be sustainable.

Mr. Tim Smith: Does my right hon. Friend agree that amid all the speculation about the likely next movement of interest rates and the sterling exchange rate, what really matters is keeping a continuous downward pressure on inflation? That is likely to be far more valuable to British industry than any minor damage done by a 3 per cent. rise in the exchange rate.

Mr. Lawson: My hon. Friend is right. The battle against inflation is at the core of the Government's policy. That is why it is necessary, as I have said time and time again in the House, to maintain interest rates at whatever level is necessary to keep downward pressure on inflation.

Mr. Robert Sheldon: Will the Chancellor bear in mind the words of the president of the CBI, who said yesterday that allowing the exchange rate to develop in this way would produce a serious threat to British industry? Is he aware that most of us thought we understood his policy, which was stability? It does not seem to be stability now. Can he explain it?

Mr. Lawson: I was certainly aware of what the president of the CBI said, and I fully understand why he said it. It is also right to remind the right hon. Gentleman that he said something else, too. He said that it was very much the responsibility of business and industry to contain their costs.

Mr. John Townend: In view of Britain's trade balance and the lower level of oil prices, does my right hon. Friend

consider that the present strength of sterling is due to our very high interest rates, or mainly to overseas confidence in the Government's ability to manage the economy?

Mr. Lawson: It is clear that confidence throughout the world in the British Government's management of the economy is a major factor in the strength of the pound.

Mr. Gordon Brown: Do not the combination of the high pound, high interest rates, and high and worsening trade deficits emphasise the economic and social case for a Budget that puts investment before tax cuts? Does the right hon. Gentleman recall the statement that he made on the question of exchange rate stability, and the statement he made to the *Financial Times* on 10 November to the effect that the pound should not rise above Dm3? Has he changed his mind, or has the Prime Minister changed it for him?

Mr. Lawson: I never quoted any particular figure, and if the *Financial Times* quoted one attributed to me it was wholly wrong. The hon. Gentleman should recognise that the policies that we have been pursuing have made this country's economy stronger than it has ever been before, with living standards at record levels, low inflation, output at record levels, exports at record levels—a far better performance than most of our major competitors.

Mr. Gow: If the Opposition Front Bench are correct in saying that high interest rates discourage investment, how is it that we have seen a more prolonged period of sustained investment in this country despite moderately high interest rates? Will my right hon. Friend confirm that he will persevere with his monetary policy until we achieve our declared manifesto aim of stable prices?

Mr. Lawson: I can certainly confirm what my hon. Friend has asked me to confirm. I can certainly give that assurance. He is right to point out that the policies that we have been pursuing for nearly nine years, and which have brought unprecedented success, were condemned and criticised every inch of the way by the Opposition.

Public Services (Finance)

10. **Ms. Ruddock:** To ask the Chancellor of the Exchequer what assessment he has made of the relative effects on the level of resources available for financing public services of *(a)* reducing taxes on higher income earners with the aim of stimulating economic activity and generating higher revenue in the longer term and *(b)* devoting the same amount of money as would be pre-empted by such tax cuts directly to expenditure on those services; and if he will make a statement.

Mr. Major: The success of the Government's economic strategy, of which reductions in income tax are an important part, has created increased resources both for the provision of priority public services and for higher living standards in general.

Ms. Ruddock: I thank the Minister for that answer. Is it not true that a Government-commissioned report by Stirling university could find no basis for assuming that cuts to higher tax earners would lead to any incentives? Further, is it not true that a reduction of 40 per cent. on higher income earners would cost the Exchequer £1·7 billion, a sum that would go far towards supplying the underspend of the National Health Service and would more than fund the package of proposals made by the Association of London Authorities to meet the crisis in this capital city? Is it not time that the very rich were asked to forgo their luxuries in order to meet the needs of the majority of the population?

Mr. Major: The truly substantive point is the extent of revenue raised by the Exchequer in order to finance precisely those public services that the hon. Lady cares about. The proportion of total income tax paid by the top 5 per cent. has risen from 24 per cent. in 1978-79 to 29 per cent., despite the substantive cuts in the top rates of income tax in earlier Budgets.

Mr. Hayes: Will my right hon. Friend explode the myth peddled by the Opposition that cutting taxes and increasing public expenditure in certain targeted areas are alternatives? In a thriving economy such as ours they are not alternatives, particularly when we have lower taxes which create more wealth and result in more revenue to the Treasury.

Mr. Major: My hon. Friend is correct. I share his view that worthwhile public expenditure is important. That is why this year we have been able to increase public expenditure on programmes by £4½ billion. The revenue to finance that depends on a successful economy, and it is our judgment that past reductions in income tax have helped to make the economy successful, and that has financed that public expenditure.

Dr. Marek: What research has the Chief Secretary undertaken to show whether a top rate of income tax of 60 per cent. is a disincentive to the quantity and quality of work undertaken, as opposed to remuneration for it?

Mr. Major: On the general point, the hon. Gentleman will recall that during the period when we had excessively high rates of income tax a clamour arose when many skilled people such as surgeons, doctors and others left the country. That was a clear illustration of what happens with unduly punitive tax rates.

Economic Growth

11. **Mr. Boswell:** To ask the Chancellor of the Exchequer what is the current rate of economic growth.

Mr. Lawson: The Autumn Statement forecast growth in 1987 of 4 per cent. I shall be presenting my latest estimate in my Budget next week.

Mr. Boswell: Is it not good news that the 1980s have seen the fastest sustained period of economic growth since the second world war, with considerably faster growth than our European competitors? Does the Chancellor feel that the country has yet fully come to terms with our rise up the international league table from the relegation zone to championship status?

Mr. Lawson: My hon. Friend makes a very good point. Certainly it is the case that during the 1960s and 1970s we had the lowest rate of economic growth of all major European countries, and that during the 1980s we have had the highest. I think that the country has an inkling of this, and that may have accounted, among other things, for the general election result last year. But Opposition Members seem to find it particularly difficult to hoist this on board.

Mr. Barry Jones: If the Chancellor is right in saying that things are going so very well, why will he not give the National Health Service a better deal?

Mr. Lawson: In the Autumn Statement in November I announced the biggest increase in spending on the National Health Service that had ever been announced for any one year.

Mr. Budgen: Will my right hon. Friend concede that the present growth rate is not sustainable, and, since it is now claimed that he does not have the political support of the Prime Minister for maintaining the pound in the European exchange rate mechanism, will he reintroduce monetary controls?

Mr. Lawson: I do not know what my hon. Friend means by monetary controls. It sounds like some kind of socialistic intervention, which I would certainly not endorse.

Mr. Chris Smith: If the Chancellor is so confident about the prospects for economic growth in the coming year, would he care to reflect on the continuing low level of investment, the worsening balance of trade, the worsening balance of payments and now, it would appear, the pound going into free float against the deutschmark? The Chancellor said very clearly on 10 November that his objective was to keep the rate below Dm 3. He used to be proud of having devised what he called managed floating. Is it not now rather less management and rather more floating?

Mr. Lawson: I stand entirely by what I said at the September meeting of the International Monetary Fund, and there was nothing about Dm 3 there. The *Financial Times* must have been mistaken on that point. More fundamentally, the hon. Gentleman is wholly mistaken, because what is being shown at the present time is the confidence of the world in the British Government and the economic policy and the economy of this country.

Mr. Nicholas Winterton: While congratulating my right hon. Friend and the Government on what they have achieved for the economy of our country, and while industry can certainly cope with relatively high interest rates, may I ask whether he is not now a little concerned about the exchange rate, because this may well undermine the competitive position of British industry in the world?

Mr. Lawson: I entirely understand what my hon. Friend is saying. Clearly, we do not want an excessively high exchange rate, but, by the same token, nor are we prepared to see attempted salvation through devaluation, which is espoused by the Opposition, but is the route to higher inflation.

VAT (Funeral Charges)

13. **Mr. Madden:** To ask the Chancellor of the Exchequer if he has received any representations seeking zero-rated value added tax on funeral charges.

Mr. Lilley: None.

Mr. Madden: Is the Minister aware that, on average, about 10,000 people die each week and that the National Association of Funeral Directors has estimated that the present VAT arrangements result in the Treasury receiving between £14 million and £18 million a year, which is, in effect, a tax on death? Will he look at the possibility of giving tax relief on simple insurance schemes, which would give reassurance to many elderly people that their funerals have been paid for, and result in reducing their savings below the £6,000 a year capital limit which prevents them from getting benefit?

Mr. Lilley: I understand the point that the hon. Gentleman makes. The Government recognise the inevitable sadness at the time of bereavement by exempting essential funeral charges from VAT. We do not have the power, however, under our treaty obligations and successive directives on VAT to change that from exemption to zero rating, but I will draw to the attention of my right hon. Friend the point that the hon. Gentleman has made about insurance policies for funerals and the costs of bereavement.

Industrial and Commercial Profitability

14. **Mr. Waller:** To ask the Chancellor of the Exchequer what are the latest figures for the level of industrial and commercial profitability.

Mr. Norman Lamont: The net rate of return of non-North Sea industrial and commercial companies was 8·9 per cent. in 1986—higher than in any year since 1973. 1987 is likely to see a further rise.

Mr. Waller: Does my hon. Friend agree that the continued confidence of industry and commerce about future prospects contrasts with the forecasts of gloom and doom due in the autumn that we heard from Opposition spokesmen last May and June? Is not the major achievement of the Government the very changed attitude that now exists to company profitability?

Mr. Lamont: My hon. Friend is right, and what he says is borne out by the CBI survey, which shows strong growth in manufacturing investment and manufacturing production. Opposition Members say those words because they know of no others, even if they have no correspondence with reality whatsoever.

PRIME MINISTER

Engagements

Q1. **Mr. Robert G. Hughes:** To ask the Prime Minister if she will list her official engagements for Thursday 10 March 1988.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today, including one with a delegation from the National Pensioners Convention. This evening I am attending a reception for the winners of the 1987 Queen's awards for export and technology.

Mr. Hughes: In welcoming the announcement that was made yesterday to stop councils building up unsustainable debts, pawning their property and entering into shortsighted and irresponsible deals, may I ask my right hon. Friend to condemn councils such as the London borough of Brent, which has already entered into such deals and has built up debts that will be paid for by generations to come?

The Prime Minister: Yes, Mr. Speaker. The announcement made by my right hon. Friend the Secretary of State for the Environment yesterday has come as a great relief

to many hard-pressed ratepayers. The Government will not bail out those authorities which have been very extravagant. Many people in those authorities look forward to the commencement of the community charge.

Mr. Kinnock: Sir David Nickson, who is chairman of the CBI, yesterday said:

"High exchange rates and high interest rates at the same time are bad"

for British industry. Does the Prime Minister agree with him?

The Prime Minister: I indicated our policy, and my right hon. Friend the Chancellor of the Exchequer has already indicated the policy. It is absolutely vital to try to keep inflation down. The right hon. Gentleman will recall that we used to have a Bretton Woods fixed exchange rate system. It was inflation that brought an end to that system. The last thing that the CBI or manufacturers want is a very high rate of inflation, because it would mean that they could not compete in selling their goods abroad.

Mr. Kinnock: Is the Prime Minister not aware that the CBI and the Association of British Chambers of Commerce take a different view of inflation from herself and say that, in the interests of guarding against rises in price and cost inflation, it is necessary to get the pound back down to DM 3 and to cut interest rates? When faced with that very practical advice, why does the Prime Minister prefer primitive monetarism?

The Prime Minister: I have never known any industrialist want higher inflation — higher than the industrial rivals against whom we have to compete in the industrial market. The CBI and industry are doing very well under the excellent stewardship of my right hon. Friend the Chancellor of the Exchequer. Industry must rely on its own efficiency, salesmanship and design for getting exports.

Mr. Kinnock *rose*—

Hon. Members: "Oh."

Mr. Speaker: Order. I call the Leader of the Opposition.

Mr. Kinnock: The Prime Minister mentioned her right hon. Friend the Chancellor of the Exchequer. Does she recall him saying on 9 December,

"Keeping the pound in line with the Deutschmark is likely to be over the medium term a pretty good anti-inflationary discipline."

Does the Prime Minister agree with that?

The Prime Minister: My right hon. Friend the Chancellor and I are absolutely agreed that the paramount objective is to keep inflation down. The Chancellor never said that aiming for greater exchange rate stability meant total immobility. Adjustments are needed, as we learnt when we had a Bretton Woods system, as those in the EMS have learnt that they must have revaluation and devaluation from time to time. There is no way in which one can buck the market.

Mr. Nicholas Winterton: My right hon. Friend said in her initial response that she was attending a meeting with the National Pensioners Convention. Will she give some thought to the pre-1973 war widows in Britain who are at a grave disadvantage as they receive only half the income of post-1973 war widows? The total cost of rectifying that terrible injustice would be very modest indeed. Will my right hon. Friend see what she can do to alleviate the problems of those people from whose suffering we are now benefiting because their loved ones laid down their lives that we might live?

The Prime Minister: As my hon. Friend is aware, we have done a great deal to help war widows, in that we have made their pensions non-taxable. That was a great advance for them. It is not possible to go back and have retrospective increases for everyone whom one wishes to help. Naturally, we receive complaints, but when we make a change for people, to operate in the future, everyone wants it to operate in the past. Sometimes that would preclude future changes from being made. We have done a great deal, and for the time being we must stand on our record.

Mr. Maclennan: When the Prime Minister later today honours British exports and technology, will she take the opportunity to reaffirm her support for the fast breeder reactor programme? *[Interruption.]* Will she recognise that the Government's plans for the privatisation of electricity are causing grave anxiety over the future of that programme throughout the Atomic Energy Authority and the industry?

The Prime Minister: The hon. Gentleman is aware that I have visited Dounreay and have indicated my support for the work being done there. However, I cannot say that I think we shall have a fast breeder reactor for many years, but I am well aware of the importance of the work going on at Dounreay.

Mr. Hayward: If my right hon. Friend finds it necessary to talk to the Irish Prime Minister about the recent deaths in Gibraltar, will she emphasise, not only that due consideration will be given to the events there, but that the bombings were being planned at the same time as the IRA was wringing its hands about the deaths at Enniskillen?

The Prime Minister: Most people are very grateful for the fact that, due to the excellent security operations of the Spanish police and our own, another terrible tragedy, with many deaths and maimings, was wholly avoided. We should like to express our thanks to all those involved.

Q3. **Mr. Fatchett:** To ask the Prime Minister if she will list her official engagements for Thursday 10 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Fatchett: Is the Prime Minister as concerned as others, including one very senior person in our society, about the future of the elderly persons' unit at St. Tydfil's hospital, Merthyr Tydfil?

The Prime Minister: There was a particular unit at that hospital, a special unit that was to have worked up to five beds. So far, only three beds are operational. That unit is being closed, and not, of course, the entire hospital. It has been closed to save only some £30,000. *[Interruption.]* May I point out to the hon. Gentleman that the extra amount of money for Wales for the Health Service has been 39 per cent. in real terms above inflation.

Mr. Brazier: Would my right hon. Friend like to join me in praising the work of the Ulster Defence Regiment? Will she comment on the fact that just one small unit which I had the privilege to visit over the weekend, has had

29 members murdered off duty in the last 12 years, yet continues to do its work with remarkable cheerfulness and courage?

The Prime Minister: Yes. We all recognise the tremendous courage of the Ulster Defence Regiment and the debt that we owe to it. No matter what the difficulties and the casualties, there are always more people prepared to be recruited to the regiment, and they play a very important part in the security of Northern Ireland.

Mr. John D. Taylor: What is the Prime Minister's present policy towards devolution in Scotland?

The Prime Minister: It is the same as it has always been. I am against further devolution in Scotland.

Mr. Gregory: Will my right hon. Friend find time in her busy day to study the survey report from Liverpool earlier this week that children as young as seven have been supplied with cigarettes? In all the cases surveyed, not one shop stayed within the law. Will my right hon. Friend confirm that the maximum penalty of £400 is quite inadequate, when 100,000 people die as a result of smoking in this country?

The Prime Minister: I am grateful to my hon. Friend for pointing out that smoking is indeed a very great danger to health and for bringing up what is undoubtedly a very difficult problem, in that some young children smoke and are supplied with cigarettes. It is absolutely scandalous.

Mr. McAllion: To ask the Prime Minister if she will list her official engagements for Thursday 10 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. McAllion: Has the Prime Minister had the opportunity to read the letter to the British Medical Association from Dr. Mitchell, a consultant physician at Scarborough hospital, in which he points out that the much-vaunted throughput statistics for that hospital are felt by all the consultants to be positively dangerous to the standards of patient care, and in which he comments that it is easy to appear efficient when understaffed and underfunded? Will the Prime Minister for once listen to those who are best qualified to comment on standards of patient care—the doctors—and will she ensure that on Budget day the NHS has a chance to have its version of a super-Tuesday?

The Prime Minister: As the hon. Gentleman will have heard me say many times, the resources available to the Health Service are greatly in excess of any that have ever been available before. The numbers of nurses and doctors, and patients being treated, are also greatly in excess of any in the past.

With regard to the Tayside health board — *[Interruption.]*

Mr. Speaker: Order. The Prime Minister.

The Prime Minister: Tayside remains the second best funded board in Scotland, and its revenue allocation is £146 million, giving a per capita allocation of £372, compared with the Scottish per capita allocation of £307.

Q5. **Mr. Sackville:** To ask the Prime Minister if she will list her official engagements for Thursday 10 March.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Sackville: Does my right hon. Friend agree that under Mikhail Gorbachev there has been a rapid improvement in the effectiveness of Soviet propaganda presentation, unsupported by any real change in Soviet foreign or defence policy or human rights performance? Does she agree that that is a dangerous situation, about which some of our NATO allies should be constantly reminded?

The Prime Minister: I think that my hon. Friend is essentially right in his premise. Not a great deal has changed in military developments in the Soviet Union: indeed, modernisation continues apace. At the same time, I think that we must welcome the Soviet Union's wish to withdraw from Afghanistan. It is what we have been urging upon the Soviets, and we hope that the withdrawal will very soon be completed. In the meantime, we must make certain that our own defence is sure, and continue to plead on behalf of those in the Soviet Union who do not enjoy the human rights that we take for granted.

Q6. **Mr. Ted Garrett:** To ask the Prime Minister if she will list her official engagements for Thursday 10 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Garrett: Will the Prime Minister accept that we have one thing in common, and that is that we both abhor the filth and disgrace of our inner cities? Litter is a massive problem that is now facing the nation and, as a provincial Member, I am distressed beyond belief at Londoners' failure to try to smarten up this capital city of ours. Will the right hon. Lady accept that, with the possible exception of Westminster, the rest of the boroughs of this great metropolitan area are somehow or another losing the battle to keep our streets clean? It must be a source of great distress to foreigners leaving the clean surroundings of Heathrow to see the filth and grime in this city. Is it possible for someone from the right hon. Lady's Department to go to our European capitals to see how they tackle the question that we fail to tackle?

The Prime Minister: I agree wholeheartedly with what the hon. Gentleman has said. I also agree that Westminster city council makes tremendous efforts to try to keep the city clean. Litter is a problem, not only in our inner cities, but often on the sides of major roads and on the central reservations. The problem is tackled in Europe by giving people responsibility for clearing the frontages before their shops, offices and houses. That is a possible change. It would be a major change. If people did not throw down litter and had more pride in their cities and motorways, we should not have the problem.

Business of the House

3.31 pm

Mr. Frank Dobson (Holborn and St. Pancras): May I ask the Leader of the House whether he will state the business for next week?

The Lord President of the Council and Leader of the House of Commons (Mr. John Wakeham): Yes, Sir. The business for next week will be as follows:

MONDAY 14 MARCH—Progress on remaining stages of the Housing (Scotland) Bill.

Consideration of Lords amendments that may be received to the Social Security Bill.

TUESDAY 15 MARCH — My right hon. Friend the Chancellor of the Exchequer will open his Budget statement.

European Community documents relevant to the Budget debate will be shown in the *Official Report*.

The Chairman of Ways and Means has named opposed private business for consideration at seven o'clock.

WEDNESDAY 16 MARCH and THURSDAY 17 MARCH—Continuation of the Budget debate.

FRIDAY 18 MARCH—Private Members' motions

MONDAY 21 MARCH—Conclusion of the debate on the Budget statement.

[Debate on Tuesday 15 March

Relevant European Community documents

(a) 9561/87 Annual Economic Report, 1987-88

(b) Unnumbered Annual Economic Report, 1987-88 (as adopted by the Council)

Relevant Reports of European Legislation Committee

(a) HC 43-viii (1987-88) para 4

(b) HC 43-xv (1987-88) para 3.]

Mr. Dobson: I thank the Leader of the House for his statement. Will he reconsider his proposal that we debate the Lords amendments to the Social Security Bill on Monday? That is an important measure, affecting some of the worst-off people, and, in particular, worst-off young people, in the country. As we speak, at this moment, the Lords have not even finished debating the Bill. Last week, the Leader of the House said of Lords amendments to the Local Government Bill that if Lords amendments were available on Friday morning it was not unreasonable to debate them the following Wednesday. He is now proposing that Lords amendments available this Friday should be debated the following Monday. Surely that is unreasonable.

Will the Leader of the House arrange for the publication of the Ministry of Defence document "Learning from Experience" which, we understand, shows cumulative overspending of £20 billion on procurement by the Ministry of Defence? Surely that should be made public, brought to the House and debated.

Will the Leader of the House also arrange for the Secretary of State for Social Services to make an early statement in reply to today's second report of the Select Committee on Social Services so that he can repair the damage done by his ill-informed and contemptuous remarks about the Select Committee?

In view of the concern in all parts of the House, as expressed by early-day motion 794, about the imprisonment of Nelson Mandela, will the Leader of the House arrange for the Foreign Secretary to make a statement on Britain's use in the Security Council of our veto as recently as Tuesday evening to block the resolution proposing certain mandatory sanctions?

[That this House, taking note of the fact that on 18th July Nelson Mandela will celebrate his 70th birthday and that he has been imprisoned continuously for over 25 years, recalls the repeated appeals by Her Majesty's Government, the United Nations Security Council, the European Council and Council of Ministers, and the Commonwealth Heads of Government, calling for his release; and reiterates its belief that Nelson Mandela should be released immediately and without condition.]

Labour Members welcome the motion setting up the Select Committee on televising the proceedings of the House. Will the right hon. Gentleman give an assurance that the Committee will meet before the Easter recess?

Does the Leader of the House recall that, when we last debated the Select Committee on Scottish Affairs, he asserted the right of Tory Members from England to sit on the Committee? Could he tell us when they propose to get on with exercising that right, because the people of Scotland want the Select Committee set up?

Finally, rather than including the debate with all the other reports from the Procedure Committee, is the right hon. Gentleman prepared to put before the House a proposition for a general ten-minute rule on speeches, so that the matter can be debated separately and quickly and there is less frustration among Back Benchers in many important debates?

Mr. Wakeham: The hon. Gentleman asked me seven questions on the business for next week, and I will do my best to answer them. He first asked about the Lords amendments to the Social Security Bill. The Bill will have its Third Reading in another place today. The timing of the debate has, as with all business, been discussed through the usual channels. I hope that the arrangements made will be for the convenience of the House, but I am perfectly happy to have further discussions through the usual channels if the hon. Gentleman would find that helpful.

I believe that the Ministry of Defence document was discussed at a Select Committee yesterday. I will refer the matter to my right hon. Friend the Secretary of State for Defence to find out the position about publishing it. I can confirm that my right hon. Friend will be making a Government reply to the Social Security Select Committee report which was published recently.

The hon. Gentleman asked me about early-day motion 794. We support the motion, together with our Commonwealth and European partners. We have long called for the unconditional release of Mr. Mandela and other political prisoners.

With regard to the United Kingdom veto on the draft Security Council sanctions resolution, we and the United States vetoed the resolution on 8 March because it included a call for mandatory economic sanctions. As we have consistently made clear, we do not believe that such action will help to bring about the peaceful end to apartheid.

As I said last week, I hope to get on with setting up the television Select Committee as soon as possible. As the hon. Gentleman knows, the names of Members for the Select Committee have been put forward. There is a difficulty in resolving it insofar as the minor parties are concerned. We will have to consider how best we can

proceed to resolve it as quickly as possible. If it is possible to resolve it in time to have a first meeting before Easter, that would give me great pleasure.

The position of the Scottish Select Committee has moved on a bit since last week. I have written to the Chairman of the Committee of Selection and asked him to reconsider the position in light of information that I have given him.

With regard to procedure, I recognise that there is a desire to get on with this. As the hon. Gentleman knows, I have invited him to have a meeting to discuss those matters, because it is best to proceed with as much agreement as possible. I hope to have a meeting with him in the near future to discuss the matter he raised and other outstanding matters, and to decide how best to proceed.

Mr. Tony Speller (Devon, North): I draw the attention of my right hon. Friend to early-day motion 6.

[That this House deplores the fact that, alone among public service pensioners, those whose service was overseas cannot count pre-appointment war service towards their pensions; and calls upon Her Majesty's Government to remedy this injustice to a dwindling group of elderly people whose working lives were spent in adverse conditions while dedicated to the service of British interests overseas.]

The motion has been signed by 331 colleagues. Bearing in mind how many hon. Members do not sign early-day motions, will he find time for a debate in the fairly near future?

Mr. Wakeham: I am sorry to disappoint my hon. Friend, but I do not think I can find time in the near future to debate the matter. I recognise how strongly he and my hon. Friend the Member for Orpington (Mr. Stanbrook) feel. My learned Friend the Member for Orpington has had a long interest in the matter and has raised it in the House on many occasions. We recognise how strongly colonial service pensioners feel about the issue and we will keep it under careful review. As my hon. Friend will appreciate, there are many claims on public expenditure resources.

Mr. James Wallace (Orkney and Shetland): Does the Leader of the House appreciate that the last meeting of the Scottish Grand Committee was on 23 March 1987 and that on 30 November 1987 the House agreed that the Scottish Grand Committee should discuss education in Scotland? When does the Leader of the House foresee a meeting of the Scottish Grand Committee taking place?

Does the right hon. Gentleman intend to hold a debate on the Prime Minister's statement on Monday on the inner cities, or does he think that there was insufficient new matter in that statement to merit a debate?

Mr. Wakeham: I cannot promise an early debate on inner cities, but I believe that the statement made by my right hon. Friend the Prime Minister contained some important points and it would be a very good idea to have a debate. However, I cannot promise one in the immediate future.

With regard to the Scottish Grand Committee meeting, I understand that my right hon. and learned Friend the Secretary of State for Scotland has written to the hon. Member for Glasgow, Garscadden (Mr. Dewar) proposing arrangements for and seeking his agreement on three Scottish Grand Committee meetings in the near future. No doubt we will have discussions on that through the usual channels.

Mr. Robert McCrindle (Brentwood and Ongar): Am I to understand from what my right hon. Friend the Leader of the House said a few moments ago that, as a result of the letter to the Chairman of the Committee of Selection, when that Committee next meets it will have sufficient personnel to complete the appointment of the long outstanding Select Committee on Scottish Affairs?

Mr. Wakeham: The selection of Select Committees is not a matter for me. I have been doing my best to resolve some of the difficulties that arose in that matter and I have communicated with my hon. Friend the Chairman of the Committee of Selection. It is best for him to decide how best he should proceed as a result of receiving my letter.

Mr. Jack Ashley (Stoke-on-Trent, South): Is the Leader of the House aware that all service personnel who are disabled by negligence can now sue for compensation? Those who were disabled by negligence before December 1986 can, as a result of firm Government policy, neither sue nor receive an ex gratia payment. May we debate the setting up of a trust fund to give ex gratia payments to those disabled ex-service men?

Mr. Wakeham: I recognise that the law has been changed and that that change was an improvement. However, there is always a difficulty over the position that existed before the enactment of any improvement. I will refer the matter to my right hon. Friend.

Mr. James Kilfedder (North Down): Will the Leader of the House find time for a debate on the need for a Bill of Rights for Northern Ireland, if not for the whole of the United Kingdom?

Mr. Wakeham: I cannot do so next week. No doubt many hon. Members would want to speak on that subject, but I cannot promise an early debate on it.

Mr. Michael J. Martin (Glasgow, Springburn): It was most welcome to hear that the Under-Secretary of State for Northern Ireland intends to monitor employment recruitment facilities in big companies in Northern Ireland to check on religious discrimination. There has been disquiet on the mainland about the fact that sometimes there has been discrimination in nationalised industries, particularly over promotion. Will the Leader of the House look into the matter and discuss it with his colleagues?

Mr. Wakeham: I am grateful to the hon. Member for what I took to be encouraging words about the position in Northern Ireland. I will take his points on board and will refer his comments to my right hon. Friends who are most concerned.

Mr. Ian Gow (Eastbourne): Does my right hon. Friend recall how helpful he was at the beginning of this month when the House considered Northern Ireland business? Can he go one stage further and tell us whether he has been able to give consideration to dealing with Northern Ireland legislation on the Floor of the House rather than by Order in Council late at night?

Mr. Wakeham: I have had a number of discussions with some of my right hon. and hon. Friends and others about this question, which I know is not entirely satisfactory to many hon. Members. I cannot promise that we have reached a point at which proposals will be brought forward.

Mr. Ray Powell (Ogmore): Has the Leader of the House read early-day motion 792 which deals with the extension of legal rights to grandparents for the adoption of grandchildren?

[That this House deplores the increasing frequency of grandparents being deprived of the right of access to, care, fostering or adoption of their grandchildren; notes with alarm the attitude of some social services employees; and calls on Her Majesty's Government to introduce early legislation to give legal rights to grandparents providing immediate right of access before children are taken into care and the right to be present or legally represented at any official hearing or inquiry regarding future access to, care, fostering and adoption of their grandchild or grandchildren.]

Within 24 hours, the motion was signed by more than 100 hon. Members. It is high time that the Government found time for early consideration of this very pressing matter.

Mr. Wakeham: I recognise that there is considerable concern about and interest in what is, in some cases, an important and serious matter. Grandparents may already be made parties to adoption proceedings. Further rights are provided for in amending legislation to be implemented this year and in our White Paper proposals for child care and family services. Something is happening, but I appreciate that this is a matter of concern.

Mr. Allan Stewart (Eastwood): Further to my right hon. Friend's comments on the Scottish Grand Committee, can he tell the House where it is proposed that the meeting should be held? Does he agree that one problem has been the absurd notion that the Scottish Grand Committee should meet on Monday mornings in Edinburgh? That is extremely inconvenient for the great majority of Scottish Members who neither live in Edinburgh nor have ministerial cars.

Mr. Wakeham: I am sure that it must be in the interests of everyone that the Scottish Grand Committee meet in the most convenient place. Discussions on this matter will take place, and I am sure that my hon. Friend's points will be considered.

Mr. Harry Ewing (Falkirk, East): Is the Leader of the House aware that a Mini-Minor will be sufficient to take the Scottish Tories to the Scottish Grand Committee, wherever it meets?

Will the right hon. Gentleman make certain that on Monday the Government have a proposal that will allow a debate to highlight the position whereby large numbers of people in Scotland live in damp and overcrowded housing while the Secretary of State for Scotland and his Ministers spend £150,000 on moving from one house, New St. Andrew's house, to another house, old St. Andrew's house, to look after their own comfort? Is that not yet one more display of their arrogance and their contempt for the Scottish people?

Mr. Wakeham: I recognise that the hon. Gentleman is concerned to get on with the debate next Monday. He has given us a foretaste of the sort of speech that he may make if he catches your eye, Mr. Speaker. It is helpful for the Minister to know the hon. Gentleman's line in advance so that he may give him, no doubt, an adequate reply.

Mr. John Stokes (Halesowen and Stourbridge): Does my right hon. Friend agree that the recent debate on privileges was one of the most enjoyable that we have had in the House for a long time? For the benefit of those hon. Members who may from time to time in recent years have been the butt of certain journalists — especially those hon. Members who have opposed televising the proceedings of the House — may we have another debate, say, in July, when perhaps a little light relief will be welcome?

Mr. Wakeham: The debate was enjoyable. I am sorry that my hon. Friend did not contribute, because I am sure that he would have had some wise comments to make. I cannot guarantee that I can provide for a repeat of the debate. When it comes, we shall not shirk it, because Tuesday's debate was a good one.

Mr. Ted Garrett (Wallsend): The Leader of the House must be aware of early-day motion 758.

[That this House joins with all other parliaments throughout the Commonwealth in the observance of Commonwealth Day on Monday 14th March; and recognises the importance of the work of the Commonwealth Parliamentary Association which brings together parliamentarians throughout the Commonwealth who share a community of interests, respect for the rule of law and a commitment to promote the positive ideals of parliamentary democracy.]

He must be aware also that Monday 14 March is Commonwealth day, when observances of the ideals of the Commonwealth are organised throughout the 36 nations that form this organisation. The Commonwealth Parliamentary Association is committed to respect for the rule of law and the promotion of parliamentary democracy. Can the right hon. Gentleman find time for a debate so that we may analyse those ideals relative to the demands of our modern society?

Mr. Wakeham: The Government wholly concur with the statements expressed in the early-day motion. I am sure the whole House recognises the value of the work carried out by the Commonwealth Parliamentary Association, but I do not think that I can find time for a debate next week. Perhaps we do not really need a debate to express our enthusiasm for the hon. Gentleman's sentiments.

Mr. Nicholas Fairbairn (Perth and Kinross): May I refer my right hon. Friend to the question asked by the hon. Member for Orkney and Shetland (Mr. Wallace)? Will he remind the House that the meeting of the Scottish Grand Committee on what the hon. Gentleman called 30 November but other Scottish Members would call St. Andrew's day was scuppered by the Liberal party before it obtained the alibi or synonym, or both, that it has recently taken? The hon. Gentleman urged my right hon. Friend for a debate on the inner cities. That is welcome to those of us who represent Scottish cities because in Scotland we do not have inner-city problems such as those they have in Kirkwall because we live in them.

The hon. Member for Falkirk, East (Mr. Ewing) regretted the fact that the Government had to move back into old St. Andrew's house at the cost of £150,000. That would never have been necessary if the Labour party had not ruined the inner city of Edinburgh by moving into New St. Andrew's house in the first place.

Mr. Wakeham: I am grateful to my hon. and learned Friend for his analysis of the situation. I had quite forgotten that the Liberal party was difficult about the

meeting of the Committee—I have never known that to happen before — but I shall learn to be wary as I continue in this job.

Mr. Eric S. Heffer (Liverpool, Walton): Will the Leader of the House consider having an early debate on the shootings in Gibraltar, on the ground that in editorials *The Daily Telegraph*, *The Independent* and *The Guardian* have shown great disquiet? I have had dozens and dozens of letters, some from ex-SAS men——

Mr. Tony Marlow (Northampton, North): May we see them?

Mr. Heffer: The hon. Gentleman can see them.

I have already received letters from ex-colonels and others in the Army and from Tories, all of whom have expressed their great disquiet about what has happened. The whole basis of democracy is at stake. May we have an early debate on the issue? We have not yet got into the position of having Government death squads, but it is about time that the House had a full debate on the issue.

Mr. Wakeham: No doubt proper inquiries are being made within the services and the police to establish the details of what happened. I should have thought that in any debate the House would want to show its overwhelming support for the security forces, given that many hundreds of innocent lives were saved by their speedy and skilful handling of a very difficult situation.

Mr. Nicholas Bennett (Pembroke): May I draw my right hon. Friend's attention to early-day motion 275, concerning the national dock labour scheme and standing in the name of my hon. Friend the Member for Gravesham (Mr. Arnold) and others?

[That this House believes that the National Dock Labour Scheme is an anachronism which both endangers the viability of jobs in the scheme areas and acts as a deterrent to job creation by new ventures; and calls on Her Majesty's Government to abolish the scheme, and open negotiations immediately with employers and unions to bring that about.]

In view of the latest report about dockers in Boston turning down £1,200 for two days' work, and as the scheme is responsible for many parts of our inner cities being derelict, may we now have a vote and abolish the scheme once and for all?

Mr. Wakeham: I cannot promise exactly what my hon. Friend wants, but I think that there is a debate tonight on this matter, and no doubt if my hon. Friend catches your eye, Mr. Speaker, he can express his views then.

Mr. Ieuan Wyn Jones (Ynys Môn): The Leader of the House will be aware that the Government recently announced their intention to withdraw their financial support from the British Agricultural Exports Council for the next financial year. Bearing in mind that the value of United Kingdom agricultural exports is £1 billion a year and also the crisis faced by farmers in the domestic market, will the Leader of the House arrange for an early debate so that we can consider the true value of the council in facilitating exports in the light of the modest amount that it needs to ensure financial viability?

Mr. Wakeham: The subject that the hon. Gentleman raises is relevant to any debate on agriculture. I recognise that our last debate on agriculture was dominated by the Brussels meeting, and I am looking for an occasion for a further debate. I cannot promise one in the immediate future, but I shall certainly bear the matter in mind.

Mr. Nicholas Budgen (Wolverhampton, South-West): As the Government, in deference to American public opinion, are to introduce legislation in Northern Ireland that proposes reverse job discrimination supported by criminal sanctions, will my right hon. Friend undertake to consult the Governments of India, Pakistan and Bangladesh and then tell us in a debate whether he intends to introduce measures of reverse job discrimination in England and Wales and Scotland in deference to those foreign Governments?

Mr. Wakeham: The short answer to my hon. Friend is, "No, Sir." However, I shall certainly refer the matter to my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs.

Mr. Tam Dalyell (Linlithgow): Would not next week be a peculiarly good moment to debate early-day motions, 228, 253, 272, 273 and 286?

[That this House notes in the book, Campaign, by Rodney Tyler, the Selling of the Prime Minister: from behind the doors of Downing Street and Conservative Central Office—A unique inside account of the Battle for Power that the author on page 1, chapter 1, paragraph 1, sentence 1, states ' It was an extraordinary turnaround in fortunes from the moment on 27th January 1986 when Mrs. Thatcher secretly confided to a close associate that she might have to resign . . . ' and on page 3 that 'On the eve of the crucial Westland debate she herself felt shaky enough to doubt her future' though some around her later sought to dismiss this as late evening anxieties of the sort that had disappeared the following morning). It is certainly true that if Leon Brittan had chosen to, he could have brought her to the brink of downfall, by naming the real culprits inside Number 10. Instead he chose to remain silent', and calls on the Prime Minister to give a full account of what transpired between 3rd January and 27th January 1986, at Number 10 Downing Street, in relation to the selectively leaked Law Officer's letter concerning the Westland Affair.]

[That this House notes that the Member for Aldershot on page 136 of his book Heseltine: the unauthorised Biography, states in relation to the Westland Affair that 'John Wakeham issued an order of the day which contained the trite, if effective message, that it was time for all good men to come to the aid of the party. We did and calls on the Leader of the House, The Right Honourable Member for South Colchester and Maldon, to explain when he first knew the role of the then Trade and Industry Secretary, The Right Honourable Member for Richmond, Yorks, in the matter of the disclosure of a selectively leaked Law Officer's letter.]

[That this House notes that in his book Mrs. Thatcher's Revolution, published this week by Jonathan Cape and Co., Mr. Peter Jenkins writes on page 200 'Brittan himself refused to enlighten the Select Committee on any point of substance. However, he is reputed to have told close friends subsequently that not only has she known perfectly well what had happened but that, on the day following the leak, had expressed her satisfaction to him at the way things had been handled. However, at that time, the downfall of Heseltine had not been achieved . . . He (Mr. Brittan) might point the finger at her (Mrs. Thatcher). Potentially he now had the power to destroy her'; and calls on the Prime Minister to give the House a full account of her conversations with the then Secretary of State for Trade and Industry, the Right honourable Member for Richmond, Yorks, over the

[Mr. Tam Dalyell]

period from 3rd January and 27th January 1986, in relation to the selectively leaked Law Officer's letter concerning the Westland Affair.]

[That this House notes that in The Thatcher Years—A decade of Revolution in British Politics, published by BBC Books, Mr. John Cole, on page 170, considering the selectively leaked Law Officer's letter in the Westland Affair, writes 'why did he (Sir Robert Armstrong) not give her a quick interim report when he discovered that the leak was an inside job, authorised by her office?' Why did Leon Brittan not tell her? Or the private secretary concerned? Or his chief, who sits in the same room? Or her press secretary? And why did she never ask?; and calls on the Prime Minister to inform the House of the answers to these questions.]

[That this House notes that, in the book 'Not with Honour—The Inside Story of the Westland Scandal', on page 142, Magnus Linklater and David Leigh write that "Instead, following Havers's complaint, she spoke privately to Brittan about the leak. Although this is something the Prime Minister has failed to disclose, to widespread disbelief, the evidence comes from an authoritative source, who told us: "The Prime Minister knew about the leak. She was pleased it had been done. There was a meeting between Brittan and her after the complaint from Mayhew. Only the two of them were present . . . Brittan assumed she knew of [the leak's] origins. You must draw your own conclusions." One of Brittan's friends adds, "Nobody thought it was a problem. The complaints were out of the public domain and any inquiry was expected to be a formality. Leon wasn't worried at all about it."; and calls on the Prime Minister to give a full account to the House of the meeting between herself and the Right honourable Member for Richmond, Yorks, referred to therein.]

If she has not done it again, as in Westland, it has been done on her behalf again. Why has the Secretary of State for Education and Science got the Henley treatment? Do the leaks involving letters between Downing street and a senior Government Department happen by alchemy? Will there be a leak inquiry? What on earth are the Government going to do when they cannot send for Sir Robert Armstrong?

Mr. Wakeham: The hon. Gentleman is very ingenious in the way in which he raises these matters. I cannot promise him a debate on the subject next week. Of course, leaks are to be deplored wherever they come from——

Mr. Dalyell: Will there be an inquiry?

Mr. Wakeham: Of course, the Government will look into the question of a leak——

Mr. Dalyell: Will there be a leak inquiry?

Mr. Wakeham: I am busy trying to answer the hon. Gentleman's questions in the way which I think is most appropriate for the House. I have no doubt that those responsible for these matters will decide what is the appropriate form of inquiry necessary to find out what happened.

As a matter of fact, the most interesting thing about this leak was the reaction of the hon. Member for Blackburn (Mr. Straw), because it seemed to me that he aspires to be a member of a Government one day who do not have vigorous discussions within the Government.

Mr. Bill Walker (Tayside, North): When my right hon. Friend and the Government are considering the venue for the Scottish Grand Committee meetings, will he bear in mind the experience of the previous Parliament and look carefully at the attendances of the Grand Committee meetings that took place in Edinburgh? Will the Government note that often those who screamed to have the meetings in Edinburgh were the individuals who did not attend? For example, the former leader of the Scottish National party, Mr. Donald Stewart, and the right hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel), the leader of the former Liberal party, rarely attended. Many Labour Members who constantly screamed for meetings in Edinburgh never attended either.

Mr. Wakeham: In my innocence, I have just mentioned the existence of a letter written by my right hon. and learned Friend the Secretary of State for Scotland to the hon. Member for Glasgow, Garscadden (Mr. Dewar). I did not realise that there was so much detail in this matter; otherwise perhaps I would not even have mentioned it.

Mr. Bob Cryer (Bradford, South): If possible, may we have a statement next week on the Settle-Carlisle line? I have asked the Leader of the House about it on several occasions. It is a beautiful 80-mile railway line which is operated with great affection by the staff. It is well used and it covers its costs. British Rail is having to use it for diversions from the west coast electrified route, but an air of uncertainty hangs over it. The Department of Transport is trying to pressure local authorities, which are strapped for cash, into providing the money.

There is an outstanding Jarvis plc report, relating to a job creation project along the Settle-Carlisle corridor. People who are dedicating their lives to the running of a successful, beautiful and treasured heritage, and who are supported in that by people from all over the country—both in sentiment and in practical travel — have uncertainty gnawing at them, and want the line kept. It is intolerable that that uncertainty should continue.

Mr. Wakeham: My right hon. Friend the Secretary of State for Transport recognises the need for the uncertainty about the line to be ended as soon as possible. He is actively considering British Rail's proposals. I understand that he hopes to make an announcement in the near future.

Several Hon. Members *rose*——

Mr. Speaker: Order. I draw attention to the fact that we have a Consolidated Fund debate later today and will consider a Third Reading before that. I ask hon. Members to make brief contributions.

Mr. James Cran (Beverley): Is my right hon. Friend prepared to consider an early debate on the subject of allegations made last Friday in a Channel 4 programme on the subject of child cancer clusters? If we had a debate, some of us could introduce a bit of balance, because many of my constituents were distressed and worried by the allegations. I dare say similar worries have been expressed in other constituencies.

Mr. Wakeham: I recognise my hon. Friend's concern. I am advised that there is no evidence to suggest that the alleged incidence of leukaemia in Humberside is related to the discharge of pollution from Capper Pass. Local variations in the incidence of the disease in relation to industrial sites are already being considered by the small area health statistics unit at the London School of

Hygiene. I note that my hon. Friend the Member for Beverley (Mr. Cran) may be lucky enough to debate this matter later today during the debate on the Consolidated Fund Bill.

Mr. Andrew Faulds (Warley, East): The right hon. Gentleman may be aware of the total chaos prevailing at Lunar house in Croydon where there are masses of unopened mail containing passports which constituents of all hon. Members are entitled to have returned. Is he aware that that total chaos has arisen because his right hon. Friend the Home Secretary was not prepared to listen to the advice that the end of December deadline should be extended so that the civil servants would have a chance to cope with this mass of mail? Is he further aware——

Mr. Speaker: Briefly.

Mr. Faulds: Is the right hon. Gentleman further aware that I have two constituents—a woman whose mother is dying in the Punjab and a gentleman whose father is dying in the Punjab—who cannot get their passports returned to enable them to get out to see their parents before they die?

Is he further aware——

Mr. Speaker: Briefly.

Mr. Faulds: This is very important, Mr. Speaker.

Is the right hon. Gentleman further aware that there is a story that all the letters are to be returned to those who wrote them with the request that they send them in later? If that story is true, may the House have a statement from the Home Secretary as to what is intended? We would then have a chance to debate this extremely important matter in the Chamber.

Mr. Wakeham: I do not recognise the hon. Gentleman's analysis of the situation. However, I recognise that, within the general context of his remarks, problems have arisen for his constituents. I shall look into the matter and see what can be done. I will write to the hon. Gentleman as soon as I have any information.

Mr. David Shaw (Dover): Will my right hon. Friend check the printing of column 430 of yesterday's *Official Report* regarding the debate on clause 28 of the Local Government Bill? The name of the hon. Member for Brent, East (Mr. Livingstone) appears to be missing. I understand that he made a strong speech in the debate and also at a meeting of the parliamentary Labour party, saying that he felt it was very important for the Labour party to oppose the clause at all stages. My right hon. Friend may be helped in his investigation by considering last night's television programme. I understand that, at about the time of the Division, the hon. Member for Brent, East was appearing on a television programme and was not present in the House to vote.

Mr. Harry Ewing: That has nothing to do with the Leader of the House.

Mr. Wakeham: I will certainly consider the matter raised by my hon. Friend. However, as the hon. Member for Falkirk, East (Mr. Ewing) says, I do not believe that it will feature in next week's business.

Mr. Dennis Skinner (Bolsover): I wonder whether the Leader of the House was aware of the sabotage carried out a few days ago by Sir Robert Haslam — the head of British Coal—in relation to the miners? He invited the miners to end their overtime ban in the knowledge that wage negotiations and consultations would continue. As a result of a ballot, the overtime ban was lifted and then, cynically, Sir Robert Haslam treated the miners with contempt by telling them that they could not have their back money from November. Therefore, miners will lose hundreds of pounds.

The Leader of the House is a sort of superintendent of hon. Members, many of whom never turn up for work for weeks and weeks, but they still get their pay. Peers of the realm pick up £100 a day tax-free, with expenses, and some of them just walk through the door and walk out again. Does not the right hon. Gentleman believe that there is some morality in the miners calling for their back pay so that all miners in all the coalfields may be paid the same, in common with Members of Parliament?

Mr. Wakeham: The question of pay within British Coal is a matter for the management and not the Government. I should have thought that Sir Robert Haslam had acted in an extremely sensible and conciliatory way by, immediately after the overtime ban was lifted, paying miners the new rates of pay that they have long wanted.

Mrs. Alice Mahon (Halifax): Can the Leader of the House spare time for a debate on the contracting out of services in the Health Service and the subsequent effect on patient services? This morning I received a copy of a letter from the district manager of my district health authority asking staff, including nurses, whether they could work part-time in the laundry. Because of the disastrous effects of cuts and being forced to contract out, he is now asking nurses to moonlight in the laundry. We cannot get enough linen for the wards at weekends and the situation is becoming dire.

Mr. Wakeham: I cannot find time for a debate next week, but I believe that a debate would be a good opportunity to put right the slanted way in which the hon. Lady has put her question, especially given the advantages of contracting out, which has provided £100 million or more of additional funds for patient care.

Mr. Calum Macdonald (Western Isles): Has the Leader of the House noted early-day motion 785?

[That this House notes the recent decision of the Post Office to increase charges by 35 per cent. for Datapost services for the Highlands and Islands of Scotland only; that these proposals were imposed without consultation with their Scottish Chairman, Mr. Ian Barr, who is to be congratulated for standing by his principles and resigning his position over this latest in a series of discriminatory postal charges imposed upon the Highlands and Islands of Scotland to the detriment of the economic and social life of these communities; and calls on the Post Office to reverse these penal imposts.]

It relates to the imposition of a Datapost surcharge in the Highlands and Islands. Does the right hon. Gentleman appreciate the deep dismay and disappointment with which the surcharge has been greeted? It makes the Government's oft-repeated words in support of small business ring extremely hollow in that area. So that the Government may have an opportunity to salvage their reputation, will the right hon. Gentleman schedule a debate on this matter?

Mr. Wakeham: Questions about the competitive Datapost service and the Scottish Post Office are operational questions for the Post Office. I fear that it would not be appropriate to debate them in the House.

Mr. Sam Galbraith (Strathkelvin and Bearsden): Further to the right hon. Gentleman's replies about the Scottish Select Committee, can he say whether, as a result of the letter that he is about to send to the Chairman of the Committee of Selection, he is hopeful that the Select Committee will be set up?

Mr. Wakeham: I should correct the hon. Gentleman; I have already sent the letter. I am always hopeful, but sometimes I am disappointed.

STATUTORY INSTRUMENTS, &c.

Ordered,

That, the Town and Country Planning (Compensation for Restrictions on Mineral Working) (Amendment) Regulations 1988 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Maclean.]*

Social Security Bill

4.8 pm

Mr. Robin Cook (Livingston): On a point of order, Mr. Speaker. May I raise with you the difficulty in which the House is placed as a result of the business statement relating to Monday? We have been invited to consider Lords amendments to the Social Security Bill on Monday, although some of them have yet to be debated in another place. This indecent haste poses a serious challenge and places an important duty on this House when scrutinising Government legislation.

There are two questions with direct relevance to your office, Mr. Speaker, that I wish to put to you arising from this difficulty. As the Lords have not considered some of the amendments before them, it is clear that we will have a proper marshalled list of amendments before us, at earliest, tomorrow—Friday. Therefore, it is technically impossible for us to table unstarred amendments for consideration on Monday — there are three or four Lords amendments that we would wish to amend. In addition, it is possible that some hon. Members, in good faith, have made arrangements to be in their constituencies tomorrow. Therefore, they will see the amendments for the first time on Monday and will be able to submit manuscript amendments only.

In those circumstances, I ask for your assurance that a star against an amendment on Monday will not be a bar to considering it for debate and that you will sympathetically consider a manuscript amendment from any hon. Member who does not have the opportunity to see the amendments until Monday.

Mr. Speaker: There have been exchanges across the Chamber on this matter, and I heard the Leader of the House say that he thought that further discussions might take place. If the business does come on on Monday, I shall most certainly bear in mind and deal sympathetically with the matter that the hon. Gentleman has raised.

Mrs. Alice Mahon (Halifax): Further to that point of order, Mr. Speaker. I seek your guidance as a new Member. Is it usual for something as important as this to be rushed through in such haste? I am one of those of whom my hon. Friend the Member for Livingston (Mr. Cook) spoke, because I have to go home tonight for urgent business. I served on the Standing Committee and I am extremely disappointed that I will not have time to study in detail the amendments. I believe that this is an undemocratic way to carry on.

Mr. Speaker: I am not responsible for the management of business in the House, but, as I said yesterday, it is important to have adequate time to consider these important matters. The hon. Lady will have heard my comments today and, if she submits any amendments, I shall consider them sympathetically, although the matter may not arise if the business is changed.

Orders of the Day

Regional Development Grants (Termination) Bill

Not amended (in the Standing Committee), considered.
Bill reported, without amendment.
Order for Third Reading read.

4.10 pm

The Minister of State, Scottish Office (Mr. Ian Lang): I beg to move, That the Bill be now read the Third time.

The subject of the Bill is the closure of the regional development grant scheme, which was introduced under the Industrial Development Act 1982, as substituted by the Co-operative Development Agency and Industrial Development Act 1984. Hon. Members have extensively and, if I may say so, thoughtfully and usefully, debated aspects of the Bill in Committee. Nevertheless, it returns unamended to the Floor of the House.

The Bill is a short one. It has two substantive clauses. Clause 1 removes the power to make grants for projects, unless applications are received on or before 31 March 1988. Clause 2 establishes transitional arrangements concerning the availability of grants for projects in respect of which applications are received after 12 January 1988, except where applications are in respect of projects started on or before that date. As the House will recall, 12 January is the date upon which our intentions in that regard were announced to the House by my right hon. and learned Friend the Chancellor of the Duchy of Lancaster.

The ending of the regional development grant scheme is part of a group of measures by which the Government aim to strengthen regional policy and to make it more cost-effective. At present regional development grant is available for a wide range of projects in development areas. The scheme involves virtually automatic grant payments at standard rates. This mechanistic nature of the scheme make it unsatisfactory in a number of respects. The grant is available to companies of any size and there is no assessment made at the time of application of whether a project really needs to be grant-aided before it can proceed or whether it is based on a viable business plan. A large number of projects therefore receive aid which would have gone ahead in the same location in any case.

The waste of scarce public resources that arises cannot be justified. A less automatic approach to regional assistance is necessary. In this way we shall ensure that projects are properly evaluated in advance and that only those where need is demonstrated receive assistance. That is the basis on which regional assistance will be administered in future.

Mr. Dafydd Wigley (Caernarfon): The Minister stressed the importance of flexibility in the payment of grant, yet the Government show no flexibility over boundaries. The Minister appears to be standing by the statement that the boundaries will remain for the duration of this Parliament. Will he give us an assurance that, if there were an industrial catastrophe, leading to massive unemployment in an area outside those boundaries, the Government would be flexible and would seek to bring forward changes if necessary?

Mr. Lang: The hon. Gentleman will be aware that there are a number of weapons in the Government's armoury which we can use to help particular areas, but there is no need to change the development area maps in the context of the changes that we are now debating. The assisted areas will remain, and there will still be advantages of one kind or another under the overall regional aid package that will continue to be enforced. Any regular review of the boundaries involving changes on a rapid, regular and repeated basis would undermine the stability that is an important underlying feature of regional assistance. It is the relative need of different areas that is important, rather than the absolute need.

Mr. A. J. Beith (Berwick-upon-Tweed): Is the Minister refusing to recognise that the original decisions may have been wrong, or that the pattern may change, so that far greater need may exist outside an assisted area than inside it? If, as he now argues, the policy works even with a selective system, the effect would be to direct industry away from an area of great need to an area of lesser need.

Mr. Lang: None of these policies is absolutely set in concrete for all time, but my right hon. and learned Friend thought it appropriate to say that there would be no further changes before the end of the lifetime of this Parliament. It is important to give an underlying measure of stability, as I said earlier, and we have other weapons at our disposal to bring help where it is seen to be necessary.

The House has, of course, been concerned about the effects of the ending of RDG on spending on regional assistance, but I can say that planned spending on regional assistance is not being cut. Some hon. Members have persisted in raising the question of what will happen after 1991, but they know that it is impossible to give expenditure figures as far ahead as that. Indeed, it would be irresponsible to try to do so. The position is that, looking as far ahead as we can, our spending is being refined and redirected; it is not being cut. More funds are being made available for regional selective assistance. It is now up to companies to come forward with good quality projects to support.

Mr. Austin Mitchell (Great Grimsby): When the Minister says that spending will not be cut, he includes in that spending the money still in the pipeline from regional development grant. That is a point that arose frequently in Committee. Will he quarantee that when that money has gone through the pipeline, regional spending will stay as high as it is now?

Mr. Lang: The hon Gentleman presses questions which have already been fully explored in Committee. As he knows, the expenditure budget for the Department of Trade and Industry is expected to rise from £700 million, as stated in last year's White Paper on public expenditure, to about £900 million, as stated in this year's White Paper. Over and above that, there is further substantial help under the consultancy services, totalling about £274 million over three years. I think that if the hon. Gentleman sets that against the declining input of RDG 1, which he rightly identifies, he will realise that there is no question of a cut and that in many areas there are substantial increases.

Hon. Members have also been concerned about the position of smaller companies following the ending of

[Mr. Lang]

regional development grant, but I can assure the House that that concern is misplaced. The Government have done a great deal to stimulate the growth of small companies, because we recognise that the future prosperity of assisted areas depends to a considerable extent on the further spread of the enterprise culture into those parts of the country which historically depended on a few large employers, often in heavy industry. Our regional policy fits naturally into that wider policy framework.

Regional selective assistance is available to companies of all sizes. Making an application is not at all the bureaucratic of onerous procedure that some would suggest. A discretionary grants system that aims to direct assistance where it is needed will necessarily require more detailed financial information than would be the case with an automatic grant scheme. However, we are fully aware that, in order not to place undue burdens on industry and not to discourage companies from seeking assistance, such requirements must be kept to a minimum.

As far as RSA is concerned, we have been keen to ensure that small companies make full use of what is available and for that reason, we recently introduced significantly simplified procedures for those applying for a grant of under £25,000. Companies with fewer than 25 employees in development areas will, of course, also be able to benefit from the new investment and innovation grants that are being introduced from 1 April. I can assure hon. Members that in drawing up the guidelines for the operation of the new grants, we have been mindful of the need to keep procedures as simple as possible. For all schemes, officials are always ready to discuss applications and to give guidance to companies.

I am glad to see that the hon. Member for Fife, Central (Mr. McLeish) in his place. Most of us, if we are fortunate, have small parts of our speeches reported by the press in some newspapers the next day, but the hon. Gentleman has managed to achieve what some of us regard as impossible—extensive reporting of the speech to which he will treat the House later this afternoon. Perhaps I can help the hon. Gentleman and shorten the debate by answering in advance the remarks that he contemplates making.

Today's edition of *The Scotsman* tell us:

"A Labour MP will today use the last Commons debate on the scrapping of the Regional Development Grant to call for a broad-based campaign aimed at helping Scottish industry and business to take advantage of the Government's Enterprise Initiative."

I could not agree more with the hon. Gentleman, and I am happy to join him in that broad-based campaign.

According to *The Scotsman*, the hon. Gentleman

"said yesterday that the row over cuts in regional aid was now a bogus issue".

I entirely agree with him on that, too.

In the same article, the Scottish Council (Development and Industry) is quoted as having submitted to my right hon. and learned Friend the Secretary of State for Scotland

"a three-point programme, urging more flexibility in the new selective grant system, more emphasis on innovation, and a Scottish promotional campaign."

In this happy harmony that we appear to have struck this afternoon, I accept and commend all three points made by the Scottish Council (Development and Industry), whose support for our overall programme we warmly welcomed when the announcement was made.

At various stages of the progress of the Bill, a number of hon. Members have referred to inward investment and expressed concern about what might happen to it as a result of the proposals in the Bill. I do not believe that inward investment will be undermined by the changes that we are making. I wish to share with the House the experience that I enjoyed last Monday, and I think that hon. Members may well then agree with me. On that day I presided at a press conference in Edinburgh at which the Bankers Trust, the seventh largest bank in the United States, with assets of more than $50 billion, announced that it was setting up an international administration project in Edinburgh. When asked what financial assistance it had been offered, it replied, "None."

On the same day I attended a seminar promoted by the Compaq Computer Corporation, the fastest-growing personal computer manufacturer in the world, to mark the start of production, ahead of schedule, of its manufacturing plant at Erskine in Scotland. In its case regional assistance was offered and accepted, but the company, quoted in *The Scotsman* on 8 March, said that Compaq

"chose to locate in Scotland although other European countries had offered it more lucrative financial packages . . . the other major European countries, including France and Germany . . . had put forward financial packages which matched each other"

but

"those packages had not been the key factor in the decision to relocate in Renfrewshire . . . Mr. Francois said that the company had been given no special tax treatment to set up on the greenfield site. One element, however, which obviously had been important was corporate income tax."

I believe that regional assistance has a part to play in attracting inward investment — in some cases an important part — but regional assistance will still be available in selective form and can thus be tailored to the needs of specific projects——

Mr. Tim Devlin (Stockton, South): I am sorry to interrupt my hon. Friend, but there are a number of English Members in the Chamber, as well as Scottish ones. It might be helpful if I pointed out that we are enjoying the same increased level of inward investment in the north-east without the need for regional development grant. As a result of the advertising by the Teesside development corporation, a great deal of interest has been shown in sites in the TDC area and in the whole north-east of England. We are now in a position to say that there will be a severe shortage of factory and office space throughout the north-east, as reported in the *Financial Times* only three days ago. We look forward to a time in the near future when the north-east will be building, with the help of regional selection assistance, on the strength of its small firms, but we will not need the same RDG as we have in the past.

Mr. Lang: I am sure that my hon. Friend is right. He brings to the debate a close knowledge of what is happening in the north-east. It is clear that there, as in other parts of the country, the economy is reviving——

Mr. Tony Blair (Sedgefield): The hon. Member for Stockton, South (Mr. Devlin) is wrong. The story on the front page of the *Financial Times* did not say that there was a shortage of sites in the north-east—there is not. There is a plethora of them. There is, however, a shortage of factory buildings. One of the main reasons for that is that

the Government have wound up the Aycliffe and Peterlee development corporation and are not putting the money into English Estates to build new factory buildings.

Mr. Lang: English Estates' budget is being considerably increased. I take the view that most sensible people would take — that a shortage of factory space is a sign of success rather than of failure.

Mr. Nicholas Fairbairn (Perth and Kinross): Will my hon. Friend remind the hon. Member for Sedgefield (Mr. Blair) that when he speaks of the north-east, he presumably means the north-east of England? I regard the north-east as Aberdeenshire.

Mr. Lang: My hon. and learned Friend is right. The north, the north-east and north-west are parts of the United Kingdom that we Scots go south to reach.

Mr. Geoffrey Lofthouse (Pontefract and Castleford): Will the Minister advise his hon. Friend the Member for Stockton, South (Mr. Devlin) that although he may have too much in his area, 100 miles down the A1 mining communities are being wiped out and given no assistance by the Bill? No factories are being encouraged to come in to replace miners' lost jobs. As recently as yesterday, three more major pits were wiped out in the area. What will the Government do for those mining communities?

Mr. Lang: The hon. Gentleman is tempting me to stray far from the confines of the Bill, to which we are giving a Third Reading. From his knowledge of the mining industry, he will know of the substantial financial resources that are being brought to bear on the problems of mining areas by British Coal Enterprise initiatives.

Mr. Dennis Skinner (Bolsover): It is being bandied about by Ministers that British Coal Enterprise is providing jobs in coalfields where pits have closed. It has £30 million of taxpayers' money, but it is not providing such jobs. It is a front. It is laying claim to jobs that are being created in some cases by development areas and in others by regional grants, of which they will now be robbed. Merrik Spanton, who runs British Coal Enterprise, should be brought before an appropriate Committee of the House to explain where that £30 million of taxpayers' money has gone. If a Labour local authority had spent that money on gravy trains and junkets, it would have been surcharged. It is important that this matter be investigated.

Mr. Deputy Speaker (Sir Paul Dean): Order. I hope the Minister will bear in mind, when dealing with these points, that we are now on Third Reading, and that it is in order to deal only with what is in the Bill.

Mr. Lang: I knew that it would be a mistake to give way to the hon. Gentleman. It is important to ensure that the transition from the present policy framework to the new one is fairly and equitably achieved. Clause 2 is designed to that end. Its purpose is to set out the restrictions that will apply on payment of grant to projects that were the subject of applications for approval received after 12 January 1988 and on or before 31 March 1988, and which commenced after 12 January 1988. The restrictions do not apply to any other projects. Projects that started on or before 12 January, provided that an application is submitted by 31 March, and applications that were received on or before 12 January, will be unaffected by the closure arrangements.

The Bill signifies no reduction in our commitment to an effective regional policy, contrary to what some hon. Members have suggested. In Committee they proposed that various parts of the country should be excluded from the provisions of the Bill, but that would be unworkable given the bewildering pattern of assistance across the country. More important, such suggestions exhibit a failure to understand our proposals. They appear to equate regional policy with regional development grant, which shows a lack of willingness to accept that policy must be adapted to the circumstances of today.

Our objective has not changed. It continues to be the reduction of disparities in job prospects between different parts of the country, and the encouragement of the development of local potential for self-generating growth. The means of achieving that objective must always be subject to critical examination. We believe that the time is now right for a change. The economy has been showing considerable improvement, and unemployment in the United Kingdom has fallen by almost 650,000 since July 1986 and is expected to continue to fall in 1988. Manufacturing productivity has improved markedly and business confidence is high.

We want to ensure that the improvements that have taken place throughout Great Britain continue. The best way to do that in the assisted areas is to ensure that our regional policy is as effective as possible. No longer can a case be made for handing out grant in a general and automatic fashion. That is neither necessary nor effective. The greatest progress will be achieved by all individuals and businesses taking responsibility for their own future.

That does not mean a simple sink-or-swim philosophy. It means that assistance is best given, not in an undirected manner or in such a way that dependence on assistance is created, but by relating patterns of assistance to need. Our general regional policy objectives continue to be those of stimulating local self-generating growth and reducing inequalities of employment opportunity.

Mr. William Powell (Corby): My constituency has been a substantial recipient of RDG over the past years, to its great benefit. The single most important factor that has caused the remarkable industrial turn around in my constituency has been the provision of derelict land grant, which has enabled sites to be cleared and new businesses to come in.

Mr. Lang: My hon. Friend's constituency is a remarkable tribute to the development of enterprise in an area which previously depended on one major industry and in which employment opportunities had substantially diminished. Unemployment in my hon. Friend's constituency has fallen from about 25 per cent. to about 12 per cent., which is a remarkable achievement.

Mr. Devlin: Does my hon. Friend agree that the structural problem of the north-east is heavy over-dependence on large industries, with large employment probabilities? The need now is to restructure the local economy so that many more people can be employed, and encouraged to be employed, in small and medium-sized businesses and encouraged into self-employment. That will be the special value to the north-east of England of the enterprise initiative proposed in the Bill.

Mr. Lang: My hon. Friend is right. The general thrust of our policies in the Bill and alongside it emphasise the

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importance of assisting small companies, which are the more likely generators of future jobs, and of encouraging enterprise and the growth of self-employment.

The changes that we are making are positive. Regional selective assistance continues, and funding provision for it has increased. New grants to assist small firms in development areas to pursue investment and innovation projects will come into effect on 1 April. Firms in assisted areas now benefit from a higher rate of support under the new consultancy schemes, such as the business development initiative. These policies show our determination to use public funds wisely and effectively to strike at the root of the problem of regional disadvantage. No longer will money be thrown at companies in a wasteful and unnecessary attempt to ensure that they do what they had all along intended to do.

The proposals enshrined in the Bill and the other regional assistance policies that accompany it build on, and flow from, the changes that we introduced in 1984. They update our approach against the background of the continuing sustained growth of the economy, which is responding to the broad thrust of our economic policies. We intend that success to continue.

In 1984 we tightened the operation of RDG, notably with the introduction of job creation criteria. This achieved better value for money for the taxpayer and a more effective operation of regional policy, as the continuing revival of regional economies demonstrates. Now we perceive that it is right to go further. The changes that we propose will apply our resources—which are not being reduced—more cost-effectively, more flexibly and more selectively, the better to achieve our objective of helping the disadvantaged parts of Britain to rise above these historic disadvantages. This will enable us to stimulate in all parts of the country the self-sustaining spread of enterprise on which jobs and prosperity depend. I commend the Bill to the House.

4.32 pm

Mr. Austin Mitchell (Great Grimsby): If the Regional Development Grants (Termination) Bill sounds like an abortion, that is almost certainly because that is what it is. Although it is only a short, two-clause Bill, its malevolence is in inverse ratio to its size. It has all the hallmarks of the Government's new radical loony phase that began when Saatchi and Saatchi took over the Conservative party conference with the theme "The next move forward". That theme gave the Prime Minister her head, and the Bill is one of the consequences.

It is a vicious Bill because it hits hardest those areas that are most in need and favours the richest areas. It is a mean Bill and exhibits a further petty economy. It will lead to a reduction in spending on the regions—which is what we are talking about — by a Government who are already spending only £1 on regional assistance for every £4 that the Labour Government spent when they were in power.

It is a shabby Bill because it is justified with figures that the Minister is still fiddling. We cannot make this point frequently enough. The money that is in the pipeline for regional development grants is being counted in the Government's total for regional assistance. Also being counted are the consultancy grants and arrangements, 40 per cent. of which will go to the prosperous south-east. That is being counted as if it were going to the regions that are losing money.

The Bill is also cynical. It is typical of the new approach of the Department of Trade and Industry under Lord Young of Graffham, Saatchi and Thompson, which is advertising worse as being better. The Minister told us that the Government's approach is not to throw money at problems, but the approach is clearly to throw advertising agencies and advertising budgets at them. The advertising expenditure of the DTI is in exactly adverse ratio to its powers. As those powers contract, the advertising budget goes up. That budget is going up pari passu with the gaping trade deficit. The only benefit of the Department's policy is to the advertising industry.

When I say that the Bill is vicious, mean, shabby and cynical, I am saying that it is not exactly untypical of the Government and their approach to the regions. The Bill is based—the Minister repeated the point—on a hype, a distortion. He says that the economy is picking up, and for that reason we can seize this window of opportunity to abolish regional development grants that have been the mainstay of regional policy. That is what the Minister said, and if he wants to contradict it I shall be happy to sit down and let him do so.

The Minister said that the economy is picking up and this is the moment at which we can get rid of regional development grants. The economy is picking up largely because in 1986 the value of the pound fell and that encouraged exports. The dollar has been falling only slowly and exports to the United States have been helped enormously. That has caused an economic recovery. The Chancellor has since been attempting to kill the goose that has laid his golden eggs and the Prime Minister has now taken the axe from his hands and has rushed in to uncap sterling, which is now rising. It is now up 18 per cent. in real terms against the deutschmark on the February 1987 figure.

The Parliamentary Under-Secretary of State for Industry (Mr. Robert Atkins): This is the speech that the hon. Gentleman made this morning.

Mr. Mitchell: My speech certainly has similarities to the speech that I made this morning, but that is because I made such a good speech. I am glad that the Minister remembers it and enjoyed it.

The Prime Minister has seized power from the Chancellor of the Exchequer. She has uncapped sterling and the exchange rate has now risen in a way that will be directly harmful to the manufacturing industry that is so crucial to the areas of Britain that will be hit by the Bill.

Mr. Richard Holt (Langbaurgh): What exchange rate would the hon. Gentleman like to see, bearing in mind that three and a half years ago, when the pound was nearly at parity with the dollar, the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley) said that it was not high enough?

Mr. Mitchell: The pound should be slimmed down, and so should the hon. Gentleman.

Yesterday's editorial in *The Sun* was headed "Three cheers for rising pound". It said:

"Foreigners are squabbling to buy our currency. Investors want to set up factories here. The pound is proud again. And that is no cause for tears.

We should be cheering from the roof tops."

That is *The Sun* in its well-known capacity as the toilet paper of the Tory body politic praising Government policy. The exchange rate that *The Sun* praises so lavishly will be harmful to manufacturing industry which makes a major contribution to the areas that will be hit by the Bill.

The Government tell us that they are using the opportunity of a recovery to cut regional development grants. That is going up the well-known creek without a paddle. They cannot get interest rates down because they have unleashed such a credit explosion, and because interest rates are so high, the pound is kept high to strangle manufacturing industry.

What is happening to the exchange rate and to interest rates bodes ill for the manufacturing heartlands of Britain, and we shall again suffer job losses. When there is contraction, those are the areas that will be hit by the Bill and they will suffer worst.

It cannot be emphasised enough that a high exchange rate is a transfer of power from the north, the manufacturing area, to the south and to people who have money. Those who have much money are taking it away from those who have very little. The window of opportunity which the Government say is their justification for introducing the Bill is rapidly closing.

A point that we emphasise constantly in Committee but which we still have not got across to Ministers is that the great advantage of regional development grants is that they are automatic. They are given automatically to firms going to development areas. Firms know that the grant is there and can take it into account. Firms pay less tax because of the automatic nature of those grants than they would pay under regional selective assistance. Because the grants are automatic it is easier to attract foreign firms. My hon. Friend the Member for Sheffield, Central (Mr. Caborn) will deal with how competitive are many of the regional incentives given in other Common Market countries compared to ours. Surely it must be easier to attract footloose international industry if we can offer it the automatic guarantee of a regional development grant.

There is always a lot of pleasure in meeting officials from the DTI and even more pleasure in meeting Ministers from the DTI, but there is no money in it, like the automatic money that comes from regional development grants.

Mr. Bob Cryer (Bradford, South): Is there not also the important element that, if a grant is automatic, it keeps the civil servants at arm's length and all square with every applicant? Judging by our past experience, is there not a danger, with the exodus of civil servants from the Department of Trade and Industry to the boards of concerns as industrial advisers and the entry into the DTI of many business people, that there could be under this sort of legislation the invidious business of civil servants being able to hand out money on a somewhat arbitrary basis, which would lead to a form of corruption?

Mr. Mitchell: That is a further and important point which I am willing to acknowledge. On knowledge of trade and industry, I defer to my hon. Friend, who knows so much about it. It is a point which it is worth emphasising constantly. It is another advantage of the automatic grant, which is similar to a regional devaluation. An area of the country that is not competitive needs the opportunity to have some extra incentive, such as a regional devaluation and an automatic grant to industry going to the area.

The Government are cutting the grant without consultation—nobody was consulted about the Bill; the Government produce straws of evidence, but there has been no consultation—and all the evidence that we have is that industry resents this cut and does not like it and that all the regional authorities are strongly opposed to it. The Government are doing this against all the evidence of their own research documents, the "Regional Incentives" and the "Investment Decision of the Firm" studies, which showed the importance and effectiveness of regional development grants. They are contradicting their own evidence, and they are also doing it against the evidence from the National Audit Office report which came out on 26 February.

Mr. William Powell: I am very interested in what the hon. Gentleman has to say about the advantages of the automatic system of grants. I wonder whether he can deal with the following point. The largest single recipient of automatic regional assistance in my constituency has been the British Steel Corporation, which has, of course, been the largest destroyer of jobs in my constituency.

Mr. Mitchell: The information is four years out of date, in the sense that we are talking about RGD 2, not the RGD system about which the hon. Member is complaining. If he has a complaint on that count, he should address it to Ministers.

The report from the National Audit Office is a commendation of the grants which are being abolished. It makes several important points. It says that failures in RDG projects, which the Ministers complained of in Committee, are

"no higher than for businesses generally."

It also says:

"studies by external consultants showed that a third of assisted firms that were interviewed considered that RDG II had been a critical factor in their investment decisions . . . Between 75 and 80 per cent. of respondents said the incentives had had some influence on their decisions."

It is working. It is attracting industry to the regions, which is what it is meant to do. Yet the Government are abolishing it.

Mr. Lang: It is also pointed out that a rather higher proportion of beneficiaries of regional selective assistance regard it as important and critical to their investment decisions. So is not regional selective assistance working rather better?

Mr. Mitchell: No, because the report gives the cost per job of employment attracted by regional selective assistance and by regional development grants and shows that, in the year 1986-87, the cost per job of regional selective assistance was £3,341, while the cost per job or regional development grants was only £3,155.

Mr. Lang: I am most grateful to the hon. Gentleman. He has quoted extensively from the Moore, Rhodes and Tyler report at various stages. That report and the Robinson, Wren and Goddard report, which have tried to assess the cost of net additional jobs created by regional incentives, have both confirmed what common sense would suggest, which is that selective schemes are more cost-effective per new job created than are automatic ones.

Mr. Mitchell: That is just not true. This report is more up to date, in any case.

Mr. Lang: I apologise for repeatedly intervening, but the report is not adducing any new evidence. It is using evidence that was published some considerable time ago.

Mr. Mitchell: It seems difficult to get over to the Minister the basic essence of the argument that if we are to attract industry to the regions we need a panoply of weapons, and both regional development grants which are automatic, and regional selective assistance, which is based on consultation, have a part to play. There cannot be a one-legged approach. There must be two legs to the strategy. That is why we are defending regional development grants.

Mr. Devlin: Will the hon. Member accept that a certain number of businesses are going to move into regions for reasons totally unconnected with regional selective assistance or even regional development grants? A whole range of investment decisions are taken without any form of regional assistance in mind.

Mr. Lang: And there are others which are not.

Mr. Mitchell: Of course; the Minister is giving us a platitude there. They might even go to the north-east because they like the hon. Member's face, although I think that it is somewhat unlikely. But, among the reasons that firms give, regional development grants are cited as a major one. It stands to reason that if they can get a grant for going there they are more likely to go than if they cannot get a grant. It is chop logic to say that, because some firms go to regions without grants, they will all go to regions without grants. That just does not make any sense at all.

Mr. Fairbairn *rose*——

Mr. Mitchell: I am sorry, but I am going to pursue my argument. I have given way a number of times.

It is the automatic nature of these grants that is their strength, but it is also the reason why the Government object to these grants. They do not like the automatic nature. Specifically, the Treasury does not like anything that is demand-led, as this is, because, if a firm goes to a region, it gets the grant. That is what rankles with the Treasury. It wants the power to control those grants: it can cut regional selective assistance or impose cash limits on it. The Department's budget can be cut by decisions over which it has no control. That cannot happen with demand-led grants such as regional development grants.

Mr. Fairbairn: If we take a very simple situation such as that in my constituency in Perthshire, a person can move along the road to Dundee and collect some of the grants under the old system. But that does not make new jobs. It just robs my constituency of the jobs and moves them along the road, where some of the sort of people of whom the hon. Gentleman disapproves will collect the grant. Perhaps the hon. Gentleman would answer this question: at what price does he think that the pound should be to get the Elysium that he wants?

Mr. Mitchell: I always enjoy the hon. and learned Gentleman's contributions, but there was as much cock in that as there was in his speech last night on clause 29, because that is an argument against regional assistance or designated areas altogether. The Government are retaining the regional assistance structure. Our argument is about the array of weapons that the Government need to have within that structure. His is a criticism of the structure altogether, which is irrelevant to this argument.

Mr. Cryer: Would not the argument just advanced by the hon. and learned Member for Perth and Kinross (Mr. Fairbairn) apply with equal force to the Government's enterprise zones, of which he is, one supposes, a fervent advocate? And is not the argument that we have always advanced against them that they just move people into another immediately adjacent area?

Mr. Mitchell: I am most grateful to my hon. Friend. With his usual perspicacity, he has picked on another important point which I should have included in my argument but did not.

One would have thought that any Ministers, given the strength that the grants give them against the Treasury, would have fought to save those grants. The fact that they have given way shows how little guts they have for fighting against the Treasury for the interests of industry, the regions and their Department.

Regional strategies, economic policies and incentives to attract industry to the regions are not only a matter of social justice and fairness between regions but make economic sense. This is a Government of the country by the south-east, for the south-east. The south-east is better off, yet it is the area that is producing the pressures and the inflation which the Government are using as an excuse to damp down economic expansion. Where does the pressure of skill shortages come? It comes in the south-east. Where is the pressure of rising house prices, which has an effect on inflation? It is in the south-east. Where are house prices being used as a lever to get more and more credit to spend more and more? It is in the south-east, not in the north.

In other words, all those pressures of inflation from London are being used as an excuse to damp down the economy in a way that hits the rest of the country quite disproportionately. It hits the areas of the country that are represented by Labour Members, and the Minister is compounding that with this legislation. It is no good telling people in the north that there will be a trickle-down effect from the prosperity of the south-east. I do not know whether we are supposed to buy their secondhand Porsches or Gucci shoes or whether we are supposed to have the wetback economy of people travelling down the M1 to obtain work in the building trade because no jobs are available in their own areas.

It makes sense to use the social capital and facilities of the north by attracting industry to the area. To do so we need weapons such as automatic regional development grants.

The position will be made worse by the introduction of the single market in 1992. The tendency in an open market is not for development to be focused on the peripheries —which is what Britain will become in a single market — but on the growing centre. The single market will pose a threat to the north, yet the Government are removing one of our ways to attract development. That poses the danger of turning the United Kingdom into the Northern Ireland of Europe. It will drain off development from this country.

The Minister has been unable to justify a decision that is irrational and which will harm economic and regional policy. He did not—nor did any Ministers in Committee —have the decency to distance himself from the lunatic nostrums and the crank economics advanced by Conservative Members.

Mr. Devlin *rose*——

Mr. Mitchell: I have heard enough crank economics; I do not want to hear any more from the hon. Gentleman. He may be an expert on piggy banking, but he knows nothing about regional development.

Labour Members represent the north, Scotland, Wales and the areas that have been hard hit by the Government. That may be a political disadvantage, but it gives us a firmer grasp of economic realities and of the realities of manufacturing industry and of making things to sell to the world. We are talking about the real world, not the hypothetical money world about which Conservative Members talk.

We have a passionate concern to ensure that those vulnerable areas of the country are not done down by this measure, which will be opposed to the end.

4.52 pm

Sir John Farr (Harborough): I welcome this short Bill. I hope that the hon. Member for Great Grimsby (Mr. Mitchell) will forgive me if I do not follow him too closely, but he seemed to ramble out of order by talking about exchange rates and the cost to jobs. I always thought that a high exchange rate would make the cost of raw materials imported by our industry less expensive and that it would therefore have certain advantages. However, it would be out of order to talk further about that subject in this debate.

I should like to raise an important matter that has cropped up in my constituency during the past week. It involves a company in which 200 jobs are at stake. I shall give the House this specific example of the evils of the present regional development grant system.

At present, the RDG system is causing gross distortions. There is a company in Logan street in Market Harborough that makes a very sophisticated type of valve. It has been there for 100 years and some of the grandfathers of the workers, who are highly skilled, also worked there. They are anxious to stay in Market Harborough and redevelop the town. *[Interruption.]* I wish the that hon. Member for Great Grimsby would listen, because I am trying to point out a matter of which he may not be aware.

In many parts of the country, the RDG system is a gross waste of Government money. Crosby Valve has been tempted to go to the east of Corby, which is nine or ten miles away, despite the fact that in Corby — I am pleased to see my hon. Friend the Member for Corby (Mr. Powell) sitting beside me in the Chamber—there are no skilled engineering workers available.

We have the ludicrous position that the company—which has been in Market Harborough since the turn of the century and which is doing a skilled engineering job —and its workers desperately want to stay in Market Harborough, yet simply because of the RDG system, and because of a grant of about £3,000 per job, the company can redeploy in Corby at no cost whatsoever.

If the company is attracted to Corby by this distortion, the workers, who have remained loyal to the company for many years, will have to bus in and out every day. How stupid can outdated legislation become? The sooner the Bill is on the statute book, the better.

I have been in touch with my hon. Friend the Minister, who is always helpful in these matters. I pointed out that, although an alternative site was available in Market Harborough, with planning consent for engineering purposes, the difference to the company between relocating in Corby or to the new site that is available in Market Harborough would be over £500,000. In this competitive world, companies must do the right thing for their shareholders. Directors are responsible to shareholders for how they handle financial matters. There is no way in which an independent director, acting in the best interests of his shareholders, could do other than recommend that the company redeploy in Corby.

I wrote to my hon. Friend the Under-Secretary, the hon. Member for South Ribble (Mr. Atkins) and said that Crosby Valve has been in Market Harborough for three generations. I told him that the proposed move had been influenced by the availability of £600,000-worth of RDG in neighbouring Corby. He wrote back very promptly—he always writes back very rapidly, although he sometimes writes rather unhelpful letters—saying that there was no money available, and adding:

"I would not wish to influence the company's consideration in any way."

The company has been influenced in its decision by the grant that operates at present. It is because of the damaging influence of regional development grants that this tragedy has come about, and what is by no means a dormitory town is likely to become more so in the near future.

Mr. William Powell: My hon. Friend makes his point precisely and well, and I agree with him, even though it is the land in my constituency that may benefit if the company relocates and the land in his constituency that may lose. Many people have played a considerable part in the recovery of Corby, not least my hon. Friend the Minister, who, at a time when the town desperately needed friends wherever it could find them, played a notable part in the early stages of getting the regeneration going. The point that my hon. Friend makes on behalf of his constituents will be well received by mine.

Sir John Farr: I am grateful to my hon. Friend; he is a personal friend as well as being a friend in the House. His kind words do not disguise the fact that the loss of a thriving and enterprising company cannot be replaced by kind words.

I have tried to give the House a common-sense approach. I did not bring in the rate of exchange more than I had to. To my mind, the debate is all about the RDG. The sooner the Bill is passed the better.

5pm

Mr. A. J. Beith (Berwick-upon-Tweed): I am glad that the hon. Member for Harborough (Sir J. Farr) raised that issue. It is a familiar story for many of us in other parts of the country. The Bill claims to be selective but it does not enable the Minister to be selective in such situations as the one described by the hon. Member for Harborough, and to bring assistance to companies so that they can stay in locations that are sensible for them——

Several hon. Members *rose*——

Mr. Beith: I have not finished dealing with the hon. Member for Harborough. Like him, I receive many letters from the Under-Secretary of State who is coming to look at a similar situation in my constituency in a week or two. He has not yet been persuaded that the root of the problem is that the map is set in concrete and never modified to take account of changes that occur in places such as Corby and its neighbouring areas. The hon. Members for Corby (Mr. Powell), for Darlington (Mr. Fallon) and for Amber

[Mr. Beith]

Valley (Mr. Oppenheim) tried to intervene a moment ago. I shall not give myself the difficult task of choosing between them, so instead I shall turn to the Bill.

I cannot avoid mentioning in passing the sequence of letters that I received from the Under-Secretary of State. Recently they have taken a strange turn. The last one, no doubt under instruction from the Secretary of State in another place, had had its royal arms removed and replaced by some republican hieroglyphic, which was meant to convey the new thrusting, enterprising spirit of the Department. I find that puzzling. The Secretary of State embarked on a political career that leads him to believe that he is heading for even dizzier heights than he thought when the chairmanship of the Conservative party was in question. When the royal arms disappears from the notepaper of a Department of State, I begin to worry where the authority lies in the Administration.

We should remind ourselves that regional development grants have been a successful part of regional policy and have led to the creation of a large number of jobs, although nothing like enough jobs to replace those that have been lost by major structural changes, but certainly more than 600,000 jobs have been created. In at least one report, the Government have endorsed and recognised that, despite the criticisms from some Conservative Back Benchers, the regional development grant has proved important. The automatic grants must have been a significant part of that.

The Government must take account of the real fears that the ending of automatic grants will reduce incentives. Those fears have been expressed by organisations and individuals with day-to-day experience of trying to persuade industry to move into regions. The Northern Development Company which has been commended by Ministers is a good example of a region trying to help itself. Dr. John Bridge expressed precisely that fear, and it has been expressed by other people in other regions about inward investment and investment from overseas.

In the north-east, we have made particular efforts, with some success, to attract Japanese investment into the region. That policy has had some notable success, and I believe that it should continue, as it brings not only specific companies but a great deal of fresh air to the region. It brings new approaches to industrial working methods into the region, it gives a new approach to tackling some of our industrial problems. It has at last forced the British motor industry to look at all of its working practices and methods. That inward investment is invaluable to our region and to the country.

There are real fears that it would be less feasible to carry out such operations against the competition of other countries with automatic and generous forms of grant aid. Throughout the regions which get assistance, there is the fear that the end result will be a reduction in the amount of grant available.

Mr. Devlin: I noticed that the hon. Gentleman spoke about automatic or generous systems of grant. Is it not the case that generous systems of grant will continue after the Bill has passed?

Mr. Beith: How do we know that we will get generous assistance in future, given that there are many voices in the Conservative party which are hostile to the very idea of regional development grant, and given the many pressures for the reduction of that expenditure? It is very hard to imagine that there will be as high a level of grant expenditure in future. Indeed, we have seen the cuts in overall grant expenditure that have taken place so far. All the signs are that the level of grant expenditure will reduce, which will be severely to the detriment of the regions.

I would be happy to be proved wrong about that in a year or two. If I am shown the figures that show that, in real terms, the Government have given as much assistance to the regions as hitherto, and directed that investment more effectively, I shall be happy to congratulate them on that achievement. I shall be very surprised indeed if that happens. I fear that the new pattern will lead to a lower level of grant.

Another worry is what precisely will be the nature of ministerial involvement in those grants. There have been newspaper stories about what level of grant decision will involve Ministers personally. That gives rise to the question what considerations and what criteria will apply and to what extent political or other considerations will enter into decisions to give out grants. It would be helpful in today's debate if Ministers would reiterate very firmly that only industrial considerations will apply and that there will be no question of grants going to particular areas because they are thought to be marginal constituencies or areas in which the Government want to attract some political advantage.

Indeed, I thought that the Prime Minister's attitude to the inner cities was expressed in a depressingly vivid way on election night. When the results came in from some parts of the country, it suddenly dawned on her that there was a problem in the inner cities. I am glad that she discovered that. Indeed she has a problem in the inner cities.

That leads to the assumption that the policy was conceived in political terms. Selective assistance grants must not be given simply to parts of the country where the Goverment need to curry favour and gain success. Selective assistance grants must be given on industrial criteria or criteria related to industrial rejuvenation of the economy, and not on political criteria. The opportunities for ministerial intervention in the process that we are to have give rise to that particular worry.

Mr. Devlin: Will the hon. Gentleman give way?

Mr. Beith: I have already given way to the hon. Member for Stockton, South (Mr Devlin). He has intervened in many hon. Member's speeches and he has reached a stage where he might formulate his thoughts into a useful if brief speech later in the debate.

Another reason why we should not support the legislation is that it is not part of any wider review. The measure does not form part of a wider review of regional policy or involve any commitment to give regions greater control over their own affairs. The Bill must be seen against a background in which local authorities are becoming less able to take any part in the affairs of their regions or make any decisions about the affairs of their regions. The Government have made no attempt to introduce any regional machinery that will enable decisions to be taken within the regions affected.

The Bill leads to the opposite of the Government's proclaimed objective of letting the regions help themselves. If the regions are to help themselves, decisions must be made within the regions. If everything ultimately goes to civil servants in London or in the supposedly regional

centres who are ultimately responsible to other civil servants and Ministers in London, that is not regional decision-making and is not a process by which self-help can be encouraged.

The legislation also must be seen against the background of the Government's refusal to review the map. It seems a natural part of a piece of legislation which will change the system that the map should be reconsidered. Over the years, many of my hon. Friends have drawn attention to the defects of the map. My hon. Friend the Member for Truro (Mr. Taylor) and his late predecessor, David Penhaligon, spoke of the anomolies that arose in his constituency in Cornwall becaue the map was not up to date. The matter was also raised by Conservative Members.

I have referred time and again to the anomaly in the Alnwick and Amble area in my constituency, where there is consistently higher unemployment than many assisted areas and which has been denied development aid. Not only has it lost the grants referred to in the Bill but it has also been denied European aid which also hinges on the assisted areas' maps.

Under the Bill, if it is passed, the same thing will happen. People who want to start new businesses or to expand their businesses will be advised, in the same way as the hon. Member for Harborough's constituents, that they would be better off if they moved into assisted areas.

People have come to my surgeries in the last fortnight saying that they went to Government officials for advice about grants and were told, "Yes, you can have grants if you move into the assisted area"—and that in an area with consistently high unemployment. Recorded unemployment in Amble is over 20 per cent., with over one adult in three out of work. Yet people are being told that if they move down the road they can receive either the current automatic grants or the selective grants under the Bill.

That also applies to firms that are experiencing success, and want to expand and build new factory accommodation. There are grant opportunities for them too, if they move down the road into an assisted area.

Mr. William Powell: The hon. Gentleman makes an extremely powerful point. Sooner or later, Ministers will have to come to terms with it. At present, unemployment in my constituency is lower than in any other assisted area in the country by several percentage points, and it will become considerably lower, but, according to ministerial statements, we can expect no redrawing of the map until well into the next decade.

Mr. Beith: I could receive no better testimony or support than that—an hon. Member representing an assisted area saying, in effect, that the grant system has done its job, and it is time that the map was changed to reflect the facts as they now are.

Refusal to face the realities of change seems extraordinary from a Government who are trying to argue that the regional grant system needs change—that it must be more selective. The selectivity that the Bill confers does not enable the Minister to say, "A grant is not necessary here. I will therefore go outside the assisted area, find another black spot where unemployment is even higher and give a grant to a company there." Indeed, one route that he could have taken to obtain that power would have been a review of the map.

Mr. Phillip Oppenheim (Amber Valley): My constituency, which is in the north midlands, does not form part of an assisted area, although unemployment is still quite high in parts of it. In the past five years, I have seen jobs move out of my area into areas that have received regional assistance.

Is the hon. Gentleman aware that, under the rule changes that came into force in 1985, it is much harder for companies merely to shuffle jobs from one part of the country to another, because the Minister has discretion to ensure that, unless there is a substantial net increase in jobs, factories cannot be moved from non-assisted to assisted areas? I think that that has been of some assistance, although I accept many of the points that the hon. Gentleman has made.

Mr. Beith: It has not solved the problem that I face in my part of the world. My experience is not primarily of companies attempting that sort of thing, although I can think of one or two cases. It is of companies that genuinely wish to expand, want more space so that they can do so, need to spend a good deal of money to create that space and know that they could obtain grants if they moved into an assisted area. Under the Bill, they will not know with certainty, although no doubt they will be able to negotiate and make the decision to move on the basis that they will be offered a selective grant. The problem will still be there, and it also applies to those starting new businesses.

It is extraordinary to invite the House to carry through legislation that makes one change—possibly damaging—in the whole structure of regional grants, without tackling other fundamental problems that affect the grant system, and without ensuring that the system can meet the needs of areas where unemployment is very high.

The area in my constituency to which I have referred has the third highest unemployment of the non-assisted areas without development status. There are a number of such places around the country, which ought to have received attention before these measures were put into the Bill. The northern region and a number of others are working hard to help themselves, but time and again they come up against barriers created for them by Government. Those barriers have not been removed in the legislation, and fresh difficulties have been created. I therefore do not believe that the legislation should be given a Third Reading.

5.14 pm

Mr. Anthony Coombs (Wyre Forest): In welcoming the Bill, let me say first that the abolition of regional development grant and the subsequent changes in regional policy are long overdue. I say that not only because I come from the west midlands, which had to undergo its industrial restructuring without any benefit of regional development grant, but because regional development grants generally have not managed—in the words of the hon. Member for Fife, Central (Mr. McLeish) in Committee—to

"equalise opportunities for our firms and businesses so that some day they can take part in the great enterprise culture which seems to be sweeping the nation". [*Official Report, Standing Committee D*, 16 February 1988; c. 25.]

Too often in the past, they have been inefficient and wasteful, and have distorted the regional economies and damaged the job prospects of precisely the people they were designed to help.

[Mr. Anthony Coombs]

That the grants have been costly is beyond doubt. Over the past 20 years, the 600,000 jobs have been bought at the cost of some £35,000 per job. Even the Labour-controlled city council in Birmingham, through its job creation scheme, spends a maximum of £10,000 per job. An average enterprise agency would not consider spending more than £5,000 per job, and the French system of regional assistance mentioned by the hon. Member for Great Grimsby (Mr. Mitchell) in Committee spends about £5,000 per job.

The costliness of our sort of regional policy is evident for all to see. It is small wonder that the Public Accounts Committee said in 1987 that there were serious questions about the cost-effectiveness of this kind of assistance.

Mr. Holt: It is not only a matter of the cost per job. On Teesside, we have had a negative cost per job, in that, the more that millions of pounds have been poured into ICI and British Steel, the more tens of thousands of jobs have been lost.

Mr. Coombs: That is a very good point. I am coming on to that. The costs have been higher not only in financial but in economic terms. That is basically unsurprising, given that regional policy is based on the false premise that the extent of wealth depends on its distribution.

Not only has regional policy too often raised company costs artificially by artificial relocations on a very footloose basis, which has damaged certain regions where they have relocated, but it has raised costs by making links with the original suppliers more difficult, taking them further away from their original pools of skilled labour and making their management more diffuse. There is also the ridiculous position that the midlands, which lost 200,000 jobs over 10 years in the motor industry and related industries, had no regional development grant to help it with its restructuring. Under the Labour Government before 1979, it was actually prevented by the industrial development certificates from the restructuring that was so vital to its future.

Too often in the past, as recent research for the Regional Studies Association has shown, new firms that receive regional development grants have been condemned to marginalisation. By definition, they accept lower rates of return than normal, because of the grant that they are receiving. Too often they go into capital-intensive rather than labour-intensive projects, and too often they go into areas without an adequate prior analysis of the kind of market, the potential local excess capacity and the effect of existing local firms that they may have. Because the grant has been open-ended, automatic and not subject to viability, it has too often been ineffective and wasteful. In many instances, it has not even been effective in determining investment decisions.

Mr. Richard Caborn (Sheffield, Central): Can the hon. Gentleman give us any evidence from any independent, or, indeed, Government, report to substantiate his argument?

Mr. Coombs: As the hon. Member for Sheffield, Central (Mr. Caborn) said in Committee, according to the PIEDA consultants' report, only one third of firms receiving RDG said that the grants were critical for their investment decisions. One third said that they had no effect whatever on those decisions, and 71 per cent. said that they had no effect on their location decisions.

The second problem that regional policy has caused is that at least until 1984 it affected the larger traditional industries, which were less dynamic, less entrepreneurial and more monopolistic.

In Committee, the hon. Member for Great Grimsby supported that policy. He said:

"We want giants. It is a battle of the big battalions."—[*Official Report, Standing Committee D*, 18 February 1988; c. 54.]

But that ignores the fact that in Japan—to which the hon. Gentleman referred as part of his argument—three quarters of the jobs created in manufacturing industry are in firms with fewer than 300 employees, and in the United States, 75 per cent. of the 14 million jobs that have been created over the past 10 years are in smaller firms.

Mr. Austin Mitchell: It may be impossible to enlighten the hon. Gentleman's economic ignorance, but it is possible to correct his quotations. I did say that the battle of international trade was a battle of the giants. It is a fact that 94 per cent. of small firms in Britain do not export. In the Japanese economy, the ones that do export are the big corporations — the Sonys, Yamahas, Nissans and Datsuns — not the small suppliers about which he is talking.

Mr. Coombs: That may or may not be so, but we are talking about the regeneration of employment in the regions and the smaller firms have been at the forefront in creating employment, wherever they be. Too often, regional development policy not only encouraged the effective colonisation of many regions, but, in doing so, suppressed the talents of local entrepreneurs which most needed to be harnessed to create local jobs.

The third problem with regional development aid and grants is that, even if they sought to create capital investment where it was most needed, they went in the wrong direction. Between 1979 and 1986, the north-west increased its proportion of gross domestic fixed capital formations by 9 to 10 per cent. and it received 19·7 per cent. of regional development grant. The northern area had 6 per cent. of gross domestic fixed capital formations, and that was rising. It also received 19·7 per cent. of regional development grant. Yet the midlands, which had 7 per cent. of capital formations — and that was declining—received no regional development grant.

In practice, the regional development grant damaged local enterprise by subsidising imported competition. It ensured that industry in the regions was footloose. Indeed, it has been shown that in the northern region 80 per cent. of manufacturing firms are owned from outside. Most important, it ignored the basic fact that company formations and employment depend not on the region but on the sector of the economy in which they act. Indeed, according to "Business Trends", between 1980 and 1985 and the growth and contraction rates of employment in different industries, company formations are uniform, irrespective of the area, showing exactly what I have just been describing.

The new policy will, rightly, concentrate principally on market opportunities, and, by increasing the design, marketing and production skills, it will enable entrepreneurial firms to take advantage of those opportunities. That is the correct policy. It is little wonder, as the Minister said in Committee, that there have already been 30,000 inquiries on the enterprise initiative.

I suspect that, just as we saw with business improvement grants, 70 per cent. of the inquiries on the enterprise initiative, when it gets up and running, will come from the north and the regions where there is the enterprise and initiative waiting to be channelled in an entrepreneurial way in order to create the jobs that they so badly need and to make them, as they were at one time, the engine room of the economy.

I want to make four further short points. First, if a market economy is working efficiently, regional policy should be redundant. Complementary to the reforms of regional policy in the Bill are the reforms of the rating system, the housing market — which will make the labour supply more mobile—and, most important of all, the reforms that will make sure that wages in the regions reflect local labour markets.

It is crazy that East Anglia has an unemployment rate of only 8 per cent. and the northern region has an unemployment rate, on average, of 15 per cent., yet between the two there is a difference of only £3 per week in weekly earnings. Until bargaining is done at a genuine regional and plant level, irrespective of whether it is through councils, the Government or nationalised industries, or even large private industries, our regional policy will be less effective than it should be.

Secondly, the enterprise document which has been released by the Department of Trade and Industry talks about the difficulties of attracting private investment to improve the industrial infrastructure. It mentions that it was to rely on English Estates, particularly for its managed workshops. That really is not necessary. If taxation allowances are given for industrial buildings which are kept in active management, the private sector will come in and do that in addition to the English Estates. That is a course of action that I shall urge on the Government.

Mr. Christopher Gill (Ludlow): Is my hon. Friend contending that regional development grants have exhausted industry in his area, the black country, Birmingham and surrounding places, and that, because of that, the private enterprise culture has not been able to do its proper job, and that by ending regional development grants those reverse incentives will also be ended and the private sector economy will be able to re-establish itself?

Mr. Coombs: Indeed I am.

The third argument which I think has some substance is that recent changes in the operation of the European regional development fund, which mean that 80 per cent. of it will go to poorer regions, will mean that, if the United Kingdom is to keep its 70 per cent. proportion, it must have somewhere in the region of 75 per cent. of the remaining 20 per cent. allocated to it.

A large portion of that will come through integrated operations of the kind that has recently given Birmingham, where I come from, £113 million from the European regional development fund over the next five years. Applications are presently in from Manchester, Strathclyde and Leeds, and the Government should give those their maximum support.

Fourthly, the enterprise initiative and grant system need to be made more accessible. I am sure that that is one objective that my hon. Friend the Minister has in mind. I found it slightly sobering recently to visit a major engineering firm in my constituency, which has doubled its productivity since 1979 but which did not have a clear idea of either the engineering initiative or the youth training scheme. I appreciate that the number of Department of Trade and Industry offices will be increased to carry the message to industry, but enterprise agencies and chambers of commerce have an excellent opportunity to play their role, through their local contacts and sponsorships, by spreading the message and acting as conduits for the enterprise initiative. In that way, the thrust of the policy, making Government aid more focused, accessible and effective, especially for smaller firms, will be carried out.

In my experience business people do not expect Government loans for loss makers on an open-ended basis, as the regional development grant allowed. They are perfectly happy to prove the viability of their projects, despite the fact that the Opposition would say that that increased uncertainty. They do not expect Government help just because they are Mancunians, Geordies or Brummies, but because they have the drive and ideas to make a success of their particular industries. That is the thrust of the Government's policy and that is why I support it.

5.29 pm

Mr. David Young (Bolton, South-East): I congratulate the Government on the consistency of their policies for regional development and for the health of citizens in the northern regions. Nobody would argue that grants are the only effective system. Development grants are very important for my region, which in 1979 had 7·1 per cent. unemployment and in 1986 had 15·7 per cent. unemployment. It has had the highest drift of population and has lost 500,000 manufacturing jobs. Bolton received marginally more than it will lose from the package, but it is dependent upon the health of the north-west. If the north-west region loses, my town loses with it, because we are a part of the region.

We face a difficulty in attracting people, and also a communications difficulty. The Government established the third London airport in the south, not in the north, and British Rail is cutting off the night sleepers to Manchester, which will affect business men and the attraction of new investment. The regional grant is important to firms wishing to come to the area, so that they can plan according to how much grant they will receive. That certainty has been taken away by the legislation. Where will the firms go? This is part of the cheque-book approach of the Government. The firms will no longer come to the north, the midlands or the north-east, but will concentrate in the south, so we will lose the opportunity to attract investment.

Mr. Gill: Does the hon. Gentleman accept that when business men make decisions on where to locate their premises or factories they have more regard for commercial considerations, such as the proximity of their markets, the availability of labour, the cheapness of premises and the land on which they are built, than for the bribes that they have had in the past?

Mr. Young: The hon. Gentleman has made my case for me, because that is why the north has been disadvantaged. The Government have placed all their eggs in the south. The Government represent, not the north-west, but the south. We want to attract industry to the north. We would not have a problem in attracting industry if we did not

[Mr. Young]

have a Conservative Government, because Labour would see to it that we had a communications system, a health system and the ability to attract investment.

The grant system should be reformed, first by re-electing the Labour Government. I am not saying that we cannot reform the present grants system. I am saying that the Government are taking away items that would attract industry to the north and putting nothing in their place. The tendency is to pool everything in the south and to leave the north as an industrial deserted village. If the Government believe in the north, they should transfer some Government Departments from the south, as Labour did when it was in power. That would be an indication of good will.

The Government are not helping unemployment in the north or helping to attract firms. In many areas of economic and social policy, the Government are making an all-out attack on the people of the north.

5.35 pm

Mr. Michael Fallon (Darlington): The Bill deserves a warm welcome from Conservative Members and from industry, and I was amazed to hear the hon. Member for Great Grimsby (Mr. Mitchell) say that industry has not welcomed the change. Obviously he has not read last week's *CBI News*, which said:

"The new rules will ensure that money spent on industrial investment projects, in all but the very smallest firms, will go to where there is a demonstrable need of public assistance. Both of these aspects make for prudent managment of the public purse and have resulted in generally favourable reactions to the new proposals. It would seem, therefore, that the era of automatic handouts is behind us forever."

The proposals have been warmly welcomed in the north-east region. I have not had a single letter from a company in the north-east opposing the abolition of regional development grants.

Mr. David Clelland (Tyne Bridge): I am listening with incredulity to what the hon. Member is saying about the reaction to the measure in the north-east, because I have here a copy of the minutes of the Northern Development Company, of which the CBI is an important part. The company's head of overseas operations has reported that the

"likely effects of RDG termination on inward investment . . . would make the task of attracting Japanese investment more difficult in the face of strong European competition . . . In Hong Kong the Far East Liaison Office felt that companies from Taiwan and Korea etc who have not yet invested in Europe may be inclined to go the easy route and accept automatic grants from European competitors. In the United States RSA was considered complicated and time-consuming."

Mr. Fallon: I shall be interested to hear the hon. Gentleman put that case when he captures your eye, Mr. Deputy Speaker. The Northern Development Company has not made those points to me, and I have no reason to belive that the task of attracting investment to the region will be any more difficult because of the changes that are being made, with the additional emphasis that will be placed on selective investment.

Mr. Oppenheim: Does my hon. Friend not find it astonishing that Labour Members are keen to attract footloose and fancyfree multinationals, when only yesterday during Question Time on trade and industry we heard those companies referred to in the most insulting terms? Is it not far better that local, indigenous manufacturing industries should grow up, rather than that they should attract multinational companies which may decide to move out of the area after four or five years?

Mr. Fallon: In some parts of the north-east the local culture is known in business terms as being so hopeless that we have to help it by trying to attract companies from the far east to provide jobs.

No region has suffered more than the north-east from the straitjacket of regional development grant and its limitations, because it is indiscriminate and automatic.

During my first two or three years in the House, I received the quarterly list of grants from the Department of Trade and Industry for the northern region. Time and again I found that those grants went to the same companies. On Teesside, as my hon. Friend the Member for Langbaurgh (Mr. Holt) is well aware, the grants went to ICI and the British Steel Corporation. They did not simply go to the two largest companies; they went to the two companies that were shedding labour instead of creating new jobs.

Mr. Holt: I want to know where the money really went. It seems to me that the area as a whole received the grant, but the equipment that was purchased often came from overseas and there was no economic gain to the region. There were simply improved profits for ICI, based on handouts from central Government and fewer jobs in the region.

Mr. Fallon: I do not know whether my hon. Friend can confirm this, but I have received no communications from ICI or BSC about the effects of this legislation.

Mr. Holt: I have heard from the British Steel Corporation, urging me to get on with the denationalisation of that industry.

Mr. Fallon: My hon. Friend has made his point.

It is no accident that the region that has enjoyed the largest share of regional development grants over the past 10 years is also the region with the smallest and poorest development of small businesses. There must be a relationship between our over-dependence on that kind of automatic, indiscriminate, non-job effective assistance and the stunted growth of the small business sector in the north-east. Small businesses will cheer the Third Reading of the Bill.

Mr. Holt: Does my hon. Friend accept that one of the major reasons for the lack of investment in the north-east has been the twin enemies of industry and commerce and enterprise—local authorities and trade unions? Is it not a fact that in his constituency there is a private enterprise plan which does not require any grant and which would create 10,000 jobs in Darlington, but it has been refused by Durham county council?

Mr. Fallon: That is typical of Durham county council's attitude to enterprise and business ever since the council was formed.

Small businesses will cheer the ending of the huge automatic grants to large companies. They will also welcome the changes in selective assistance. Where small businesses have reasonable projects, with reasonable prospects of job expansion, for the first time they will be

eligible for selective assistance under the changes being made to the scheme. There will be a broad welcome in the north-east for the Bill.

I have two very small reservations which I want to address to my hon. Friend the Minister. The first relates to the remaining distinction in our regional aid structure between development areas and intermediate areas. By removing regional development grants, my right hon. and learned Friend the Chancellor of the Duchy of Lancaster has reduced that element of discrimination. The intermediate areas are in a less disadvantaged position in relation to the development areas. However, the disadvantage will remain, because there will be differing rates of grant and new proposals for selective assistance.

When my right hon. and learned Friend next reviews regional policy, will he look again at the necessity, especially in regions such as the north-east, for different types of financial assistance between, for example, Aycliffe and Darlington, or between Darlington and Teesside? Such a distinction is not sensible and is not consistent with the removal of discrimination embodied in these major proposals.

My second reservation was admirably made by the hon. Member for Berwick-upon-Tweed (Mr. Beith). The map is set a little too much in concrete. We are told that it is impossible to review the map other than through primary legislation, yet there is no doubt that events move on in the development world. That is why we are abolishing Aycliffe and Peterlee development corporation and Washington development corporation, and setting up Teesside and Tyneside development corporations. The emphasis changes.

I remember that the hon. Member for Berwick-upon-Tweed and I had intermediate areas prior to the 1984 review, and that we had the same rates of unemployment in our travel-to-work areas, of about 16 per cent. The Darlington area was kept on the map, but the Alnwick and Amble area was not. Four years later, unemployment in Darlington has dropped from 16 to 12 per cent., but the unemployment rate has remained unchanged in Alnwick and Amble.

When we next consider regional policy, we should make the various instruments by which the map is set up a little more flexible, so that where circumstances change the Minister can come to the House and make variations in the difference between assisted and non-assisted areas, and between development and intermediate areas.

Those two reservations aside, I welcome the Bill. I deplore the Opposition's attitude to the measure. Throughout the proceedings on the Bill, Opposition Members have confused spending on the regions with spending in the regions. Of course it is true that there has been a substantial increase in regional spending that is not part of the Department of Trade and Industry budget. There has been a dramatic growth in spending on training and retraining, and a dramatic increase in spending on environmental work in the region in clearing away the old industrial landscape and providing the new estates and factories necessary for new investments. It is wrong to consider regional aid simply in terms of regional assistance from the Department of Trade and Industry.

5.45 pm

Mr. Henry McLeish (Fife, Central): I am pleased to participate in this evening's debate after spending fruitless hours debating the issue with the Government. Tonight's debate has been characterised by the same arrogance, complacency and contempt for the regions that we see most evenings when we discuss anything that is unrelated to the financial economy which the Government so enjoy discussing.

This Bill is bad. It is also very simple, in that it terminates regional development grants. In doing that, it removes an area of certainty in terms of investment in a world that is very uncertain about attracting jobs, industries and companies to create wealth on which the country must depend in future. More importantly, the Government tend to forget that much of the manufacturing base is located in the regions.

The future of the United Kingdom's economy depends on that, despite discussions in Committee, when there was no positive suggestion that that was the case. Tonight's speeches have been characterised by the simple notion that what is good for the paper economy, the financial economy of the south-east and of the City, will in some way solve all the problems of the depressed regions that are still depressed after nine years of the Government badly beating manufacturing.

Apart from the fact that the Bill removes regional development grant, it is symbolic for many other significant reasons. It must be seen in the context of the Government's industrial strategy. I use the word "strategy" knowing full well that, with regard to the present Government, the term is used rather loosely.

We are considering the language of enterprise. In Committee we referred to the DTI paper which is the language of enterprise and the rhetoric of the market. It also reflects the Government's complacency as they are not in touch with ordinary people north of Watford or in touch with industrial concerns or needs.

Crocodile tears are shed over small businesses. The Government claim that they must help. After eight or nine years of this Government, it is obvious that small business have not benefited in the north or in the north of Scotland. Once again, the White Paper rhetoric only mirrors what we have seen over the past eight or nine years.

In the context of industrial strategy, it is no good for Ministers to stand up and claim that the economy is on the right lines and therefore the benefits will spill over. Countries such as Japan, the United States, France, Germany and Scandinavia have a civilised view of the wealth-creating, job-creating, manufacturing base. Not this Government; they are obsessed by what I have described as the money economy. Obviously, the Opposition must at least put on the record the concerns of those whom we represent. We still have high unemployment and shaky investment levels.

The Government talk about their policies being embraced by the CBI. I remind them that the CBI in most of its comments has embraced out of sheer relief the decision to scrap regional development grant. The CBI had thought that the whole of industrial policy would be abandoned. *[Interruption.]* If the hon. Members for Darlington (Mr. Fallon) and for Amber Valley (Mr. Oppenheim) would like to see my information, I shall send it to them; I hope that they will read it with interest.

Clearly, we are witnessing not just the termination of regional development grant but the abandonment of any serious semblance of regional industrial strategy. This is a step-by-step process. The Government know from experience and, as my hon. Friends appreciate, they do not do things overnight. Step by step, we are seeing the

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abandonment of any policy for effective regional aid. It is a "steady as the ship sinks" policy. We are used to that in the regions in Scotland and in Wales.

The Government's policy can best be summed up by describing it as a "let them eat cake" policy, a phrase coined by Marie Antoinette. Those of us from the regions interpret Ministers and Conservative Back Benchers as saying that the regions can eat cake. After the election, referring to the inner cities, the Prime Minister said, "We want to win them next time." Clearly, it is a matter of no votes, no help. As with the inner cities, in the regions the Government's policies do not match the genuine industrial employment needs in the areas that my hon. Friends and I represent.

I should like to highlight what surrounds the debate and what obviously must be the context within which anyone assesses the effectiveness, or otherwise, of abandoning regional development grants. Despite what the Minister of State said, there has been a significant cut in the Government's regional industrial assistance, especially for the period after 1991. Parliamentary questions on this matter have been tabled, but the Government are not willing to speculate on the financial assistance that will be provided when RDG disappears off the face of the industrial map. *[Interruption.]* The Minister need not shake his head, because his Department is the very one that will not provide the figures. Until we can find out what will happen post-1991, clearly the Government's measure must be interpreted as a massive cut in regional assistance.

Mr. Atkins: Rubbish.

Mr. McLeish: Rubbish? We shall await 1991, when the figures come before us in public expenditure statements and another Department of Trade and Industry paper.

As was mentioned in Committee, there has been a massive redistribution of regional development aid within the regional industrial strategy. Scotland will lose £100 million-worth of aid from the 1986-87 figures. At the same time, the Government, with their friends in marketing consultancy firms, have decided — *[Interruption.]* The Minister may laugh, but this is a fact and I do not mind laughter when the facts are on our side. I may be obsessed, but, if the truth hurts, let it hurt a little more. Over the next three years, £274 million will be invested in what the Government call the business development initiative.

Mr. Oppenheim: What is wrong with that?

Mr. McLeish: The Government are proud of that, and I hope that that is on the record.

At the same time as the hard, direct cash for each region has been cut, the support for marketing consultants has mushroomed on a United Kingdomwide basis. It is not even a matter of the £274 million being injected into assisted areas. It is a United Kingdomwide initiative. As was conceded in Committee, 40 per cent. will go to the south-east.

The Minister of State, Scottish Office (Mr. Lang): That is not true.

Mr. McLeish: When that was conceded in Committee, the Minister justified it by saying that the area had 40 per cent. of the population and 40 per cent. of the economic activity. It is bad enough for the regions to have cuts, but there is a double difficulty when the money is transferred to areas where, we feel, it is not entirely necessary on the basis of simple industrial and employment needs.

The subject of the taxation of regional selective assistance has not been addressed. The Opposition asked whether that would continue, because RDG is not taxed. Clearly, if RSA is to be the only investment that we can expect in the regions, there will be another difficulty if it is taxed.

The Government constantly urge flexibility — "flexibility" being the buzz word for the market. Everything is flexible because the market is about supply and demand. Clearly, the Department of Trade and Industry paper and the scrapping of RDG put the regions in a straitjacket. An amount of £274 million is earmarked for a United Kingdomwide initiative. How much will go to Scotland? The general thrust of the Government's thinking is away from the regions and on the United Kingdom. We do not believe that there is flexibility. The flexibility that surrounds RSA worries us, because, instead of automaticity in grants, civil servants will be allowed to tackle applications. I am afraid that the proper decisions will not be taken and that this is a way of hiding further Treasury cuts in regional assistance in the run-up to 1991.

The discussions in Committee and in the House have been about disinvestment, disengagement, deskilling of our manufacturing base and, most appalling of all, lack of interest in anything that cannot be measured in terms of stocks and shares, the value of the pound and the amount of investment going out of the country.

Mr. Oppenheim: Will the hon. Gentleman give way?

Mr. McLeish: I shall not give way. I want to finish. There have been some truly hopeless interventions in this very short debate, and I should like to speak.

The Minister of State was charitable enough to refer to some comments that I made to the press. It is an appalling indictment of the fact that the Scottish Office has surrendered Scotland's industrial interests to the Department of Trade and Industry that organisations such as the Scottish Council (Development and Industry), the Scottish CBI, the Scottish TUC and local authorities are concerned about the future.

I made a point about any debate on the cuts being academic, because the Government smash all the legislation through the House regardless of facts, emotions and needs. In Scotland, as in the north-east, the north-west, Yorkshire and Humberside, people will want to get together because of their concern that the changes will not be distributed fairly. The south-east and East Anglia will cream off a large amount of the new investment which is going to business consultancy services.

The Scots — either the industrial or the political community — will not sit idly by without a fight. We need much more from the Scottish Office than we are getting. Scotland needs industrial leadership. In view of the appalling debacle over the South of Scotland electricity board and British Coal, the need for industrial leadership from the Scottish Office has become more acute. Such leadership has not been forthcoming. If we enter into this new phase of regional industrial policy without firm guidelines and assurances that Scotland will get its fair share, the Bill will have added significance in the years ahead.

5.59 pm

Mr. David Clelland (Tyne Bridge): This Bill is a classic case of missed opportunity. It is more significant for what it leaves out than for what it includes. While I should be the first to acknowledge that the present system of regional aid is anything but perfect and would welcome meaningful proposals to amend and extend the system, I believe that the proposals before us are entirely negative. The Bill does nothing to allay the fears of many of us in the regions that the termination of regional development grant will be followed not by an improvement but by a deterioration in regional assistance.

In Committee, we tried to introduce some constructive amendments to improve the Bill and the system of regional aid. Our proposals would also have complied with many of the Government's stated objectives outlined in the Department of Trade and Industry White Paper "DTI — Department for Enterprise". The proposals in that White Paper, which preceded the Bill and of which the Bill is an integral part, make much of helping people to help themselves, cutting red tape and encouraging inward investment. Yet the Government have refused to take the opportunity in this Bill to give effect to those objectives. Indeed, some of the provisions will have the opposite effect.

Not surprisingly, I made a special plea in Committee for the northern region to be excluded from the Bill and for more local autonomy in the distribution of regional development grant. I would not paint as bleak a picture of the northern region as the Government have done, but it has to be recognised that the region still has its problems and that it is the duty of national Government to represent the interests of all parts of the country and not just of those where that Government have or hope to win support.

The policies adopted by the Government give little room for optimism. Contrary to the comments of the hon. Member for Darlington (Mr. Fallon), total regional assistance to the northern region has been falling steadily under this Government and the proportion of Government regional assistance is now just half what it was before the Government came to office. Regional development grant in particular was £75 million less in real terms in the last financial year than in 1979-80 and a massive £135 million less than in 1978-79, the last year of the Labour Government.

Our suspicion that the Bill has more to do with saving money than with assisting the regions was to some degree confirmed by the Chancellor of the Duchy of Lancaster on Second Reading. He said:

"We are replacing automatic grants because they are becoming steadily more expensive and wasteful".—[*Official Report*, 25 January 1988; Vol. 126, c. 43-44.]

Our suspicions were further confirmed yesterday when the Under-Secretary responded to a question that I had tabled:

"My Department's planned level of expenditure on the main regional assistance measures in the years 1988-89 to 1990-91 is £330 million, £304 million and £265 million respectively."

The House will note that the figure is decreasing. Total regional assistance in the last year for which figures are available—1986-87—was £409 million.

Therefore, even according to the Government's own figures, the amount of regional assistance is declining. Furthermore, the figures given are all at present-day prices, so that when one takes into account inflation over the next few years matters are even worse. The end of the Minister's reply confirmed the fears of my hon. Friend the Member for Fife, Central (Mr. McLeish). He said:

"In accordance with normal practice, plans for 1991-92 have not been made."—[*Official Report*, 9 March 1988.]

We do not yet know what the fate of regional development grant will be after 1991.

Ministers may argue that regional development grant has fallen off in the north not because of reductions by the Government but because firms were not taking up the grant. I have already pointed out that total regional assistance has been falling and, according to the Government's figures, will continue to fall. However, the northern region faces one major problem that does, indeed, affect the take-up of grant, which is the shortage of larger industrial units, to which my hon. Friend the Member for Sedgefield (Mr. Blair) referred. That shortage has already cost the region jobs and it must be corrected as a matter of urgency.

I look forward to hearing from the Minister that his right hon. and noble Friend the Secretary of State for Trade and Industry will be able to accept the invitation that he has recently received to meet the northern group of Labour MPs to discuss this problem. After all, it is the Government's abolition of Tyne and Wear county council and the winding-up of the new towns in the region that have led to the strains being put on the budget of English Estates. That has led to the use of the increased allocation to make up for the deterioration and to fill the gap.

All this has resulted in an inability to provide the sought-after accommodation. Opposition Members believe that there is an urgent need to discuss regional and industrial policy and attempted in Committee to open up the debate on the Bill to the wider issues to which it gives rise.

The termination of regional development grant will mean the ending of the automatic system that applied to assisted areas, and therefore the special status of assisted areas is also threatened by its abolition. Indeed, that prospect has been welcomed by some Conservative Members. The fact is that the ending of automatic grant will also mean the ending of the certainty of help, which has attracted new business to the north and elsewhere. The total reliance on regional selective assistance with its form filling, question answering, and uncertainty — the very red tape that the DTI White Paper says it wants to cut through — is sure to place the assisted areas at a disadvantage in relation to areas in the European countries that retain an automatic grant system. I pointed out to Ministers in Committee that the north's job-hunting agencies had already said as much, and remained concerned that the new system will be less attractive.

As I said, the existing system is not perfect and sometimes grant moneys have not been used as effectively as they might. However, the majority of anomalies in this regard concerned grants to existing business; one of the main benefits of the system was looked upon as its tendency to be attractive to prospective investors. Why could the automatic system not be retained for new business? Such an amendment to the Bill would have removed many of the anomalies while retaining the advantages. Ministers could not bring themselves to accept even that point.

The Bill and the White Paper are only part of the Government's wider regional strategy. On Monday we saw the launching of yet another glossy brochure

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promising action in the cities — many of which are located in assisted areas. In that brochure, as in all the Government's pronouncements on this subject, there is much talk of "the people".

In the foreword, the Prime Minister herself refers to giving the people "more opportunities", "greater freedom and choice"

"a bigger stake in their communities"

and even goes so far as to say that the Government are resolved to work

"in partnership with the people".

Yet when the reader moves on from the foreword and through the 32 pages of the document, he finds not one reference to, or suggestion of, consulting the people in the cities about what they want.

There is not even a reference to making those who will impose their ideas on the areas accountable to the people. Everything is to be in the hands of Government appointees those who will not be so much interested in what is good for the people as in what is good for business or what is in line with Tory dogma. As with regional development grant, accountability is to be terminated and replaced by a system in which Ministers or their agents will decide who gets what and what goes where. So much for partnership with the people.

If the Government want an example of partnership, they need only look to the work being done by local authorities up and down the country — in partnership with business and sometimes with the Government—but with those authorities always accountable for their actions, either through the ballot box or by virtue of the consultation processes that accompany development proposals — consultation processes which the Government see as obstacles to enterprise, barriers to be removed.

If the termination of regional development grant was to make way for a new system in which those partnerships could be encouraged and helped, it might have been more welcome. If the northern region was to be given its own development agency, on the Scottish model, accountable to an elected regional assembly, we would be talking imaginative action. Although the northern group of Labour Members have drafted a bill to provide just such a structure, that is not exclusively a Labour party view.

As I pointed out in Committee, the Tory Reform Group, of which the Chancellor of the Duchy of Lancaster is a patron, has recently produced a paper that argues strongly and unequivocally for a development agency for the northern region. In the recent article in *The Guardian*, the right hon. Member for Henley (Mr. Heseltine) gave some positive views about regional government.

The Northern Regional Assembly Bill, which the northern Labour group has introduced, is a positive and progressive proposal, whereas the abolition of RDG is negative and regressive. What will the abolition of regional development grant do to promote a shift in development from the overcrowded south to the attractive regions of opportunity in the north? I read in the *Financial Times* the other day that there is an acute shortage of engineering skills in the south-east. It is surely nonsense that we cannot organise our affairs better, when the north is bristling with skills and labour that is not being used, and is suffering all the financial and other hardships of unemployment, while at the other end of the same land people are working so much overtime that they are exhausted at the end of the week. Nothing in the Bill addresses that situation.

The Government's policies have been disastrous for the regions. In Committee, the Minister spoke with pride of the fall of unemployment in the Newcastle travel-to-work area to 14·7 per cent. I had to remind him that that is still double the rate that applied prior to his Government coming to office and more than twice the rate in the south-east of England. There will be no room for self-congratulation until the rate falls below the 1979 level. What confidence can we in the north have that the region will be better off when Ministers who have presided over such a catastrophic situation will allocate grant based on their wisdom, rather than the automatic system currently operating?

Regional policy is of vital importance. The separate and distinct identities of local communities must be preserved and local people must be allowed to develop their own economies and cultures and not have solutions imposed upon them from above. That means a degree of local autonomy, directly influenced by the people themselves. Everything that this Government do is against that principle and more and more centralist.

By refusing to accept our arguments, which would have given the power to distribute grants to regional agencies rather than abolishing them, by merely terminating the system but not looking to improve it, the Government have yet again increased the powers of Ministers and reduced the attractiveness of the assisted areas.

The grants that came automatically to the assisted areas will no longer exist, but the problems faced by those areas will not go away quite so easily. If the Government run true to form, more emphasis will be placed on the free market—"Let private enterprise decide".

That philosophy will not help the regions, which are in need of help, and it will not help the people who live in the developing south either. It is they who will suffer, and are suffering already, the overcrowding and congestion which result from the uncontrolled free market development which this Government are so attached and which this Bill will further encourage.

6.12 pm

Mr. Christopher Gill (Ludlow): Much of the Opposition's case is founded on what I regard as a misconception—that Governments create jobs. In truth, Governments alone cannot possibly create jobs — not real, lasting jobs. Jobs are created by entrepreneurs who recognise a market, set out to satisfy that market, and do so at a profit which enables them to reinvest in the business and employ people. The other misconception of Opposition Members is that they delink wealth creation from people's prosperity. The two go absolutely hand in glove.

In effect, regional policy has moved many of this country's jobs around the country. Much regional policy has not created new jobs. If one looks at the west midlands and especially the black country, one sees the dereliction and depression that have resulted from jobs being exported from what was once the workshop of the world to other areas where grants have been available, such as the development areas and the enterprise zones. Our jobs have been exported. I feel that keenly as someone who prides himself on having been born and bred a Wulfrunian and having run a business in the black country.

I now represent a rural constituency and can see the effects of regional policy on Shropshire. Why on earth should people running a business—or attempting to run a business—in the remote parts of west Shropshire be disadvantaged simply because people at the other end of the road—across the border in Wales—have been able to get grants which mean that they have an unfair advantage?

I leave the House with one thought for the day. As a result of regional policy, we have in Britain some of the longest production lines in Europe in terms of time. Hon. Members need only consider the motor industry to know that I am right.

6.14 pm

Mr. Alun Michael (Cardiff, South and Penarth): It is complete nonsense for the hon. Member for Ludlow (Mr. Gill) to talk about an unfair advantage in Wales. What we in Wales seek is not an unfair advantage, but merely a fair balance between the regions. If there is an unfairness anywhere in the system, an improvement in the system of regional development grants is called for — not the provisions in the Bill, which is a narrow measure proposing the abandonment of regional development grants.

The one thing I welcome in the debate is the presence of a lone Conservative Member representing Wales—the hon. Member for Cardiff, Central (Mr. Grist) who is the Under-Secretary of State for Wales. I hope that he will join the debate and not demonstrate his membership of the Trappist tendency in the Tory party. In the long hours in Committee, we asked many questions about the effect that the Bill would have in Wales. We provided detailed argument and evidence and took apart the sham figures with which the Secretary of State for Wales has sought to mislead the Welsh public. It is a pity that during that extended debate, no Welsh Office Minister and not a single Conservative Member representing a Welsh constituency was present to face up to the examination and debate.

The Parliamentary Under-Secretary of State for Wales (Mr. Ian Grist): The hon. Gentleman knows perfectly well that I was, and indeed still am, serving in Committee on the community charge Bill and therefore was unavailable for this Committee. My hon. Friend the Minister of State, Welsh Office, has been serving in the Committee on the Education Reform Bill. Therefore, neither of us was available, as the hon. Gentleman knows perfectly well.

Mr. Michael: The Minister has not explained where the Secretary of State for Wales has been. This is a matter of regional development and is important to Wales so perhaps the right hon. Gentleman might have been persuaded to help out his colleagues. The Under-Secretary's remarks do not explain the absence of every single Conservative Member representing Wales from those discussions. To be blunt, the Secretary of State for Wales has been exposed as a visiting salesman, with no goods in his carpet bag. Experience in Committee proved that his London and Scottish colleagues are no better.

The one plus is that the lack of Welsh Office representation in the Committee has created a new unity between the regions. We thought that the right hon. Member for Worcester (Mr. Walker) was the only Minister whose tactics were to use aggressive public relations and hyperbole to sell a so-called bag of goodies that is attractive on the outside, but empty on the inside. We now know that that is a deliberate policy adopted by the Government, including the English and Scottish Ministers who joined the Committee. Indeed, this week the Prime Minister has given that squalid technique her personal blessing.

In opening the debate, the Minister claimed that we had misunderstood the Government's policies and confused regional policy with regional development grants. He is wrong. We would welcome a new look at regional development policy and any real improvement in regional development schemes. However, the Government has not come up with new policies or resources. The Government has come up with a PR package on the one hand, but on the other has taken away the certainty of regional development grants, without putting anything in their place. I should be grateful if the *Hansard* writers would note that I used the singular there, because the Government is operating as a mindless singular entity and I should like my grammar kept right.

The Government is trying to pretend that nothing will be lost as a result of the Bill. However, I challenge the Minister to deny that the Welsh Office expects a major reduction in regional expenditure as a result of the changes being introduced. Due to the greater difficulties in obtaining the regional selective assistance grant, it is expected that a lower percentage of expenditure will be made. Perhaps a £100 million spend on regional development grants will become a £40 million spend on RSA. I imagine that I shall hear from the Minister if what I have said is wrong.

A quotation was given earlier from the journal of the Confederation of British Industry, I think by the hon. Member for Darlington (Mr. Fallon). I should point out that the hon. Gentleman was not reading from a policy statement made by the CBI, but from the briefing included in its journal. The briefing also included the sentence that the end of regional development grant will

"give the Government complete discretion over its purse strings."

That is what this mean little Bill is about. It legalises the theft of resources from the hardest-hit areas of Wales, and other regions. It legalises such theft from the oldest industrial areas on which Britain's prosperity depended; from the valleys and industrial areas where massive unemployment continues to bear witness that those areas and communities are paying the price for the restructuring of British industry, which was and is vital for all of us.

The Bill, in common with so many other items of Government legislation that are being steamrollered through, is about squeezing expenditure without regard to need or the opportunity costs of introducing changes. In Committee we were accused of painting a bleak picture. We did not paint such a picture of our regions, about which each of us spoke with pride and care. We have painted a black, bleak uncaring picture of the Government, and it is true.

In Committee we made a number of positive suggestions to lessen the impact of the Bill in the worst-off areas of Britain, to meet the criticisms of the existing system and to target our attention on small firms in development areas. We had no positive response to those suggestions. Conservative Members on the Committee had obviously been told, "Put your heads down and bash on, boys. Don't listen to any sensible argument." The Conservative party ceased long ago to be a democratic

[Mr. Michael]

party. In Committee it refused to listen to the Labour party. We can continue to claim the positive role as the party of enterprise in both the public and the private sector. Debates in Committee and on the Floor of the House have exposed the Conservative party as more concerned about the packaging than the contents of regional policy.

Despite any faults, the RDG system has proved to be simple and effective. Industrialists know where they are, know where they can start up in order to qualify for the grant and exactly how much the Government will contribute. That element of certainty has helped to bring jobs to the development areas and that help has been directed at the worst-off areas of the country, including the valleys and the rural areas of Wales. As a result of the Bill those areas will lose out.

What have the Government put in place of RDG? Nothing. The valleys initiative introduced by the Secretary of State is about to enter the "Guinness Book of Records" as the Government initiative that has been launched on a record number of occasions without any real information being given. However, we are aware that no extra money will be available for Wales and the Minister is doing no more than moving the money around in the hope that no one will notice.

Mr. Gill: Will the hon. Gentleman give way?

Mr. Michael: No.

The Government are simply spreading the money around in even thinner layers. It is obvious that the worst-off areas of the country will be hit hardest.

Wales, in common with other regions, needs a coherent regional strategy. The Government have given us glossy pamphlets, an effective publicity campaign, but that is all. We welcome steps to bring jobs to Wales, but until the Secretary of State for Wales can produce a viable alternative we are adamant that RDG should continue.

During this debate I have been surprised by Conservative Members' lack of knowledge of industrial development. Over the years the Opposition have been working to redevelop our local economies in partnership with industrialists, investors, local authorities, foreign investors and local people who want to start up in business. We know what we are doing, but Conservative Members have demonstrated tonight an appalling mixture of impracticality and prejudice. Their support must have embarrassed even the Minister.

6.22 pm

Mr. Bob Cryer (Bradford, South): Play has been made about the support for the Bill from various Tory front organisations, such as chambers of commerce and the CBI. I should like to quote from Library research note No. 382, page 6, which contains a quote from the Association of British Chambers of Commerce — an association that I suspect has rather more Conservative members than Labour party members. It said about the Bill:

> "We will press for adequate transitional provisions and assurances about the increased availability of selective assistance in the regions. Also, the new policy does not represent a coherent response to the wider problem of overheating in the South and spare resources in the North. We will look for a clearer response from all Government Departments on regional policy."

Therefore, the Bill is condemned by the very organisation that normally pays fulsome tribute to the Government.

The Bill removes automatic regional aid and I wonder whether the Minister has been applying the Bill already. In my constituency a firm, the National Breakdown Club of Low Moor, made an application for regional grant but was refused on the basis that the firm was already successful and would go ahead and build its extension anyhow. That is a peculiar approach to adopt, especially when organisations such as Shell and ICI have also been receiving assistance. The criteria to judge whether they should receive such assistance appear to be somewhat different from those used for that firm.

The Minister should bear in mind that he does not have the legal authority to act in such a manner. I am aware that, these days, the Government regard this place as little more than a rubber stamp, but Ministers are not supposed to do things without the authority of Parliament. It is called "illegality". It may well be that the Minister acted in a perfectly proper manner, but I seek an assurance that he has in no way anticipated the legislation that we are discussing. The Minister should note that my constituents made representations to me concerning their bitter disappointment at failing to receive regional assistance.

Since 1979, under this Tory Government, 2 million jobs in manufacturing have been lost. They have not been replaced in the service sector and almost 3 million people are still on the dole. Some 130,000 of those jobs have been lost in Yorkshire and Humberside. Several thousand jobs in textiles and engineering have been lost in Bradford.

The automatic grant was an assured and positive contribution from central Government. Repeatedly industrial representatives have said that they prefer security and certainty in the pattern of regional assistance rather than variation. However, the Government have certainly introduced a number of variations.

In an intervention during the speech of my hon. Friend the Member for Great Grimsby (Mr. Mitchell) I said that the Bill will place a greater onus on civil servants to make judgments. I am not talking about most civil servants, who do a decent job. However, it is a fact that permanent secretaries and deputy secretaries at the Department of Trade and industry move swiftly out of their jobs to boards of companies. [AN HON. MEMBER: "It is a conspiracy."] It is not a conspiracy; it is a fact of life. Very few of those senior civil servants join charities when they retire on luxurious pensions or become advisers to the trade union movement. How many of those civil servants are lining up jobs when they are negotiating with companies and while they are employed on behalf of the public, supposedly keeping such firms at arm's length?

I was at the Department of Industry for two years and I know what went on. Consider what happened when the industrial development advisory board was considering GEC. When Sir Kenneth Bond left that board for five minutes, it granted GEC, of which he was vice-chairman, £1·2 million in grants. John Lippitt disappeared to GEC. He was not supposed to have any dealings with that company, but he had been having secret meetings with it.

On occasion relationships between senior civil servants — I emphasise that category — and companies become too intimate. The removal of the automatic grant status means that something that is dealt with by civil servants in a routine manner has diminished. Therefore, the opportunity for wining and dining, with promises of inducements and membership of the boards of companies, is enhanced. I am concerned about that, especially as the Government are so keen to draw the Civil Service and

industry closer together. To maintain a scrupulous relationship, they should be at arm's length to ensure that every firm is dealt with on a fair basis.

The Bill sabotages industrial and service developments —it covers the service sector—in the north in towns and cities such as Bradford. The burden of unemployment in Bradford has massively increased under the Tory Government. Indeed, an inner-city project across the Bradford rail link has been sabotaged by the Property Services Agency. A Mr. D. Jones has said that the Courthouse proposal for the Bradford Exchange station site and the rail link cannot be accommodated. The man in Whitehall has told the passenger transport authority that he knows best.

It is the same with the Bill. Whitehall is telling the regions that Whitehall knows best, whereas the regions are saying, "We still need jobs; we still need development." Factories are still empty, and anyone travelling through Yorkshire, Humberside, Wales and the north-east will still see the deserts where once there were scores of productive factories where thousands of people were employed in a productive capacity. That situation has not been remedied by the Government.

The Minister said that automatic grant was a waste of public resources, but it gave security of application to firms moving to the regions in the knowledge that they would receive the money and they could calculate their investment on that basis. The Government are spending almost £2 billion on Sizewell B. Last night, we passed an order to make it easier to give planning approval for nuclear power stations so as to get Hinkley B into construction. There is a political will for nuclear power generation and the lack of safety and the nation's technological inability to deal with nuclear waste are cast to one side.

There is a political will to spend billions of pounds of public money on nuclear power stations, yet a relatively small amount of money is spent on providing proper jobs in the manufacturing and service industries in the regions. This pettifogging little Bill will remove even that degree of support and certainty from the regions. The Government are once more attacking ordinary men and women and the manufacturing industries which have already been so badly cut by the vicious attitudes of the Tory Government.

6.31 pm

Mr. Rhodri Morgan (Cardiff, West): It is always a pleasure to follow my hon. Friend the Member for Bradford, South (Mr. Cryer). I believe that he would have made a good auditor. I want to refer to the National Audit Office and its report on the regional development grant and regional selective assistance system.

Auditors are often described, sometimes unfairly, as people who go round the battlefield when the battle is over bayoneting all the wounded, with a particular predilection for bayoneting those on their own side. The auditors who work for the National Audit Office have produced a comprehensive report, published recently in an up-to-date manner, on the RDG and RSA scheme. Paragraph 4.13 of the report states:

"The study by consultants of industry's early reaction to the revised regional incentive scheme was confined to RDG2"

that is what is being abolished tonight, although we are also dealing with the tail end of RDG1, going back to 1984

"and was completed in August 1986. I found that, overall, the new scheme was being well received by the business community and was an important factor in the investment decision making process. However, although less than one quarter of the companies surveyed said that RDG2 had no influence on their investment decisions only one-third considered that it had been a critical factor."

The report also stated that RDG2 influenced the qualitative aspects of projects. Paragraph 4.14 stated:

"While the Department of Trade and Industry did not cover the revised RSA in the 1986 evaluation, they had commissioned a similar study on the original RSA and RDG schemes which was published in 1986. The findings of both schemes were remarkably similar and about 20 per cent. of the companies rated the two forms of grant as having no influence on their decision to invest in the project under consideration and a little over half rated them as important or crucial to the decision."

We must ask ourselves whether regional development grant is being abolished because it was a bad scheme or because it was too successful. Let us consider the figures published in last year's White Paper on public expenditure, and let us take Wales as a typical example. Next year, the Government expected to spend £27·6 million on regional development grant. Their more up-to-date figure given for next year's expenditure on RDG is £63 million, so the scheme will cost the Government 130 per cent. more than they had estimated. Does that make it a bad scheme or a successful scheme? Opposition Members contend that that is the sign of a successful scheme. Although there have been peripheral problems of fraud in the service industries, which are extremely difficult to monitor, they could have been tackled by tighter monitoring and a minor amendment.

However, the Government are terminating the scheme because, in Wales, it is costing them 130 per cent. more than they had estimated and evidently, the Treasury does not like that. There are therefore two reasons for scrapping the scheme — first, the minor aspect of fraud in the service industries, and, secondly, the excessive costs in Treasury terms. RSA can be made cash-limited, but RDG1 and RDG2 cannot. That is the key to the issue. The scheme is being scrapped because it is too successful, but we who represent assisted areas in the outlying regions will fight for the scheme, as we have fought for it from the beginning. We still consider it an act of hypocrisy on the Government's part to terminate RDG and to pretend that they will make so much more money available under RSA that it will make up the difference. We know that that is not true.

In the absence of any Government estimates, I have attempted to produce my own estimates as to how much RDG and RSA would have cost the Treasury in Wales. Hon. Members can attempt to make their own estimates by converting the figures for other assisted areas. I have calculated that the scrapping of RDG will save the Government in Wales about £8 million in the next financial year. It will build up to £19 million in 1990-91 and to £26 million in 1991-92. In all, it will save the Government £53 million in Wales. I cannot provide an equally accurate estimate for assisted areas throughout the United Kingdom, but I estimate that the Government will save about £300 million in all.

We are finally obtaining a large amount of investment in manufacturing, almost back up to 1979 levels, which would be entitled to regional development grant. The faster the pace of investment, the greater would be the number of firms likely to move into the region from the overcrowded regions of the south-east. There is also evidence of considerable inflation, at least in building

[Mr. Rhodri Morgan]

costs, due to the lack of skilled labour. As 20 per cent. of the costs of investment are usually associated with buildings, that will add substantially to costs. That would have been another concern for the Treasury if the scheme had not been scrapped.

Let the Government come clean with the House and say that they could not monitor or amend the scheme because it was so prone to fraud, especially among the service industries. I estimate that, by scrapping the scheme, they will save over £300 million for the whole country over the next three years. I hope that they will not try to tell the country that less regional assistance really means more regional assistance.

6.37 pm

Mr. Richard Caborn (Sheffield, Central): The debate clearly outlines the fears of many Opposition Members for the deprived regions of our nation. It is unfortunate that the debate relates to a single part of the Government's White Paper, presented to the House a few weeks ago, and to the White Paper on the inner cities, about which we had to force the Government to make a statement earlier this week. We are dealing with the problems of our regions and of urban regeneration in a piecemeal fashion. Unfortunately, we are now dealing with the major part of the issue in isolation from the full debate.

I wish to place on record our dissatisfaction with the contemptible and offhand way in which the Government have treated the House, the regions, Scotland and Wales with regard to the issue. Hon. Members could have guessed the Government's position on the White Paper only by listening to the debate in the House of Lords or reading *Hansard* of 19 February, when Lord Young opened the debate on the Department of Trade and Industry's White Paper. Alternatively, they could have listened to the evidence submitted by the noble Lord to the Select Committee on Trade and Industry.

The Bill clearly shows the Government's attitude to the regions and the major changes of direction upon which they have now embarked. This directed policy has no support from independent assessment or analyses or from the Government's own reports. Conservative Members have shown complete ignorance of the problems of the regions and of our manufacturing industries. I shall submit two pieces of evidence to enlighten the Minister.

First, I refer to the independent assessment report, which said in conclusion:

"The conclusion that regional policy generated some 450,000 manufacturing jobs in the Development Areas which were still in existence in 1981 leaves out of account any secondary or multiplier effects on employment in service industries".

The Secretary of State made great play of that in another place.

"This project has not been directly concerned with these multiplier effects but, using a conventional medium term regional multiplier of 1·4, the 450,000 manufacturing jobs would generate a further 180,000 . . . making a grand total of . . . 630,000"

Even more devastating was the Government's own report on regional incentives and the investment decisions of the firm. It said in conclusion, answering the point made by the Minister today:

"In short, our evidence shows that a mixture of automatic and selective assistance, taken together, provides a powerful package. It appears that the regular receipt of RDG encourages firms to become 'regional incentive conscious' and there is an increased likelihood that they will examine the range of other possible assistance available to them, including RSA. It is important to emphasise again in this context that a successful application for RSA forms an important part of a learning process for the company. The importance of the 'automatic' nature of RDG as applied during our Study period suggests that any changes in the scheme should retain, as far as possible, clear and predictable eligibility criteria."

That is the evidence.

A previous Secretary of State for Trade and Industry, the right hon. and learned Member for Richmond, Yorkshire (Mr. Brittan) said when the White Paper was introduced on 12 January:

"Will my right hon. and learned Friend also accept that, although there is nothing sacrosanct about previous methods of assistance, there were real advantages in a system whereby a business man was aware that, if he satisfied a published criterion, he was entitled as of right to regional assistance instead of having to go cap in hand to civil servants or Ministers asking for discretion to be exercised?"—[*Official Report*, 12 January 1988; Vol. 125, c. 15].

So much for what has happened inside the United Kingdom. Internationally, almost all our major industrial competitors support their poor and deprived regions, many of them automatically—for example, Italy, the Federal Republic of Germany and Denmark. Every Minister seems to have been off to look at Boston in the United States, but the one thing that never emerges clearly when they return, although they bring back a number of examples of it, is that the major regeneration of that city has been public sector-led, and the rate of success has been proportionate to that development.

We cannot ignore the example of France. In Committee, we discussed what was happening in northern France, and I single it out because the development around Pas de Calais has serious implications for the United Kingdom. When the Channel tunnel comes on stream, which is likely in the early 1990s, the type of development in that area of France, which was spelt out to the House several times during the passage of the Channel Tunnel Bill, shows the tremendous advantage of the new investment there.

The argument will not be about whether to go into the northern regions or the south-east of the United Kingdom—it will be between northern France and the United Kingdom. The removal of regional development grant will have a profound effect on the attitude of those who would have invested in the north, and the Channel tunnel development could be a major drain on the resources that should be invested in the north of England.

I want to answer some of the criticisms that have been levelled and show the Government's hypocrisy. In Committee we accepted that there might be a need for some revision of RDG and we challenged the Government by tabling an amendment saying that RDG should be applied only to companies employing fewer than 250 people. The argument about BSC and ICI does not really apply, because those companies do not come under the second phase of RDG. But what if the Government agreed to give automatic grant to small and medium-sized businesses which do not have the financial structure to be able to carry out the sort of investigation and form filling that is necessary for RSA? The Government gave us no answer when we tried to ensure that RDG should discriminate in favour of small and medium-sized businesses. That shows the Government's hypocrisy about such businesses.

When we last discussed the changes to be made in RDG, the Government at least had the courtesy to go out and consult industries in the regions. More than 500 representations were made about alterations to RDG. On this occasion, however, it is being abolished with no consultation with the regions, industries or local authorities. So what is the Government's regional policy? The booklet accompanying the White Paper contains 25 pages, of which only two or three deal with regional policies. Twenty pages adopt the blanket approach and extol the virtues of the consultancies. They have been dealt with adequately in the debate already. Over the next three years, £370 million will be spent on those consultancies, an amount equal to the annual pay-out of regional selective assistance during 1986-87. Most of that money will go to the south-east

This is not regional policy; it is making business more efficient and effective. We are not against that or against the consultancies in the south, but the regions should not be robbed to pay for it. If consultancies are needed, that is fine — we want to ensure that businesses are more efficient and productive. Ministers have told us that the extension of regional selective assistance is to be streamlined. But when challenged, Ministers from the DTI could not tell us how they would move a fivefold increase of capital from RDG into regional selective assistance, or what mechanism they would use to do that. Much has been said this evening about certain aspects of the efficiency of the DTI team in administering RSA, which is now to increase fivefold — if the Government are on target. I do not think Ministers have even convinced their Back Benchers. They have certainly not convinced us.

This is a cynical move by the Government, to ensure that RSA now comes under the diktat of the DTI. The Treasury will now dictate when to turn on and off the financial tap. I challenge the Government to tell us whether they will maintain the same sort of expenditure on the regions under RSA as they have under the two grants that have operated hitherto. We do not believe that they will, and we shall say, "We told you so," in three years' time, when the regions will be so much the poorer.

The Opposition have to look at the real situation in the regions, and we did that in Committee. We must encourage and not discourage the partnerships that have developed in the major urban conurbations and in the major cities. We need to look seriously at the areas of high unemployment and target RDG to them. That was rejected by the Department of Trade and Industry team in the Committee. In a speech only yesterday, the right hon. Member for Henley (Mr. Heseltine) challenged the Government on that very point. I hope that if the right hon. Gentleman is in the House he will vote with us, because the removal of RDG goes to the centre of the very points that he made in that speech.

There is no doubt that the Bill will have an adverse effect on inward investment. The hon. Member for Pudsey (Sir. G. Shaw) has much experience of this subject. He said:

> "The speed and clarity of decision and the commitment which the United Kingdom Government can show in providing international investment will be seriously damaged by the current proposals." — [*Official Report*, 25 January 1988; Vol. 126, c. 71.]

That was said by an hon. Member who was in the Department of Trade and Industry. Will the Government say to him, "Come back, all is forgiven"? The need to move Government Departments out of London was also suggested. At least such a development has started, but its slowness shows the national and multinational companies that they do not have to move their headquarters in that direction.

We asked for a positive Government approach to the regions, but that was dismissed in every single amendment that we tabled about it. We challenged the Government on all the reasons that they advanced for the abolition of the regional development grant, and they entirely rejected our arguments. The Committee has been a sham. We put an alternative strategy and tried to develop a new policy. The Government should at least have looked at that.

My hon. Friend the Member for Bassetlaw (Mr. Ashton) asked a question about manufacturing. He said that a manufacturing trade surplus of £5 billion in 1978 was reduced to a deficit of £7 billion last year. He asked the Minister how the Government proposed to improve that situation. The startling reply by the Secretary of State for Trade and Industry which I gather has been carried (extensively) on radio was: "Because I am not concerned with manufacturing industry as such." That was what the Secretary of State for Trade and Industry told the Select Committee.

The regions and manufacturing industry have a bleak future. The Government have no policies for the regions. They are bankrupt and have no vision for the future. The Bill should be decisively defeated.

6.52 pm

The Parliamentary Under-Secretary of State for Trade and Industry (Mr. Robert Atkins): We have heard an uncharacteristic and churlish attack by the hon. Member for Sheffield, Central (Mr. Caborn) on many Conservative Members. He suggested that only the Labour party speaks for the regions. That attack was particularly unfortunate, as the debate was opened by my hon. Friend the Minister of State, Scottish Office, who is clearly a Scottish Member. I am a Lancashire Member. We have had contributions from my hon. Friends the Members for Langbaurgh (Mr. Holt), for Stockton, South (Mr. Devlin) and for Darlington (Mr. Fallon), to name but three. That is surely an indication that there is a good Conservative representation in the debate from the north-east of England.

We heard from the hon. Member for Great Grimsby (Mr. Mitchell) who his hon. Friend the Member for Cardiff, South and Penarth (Mr. Michael) said in Committee was the man who put "grim" into Grimsby. [*Interruption.*] I did at least do the hon. Gentleman the credit of telling him that he invented it. The hon. Member for Great Grimsby rehearsed tired old canards and I shall deal with them only briefly because I am conscious of the pressure of time.

The first matter is consultation. Consultation was exhaustive in 1984 when the map was considered. That point was made clear in Committee. Some hon. Members referred to the map. I reiterate that it is not set in concrete. There is a need for an element of stability for the purposes of future investment and we have said that we are not prepared to consider changes during this Parliament. There are always matters to be considered and my hon. Friend the Member for Darlington spoke about one such matter in relation to development areas and intermediate areas. I give the undertaking that we shall consider those when the map is reviewed.

[Mr. Robert Atkins]

Hon. Members also spoke about the funding for regional development grants. There is an increase in funding from £694 million to £900 million over the period up to 1990-91. In addition, there is a further £274 million over the whole of the country for consultancies. By definition, the contribution of two thirds rather than 50 per cent. in assisted areas and urban improvement areas will mean that the regions will get a higher proportion than could perhaps be expected in normal circumstances. I emphasise again that this funding is additional and not a substitute for action.

Mr. Morgan *rose*

Mr. Atkins: I shall not give way, because, as the hon. Gentleman knows, I am under some pressure of time.

Some hon. Members spoke about the published criteria. I spoke about that in Committee to the hon. Member for Gordon (Mr. Bruce), who I notice is not in his place.

Mr. Beith *rose*

Mr. Atkins: I do not seek to provoke hon. Members. I merely record the fact that the hon. Member for Gordon raised the matter in Committee. The criteria have been published and have been available for many years, and business men know that.

I emphasise again that only decisions involving £500,000 or more will be referred to Ministers, and that is nothing new. The vast majority of the decisions involve amounts of under £500,000. Indeed, most of them are under £100,000 and those matters will be considered by the regional industrial development boards whose members include active and retired business men as well as a fair sprinkling of active trade unionists in the regions. All those people are involved in industry on a daily basis.

The other consideration mentioned was the speed at which applications should be considered. That is a fair point and some hon. Members will recall that I mentioned it in Committee. It is improving radically, but it is always in need of further improvement and I reiterate a commitment to improvement.

The fifth point was about inward investment. It is our understanding from countries throughout the world that are interested in investing in Britain, that it is not just regional development grants such as those that we are discussing that matter. Other factors such as infrastructure, a low rate of corporation tax, good communications, and a successful and booming economy. Not least, our culture and, above all, our English language are important.

The hon. Member for Tyne Bridge (Mr. Clelland) spoke about a letter that he had written to the Secretary of State. I have checked on that and I understand that the letter arrived this morning. Perhaps he knows that the Secretary of State is presently in Japan, but I undertake to draw it to his attention and to make sure that the hon. Gentleman receives a reply as soon as my right hon. Friend returns.

My hon. Friend the Member for Harborough (Sir J. Farr) spoke about a constituency matter. I am grateful to him for his comments, because he was kind enough to say that the DTI had dealt with it as quickly as possible, although I know that it was not dealt with to his entire satisfaction. My hon. Friend's point adds weight to the Government's case.

My hon. Friend the Member for Wyre Forest (Mr. Coombs) spoke knowledgeably and eloquently on matters about which he knows a great deal. I am grateful to him for his comments and I think that the House will appreciate that he speaks with knowledge, as does my hon. Friend the Member for Ludlow (Mr. Gill), who spoke in a similar vein.

The hon. Member for Cardiff, South and Penarth made an uncharacteristic attack on Welsh Ministers. It was answered in part by my hon. Friend the Member for Cardiff, Central (Mr. Grist). I repeat that the Secretary of State for Wales is committed to the regions and, as my hon. Friends from Welsh constituencies know, he is committed to the valleys initiative that is shortly to be announced. That is evidence of his commitment to the Principality.

The hon. Member for Bolton, South-East (Mr. Young), who has probably rushed to catch a train, spoke about the problems as he perceived them in Bolton. I am to visit Bolton tomorrow, and I can tell him that my hon. Friends the Members for Bolton, North-East (Mr. Thurnham) and for Bolton, West (Mr. Sackville) have made an entirely different case about the success of Bolton. A similar success is to be seen in Preston. They are both now boom towns in the north-west and the hon. Member for Bolton, South-East does his town and his region a disservice by suggesting that somehow things are bad in Bolton. Of course there is always room for improvement, but both towns are doing well at the moment.

I emphasise again that under the Bill spending in the regions will continue to be as it has been in the past. Good projects coming forward from the north, the west or any other part of the country will get attention as they have before. The emphasis must be on viability, cost-effectiveness and whether the project merits approval.

I conclude by suggesting to Opposition Members that they do what their own campaign has suggested, which is to listen. Only recently, the TUC, in its statement on regional development and planning, spelled out that, to make regional and local planning bodies effective,

"The amount of selective assistance . . . would be progressively increased until all assistance became selective."

Opposition Members should hear what the TUC says and vote with us for the Bill

Question put:—

The House divided: Ayes 246, Noes 174.

Division No. 211] **[7 pm**

AYES

Amess, David	Buck, Sir Antony
Arnold, Jacques *(Gravesham)*	Burns, Simon
Atkins, Robert	Burt, Alistair
Baker, Nicholas *(Dorset N)*	Butler, Chris
Baldry, Tony	Butterfill, John
Banks, Robert *(Harrogate)*	Carrington, Matthew
Bennett, Nicholas *(Pembroke)*	Chapman, Sydney
Biffen, Rt Hon John	Chope, Christopher
Biggs-Davison, Sir John	Churchill, Mr
Boscawen, Hon Robert	Clark, Dr Michael *(Rochford)*
Bottomley, Mrs Virginia	Colvin, Michael
Bowis, John	Conway, Derek
Braine, Rt Hon Sir Bernard	Coombs, Anthony *(Wyre F'rest)*
Brandon-Bravo, Martin	Coombs, Simon *(Swindon)*
Brazier, Julian	Couchman, James
Brown, Michael *(Brigg & Cl'ls)*	Cran, James
Bruce, Ian *(Dorset South)*	Critchley, Julian

Currie, Mrs Edwina
Curry, David
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Dover, Den
Dunn, Bob
Durant, Tony
Dykes, Hugh
Eggar, Tim
Evans, David *(Welwyn Hatf'd)*
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Tony
Field, Barry *(Isle of Wight)*
Fookes, Miss Janet
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gale, Roger
Gardiner, George
Garel-Jones, Tristan
Gill, Christopher
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gow, Ian
Greenway, Harry *(Ealing N)*
Greenway, John *(Ryedale)*
Gregory, Conal
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hannam, John
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, G. *(Cannock & B'wd)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Johnson Smith, Sir Geoffrey
Jones, Gwilym *(Cardiff N)*
Jones, Robert B *(Herts W)*
Kellett-Bowman, Dame Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
King, Rt Hon Tom *(Bridgwater)*
Knapman, Roger
Knight, Dame Jill *(Edgbaston)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lightbown, David
Lilley, Peter
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
McCrindle, Robert
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Martin, David *(Portsmouth S)*
Mates, Michael
Maude, Hon Francis
Mawhinney, Dr Brian
Mayhew, Rt Hon Sir Patrick
Mellor, David
Meyer, Sir Anthony
Miller, Hal
Miscampbell, Norman
Mitchell, Andrew *(Gedling)*
Moate, Roger
Montgomery, Sir Fergus
Moore, Rt Hon John
Morrison, Hon Sir Charles
Moss, Malcolm
Moynihan, Hon Colin
Needham, Richard
Neubert, Michael
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Irvine
Patten, Chris *(Bath)*
Patten, John *(Oxford W)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roe, Mrs Marion
Rossi, Sir Hugh
Rost, Peter
Rowe, Andrew
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Sayeed, Jonathan
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Michael *(Scarb')*
Shelton, William *(Streatham)*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Sir Dudley *(Warwick)*
Smith, Tim *(Beaconsfield)*
Speed, Keith
Spicer, Sir Jim *(Dorset W)*
Squire, Robin
Stern, Michael
Stewart, Allan *(Eastwood)*
Stewart, Andy *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stokes, John
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Taylor, John M *(Solihull)*
Tebbit, Rt Hon Norman
Thompson, D. *(Calder Valley)*
Thorne, Neil
Thurnham, Peter
Townend, John *(Bridlington)*
Tracey, Richard
Tredinnick, David
Twinn, Dr Ian
Waddington, Rt Hon David
Waldegrave, Hon William
Walker, Bill *(T'side North)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, Charles *(Bexhill)*
Watts, John
Wells, Bowen
Wheeler, John
Whitney, Ray
Widdecombe, Ann
Wiggin, Jerry
Wilshire, David
Winterton, Mrs Ann
Wood, Timothy
Woodcock, Mike
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Mark Lennox-Boyd and
Mr. Kenneth Carlisle.

NOES

Allen, Graham
Alton, David
Archer, Rt Hon Peter
Armstrong, Hilary
Ashley, Rt Hon Jack
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Battle, John
Beckett, Margaret
Beith, A. J.
Benn, Rt Hon Tony
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Brown, Ron *(Edinburgh Leith)*
Buckley, George J.
Caborn, Richard
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Clarke, Tom *(Monklands W)*
Clay, Bob
Clelland, David
Clwyd, Mrs Ann
Cohen, Harry
Cook, Frank *(Stockton N)*
Cook, Robin *(Livingston)*
Cousins, Jim
Cox, Tom
Cryer, Bob
Cummings, John
Dalyell, Tam
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dixon, Don
Dobson, Frank
Doran, Frank
Duffy, A. E. P.
Dunnachie, Jimmy
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Harry *(Falkirk E)*
Fatchett, Derek
Faulds, Andrew
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foster, Derek
Fraser, John
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Golding, Mrs Llin
Gordon, Mildred
Gould, Bryan
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Doug
Hinchliffe, David
Holland, Stuart
Hood, Jimmy
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Hughes, John *(Coventry NE)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Illsley, Eric
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Martyn *(Clwyd S W)*
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lamond, James
Leadbitter, Ted
Leighton, Ron
Lestor, Joan *(Eccles)*
Litherland, Robert
Livsey, Richard
Lloyd, Tony *(Stretford)*
Lofthouse, Geoffrey
Loyden, Eddie
McAvoy, Thomas
McCartney, Ian
Macdonald, Calum A.

McFall, John
McKay, Allen *(Barnsley West)*
McLeish, Henry
McNamara, Kevin
McWilliam, John
Madden, Max
Mahon, Mrs Alice
Marek, Dr John
Marshall, Jim *(Leicester S)*
Martin, Michael J. *(Springburn)*
Martlew, Eric
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morley, Elliott
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L
Prescott, John
Quin, Ms Joyce
Radice, Giles
Randall, Stuart
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rooker, Jeff
Ruddock, Joan
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Speller, Tony
Steel, Rt Hon David
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Thompson, Jack *(Wansbeck)*
Turner, Dennis
Vaz, Keith
Walley, Joan
Wardell, Gareth *(Gower)*
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Williams, Rt Hon Alan
Wise, Mrs Audrey
Worthington, Tony
Young, David *(Bolton SE)*

Tellers for the Noes:
Mr. Frank Haynes and
Mr. Ray Powell.

Bill accordingly read the Third time, and passed.

STATUTORY INSTRUMENTS, &c.

LIBRARIES

Motion made, and Question put forthwith pursuant to Standing Order No. 101(5) (Standing Committees on Statutory Instruments, &c.).

That the draft Public Lending Right (Increase of Limit) Order 1988, which was laid before this House on 4th February, be approved.

SOCIAL SECURITY

That the draft Social Security (Contributions, Re-rating) Order 1988, which was laid before this House on 9th February, be approved.

SOCIAL SECURITY

That the draft Social Security (Treasury Supplement to and Allocation of Contributions) (Re-rating) Order 1988, which was laid before this House on 9th February, be approved.

SOCIAL SECURITY

That the draft Social Security (Contributions) Amendment (No. 2) Regulations 1988, which were laid before this House on 16th February, be approved

VETERINARY SURGEONS

That the draft Veterinary Surgeons Act 1966 (Schedule 3 Amendment) Order 1988, which was laid before this House on 22nd February, be approved. *[Mr. Durant.]*

Question agreed to.

CONSOLIDATED FUND BILL (No. 3)

Order for Second Reading read.

Question, That the Bill be now read a Second time, *put forthwith pursuant to Standing Order No. 54 (Consolidated Fund Bills), and agreed to.*

Bill accordingly read a Second time.

Question, That the Bill be now read the Third time, *put and agreed to.*

Bill accordingly read the Third time, and passed.

Motion made, and Question proposed, pursuant to Standing Order No. 54 (Consolidated Fund Bills), That this House do now adjourn—*[Mr. Durant.]*

National Dock Labour Scheme

7.12 pm

Mr. Michael Fallon (Darlington): I am grateful for this opportunity to debate the national dock labour scheme. I am particularly glad to see so many of my right hon. and hon. Friends present in the Chamber, because over 200 of them, as the Patronage Secretary will have observed, have signed early-day motion 275.

In initiating the debate, I have three purposes. First, I want to put forward the case for abolishing this scheme in its entirety. Secondly, I want to argue the potential that will flow from abolition for job creation, urban regeneration and fairer competition between all the ports of the United Kingdom. Thirdly, I want to explore the position of my hon. Friend the Minister and his Department with regard to the development of Government policy on the national dock labour scheme.

The case for abolition should hardly require a speech from me in the ninth year of a Conservative Government. Since 1946, the dock labour scheme has been widely criticised. First, it is monopolistic—I thought that we were against monopolies. Registered dock work, once classified, must be done by registered dock workers. It is a criminal offence to employ any other person to do it.

Secondly, the dock labour scheme, which was drawn up in 1946, dates from an era when there were not the measures of employment protection that we have today, and when there were problems with casual labour and instant dismissal.

Thirdly, it is discriminatory. It distinguishes between different classes of workers in an invidious way. How many of my hon. Friends realise that in many ports there are more people employed by the ports who are not registered dock workers than who are? Yet the minority enjoy special privileges with regard to discipline, job security and employment protection, thus causing resentment and envy. It is an entirely invidious distinction between different classes of workers.

Fourthly, and fundamentally, the dock labour scheme is anti-business. It prevents ports from deploying their manpower in the most economic and efficient way. It prevents ports from diversifying into other activities, which means that management cannot manage. The ultimate decisions about the allocation of resources are left to the local joint dock labour boards.

I should like to give an example of the problems involved from the port of Leith in Scotland, where the Transport and General Workers Union is claiming that the positioning and manoeuvring of certain grain conveyors, troughs and ramps should be dock work. One might say that it is entitled to bid for that work, but it is

other people's work. The dispute arises from the folding of a previous firm of stevedores. That union is trying to take work for itself away from other people. The stevedores who previously did that work will no longer be able to do so if that claim succeeds. The average age of a registered dock worker in the port of Leith is 53 and his average wage is £12,000 a year.

If that example does not impress my hon. Friends, I shall quote the events of last weekend in Boston, Lincolnshire, where registered dock workers — a registered dock worker in Boston earns £25,000 per year — refused an offer of £450 per man for a two-day cargo unloading job, a subsequent offer of £600 and a final offer from the owner of the wharf of £1,200. The trade union official in Boston explained why they did not want to earn £1,200 for two days work. He said, "We wanted a proper hourly rate." We know what that means — he wanted the ship tied up for three, four or five weeks so that they could earn as much money as possible.

On Sunday, that ship left that port and was unloaded at Dover, which is a non-scheme port. That is absurd, and one of the principal reasons why we should abolish this scheme is the potential that abolition has for creating new jobs. The ports say that, once they are freed of this scheme, they will be recruiting again. Tees and Hartlepool port authority, which is not in an area of high employment growth, would recruit 20 men a year for the next 10 years without the restrictions of a registered dock labour scheme.

The dock labour scheme is not only destroying jobs — my goodness, it has destroyed jobs — but is preventing new jobs being created. We are entitled to ask the Labour party whether it thinks it is morally right for a scheme to pay a man £350 or £400 a week for not unloading non-existent ships, thereby destroying other jobs that might be created? If that argument is not accepted by the Opposition, they should look at the non-scheme ports and see how their share of the market has risen from some 8 per cent. in 1965 to some 30 per cent. in 1986 and that they now employ some 4,000 men in dock work.

The second great benefit of abolishing the scheme would be the potential growth in areas of very high unemployment and the urban regeneration that would result. Some two thirds of the scheme ports are in assisted areas in Scotland, the north-east, the north-west and Wales. They are riverside areas, areas of urban decay and areas into which we are trying to attract new businesses.

If scheme ports receive inquiries from companies that want to set up some manufacturing, assembly or warehouse activities on a renewed quayside inside the port, the companies suddenly learn that such activities could well be classified as registered dock work and they instantly go away. There are some 20,000 acres of prime industrial land inside scheme port areas that are crying out for regeneration and business renewal.

Mr. Neil Hamilton (Tatton): Is my hon. Friend aware of the paradox that in some of those areas where there is urban devastation, we have one set of laws which removes all restrictions from enterprises setting up within them because they are enterprise zones, yet at the same time, cheek by jowl with that, enterprise is being snuffed out in zones under the dock labour scheme?

Mr. Fallon: That is a very powerful reinforcement of my argument. There are some 20,000 acres of prime industrial land in the scheme ports. That is a huge amount of land waiting for development. It is equivalent to some 300 Canary wharves — if I can put it in those terms — waiting for development, trying to attract new businesses and hoping to create new jobs.

The final effect of abolishing the scheme would be to establish much fairer competition between our ports. How can it be right for those ports involved in the scheme in the north of England to be expected to compete with ports such as Dover and Felixstowe in the south which are not in the scheme? How can the scheme ports possibly hope to compete on an equal basis with ports in the south and along the south-east coast?

Mr. Eddie Loyden (Liverpool, Garston): Taking the hon. Gentleman back to the point he made about the extension of registration in the ports, when other industries take over, is he not aware that a free port has been developed in Liverpool and none of that work is registered work? As for the registered dock workers, in the port of Liverpool, from the mid-1960s to the present day, the reduction in RDWs has been from around 12,000 to 15,000 at that time, down to less than 2,000 at present. That makes a complete nonsense of his argument about protectionism in the national dock labour scheme.

Mr. Fallon: That proves my point — that not only is the scheme non-job creating, but it has not been efficient in protecting the jobs which have been lost anyway. Those jobs have not been replaced by the new jobs that we should be attracting to those riverside and port areas. I hope that I have made my case for the potential that should arise from abolishing the scheme.

I turn with some reluctance to the position of Ministers in this matter. The case for abolishing the dock labour scheme is so overwhelming that the inertia of my hon. and right hon. Friends is all the more puzzling. In all fairness, I should exempt my hon. Friend the Under-Secretary of State for Employment from that criticism. I know that he at least understands the case against monopolies, even if he is not prepared to do anything about it. At least he is aware that he is running a scheme that discriminates between different classes of workers, even if he is not prepared to end that discrimination.

I know that my hon. Friend understands how the dock labour scheme restricts job creation, even though he works for a Department that is supposed to be stimulating job creation. I know that he understands the extent to which business in the riverside areas of the north is being blighted, although he and his Department are supposed to be playing their part in the inner-city initiative.

I also know that my hon. Friend is a student of history and that he is aware that some of his Conservative predecessors failed to remove this blight from our ports. I know that he has no wish to see his silence interpreted as some kind of conspiratorial agreement so that, after Aldington-Jones, we are not going to have Connolly-Nicholls enshrined in our history as some conspiracy of inaction to rid us of that scheme.

I have to say to my hon. Friend that there could be two explanations for the inertia of his Department. It is possible that the Minister thinks that this is a minor matter and that, as there are now only 10,000 dock workers, it is not the problem that it once was. I hope that I have argued that, not only is it a very serious problem, a major restriction on those scheme ports, but it is blighting the future development of our ports.

[Mr. Fallon]

Secondly, it is possible that my hon. Friend thinks that the problem will disappear because the registered dock workers are aging. The average age of a registered dock worker is 47, but that does not mean that the problem will disappear. Sooner or later, the scheme ports will have to start recruiting. They will have no option but to start recruiting younger registered dock workers and to continue all the monopolistic practices of the dock labour scheme to which I have referred.

I must urge my hon. Friend to re-table the future of the scheme with his right hon. Friend the Secretary of State and to go back to his ministerial colleagues in other Departments such as the Department of Transport, which is trying to promote fairer competition among our ports and to ensure that all ports are free fairly to compete against each other. He should go back to the Department of Trade and Industry, which is trying to stimulate urban regeneration and attract fresh industry to our urban areas and which is committed to lifting such burdens on business as the dock labour scheme represents.

I hope that my hon. Friend will be able to convince all his ministerial colleagues of the potential for stimulating fresh employment in those ports if the scheme were finally lifted.

7.27 pm

Mr. Eddie Loyden (Liverpool, Garston): First, I should refer the hon. Member for Darlington (Mr. Fallon) to the reasons why the National Dock Labour Board was introduced in the first place. That happened long before the hon. Gentleman came to the House, and probably long before he knew anything about the docks industry.

The hon. Gentleman knows the history of the docks and he will be aware that the docks used to be a labour-intensive industry. It employed casual labour, indeed sweated labour. There was no organisation and there was exploition of the highest level. Dock workers and their families lived in abject poverty in every port in the United Kingdom.

It was not until Ernie Bevin examined the whole question of the dock workers and the port industry in general that some order was brought to the chaos that existed in the docks industry. The docks have gone through several transitions and changes in the way in which ships are loaded and unloaded and there has been a dramatic change in the system of loading ships. All those changes took place in negotiations and modernisation committees in every port and have been accepted by dock workers. That is why there are fewer than 2,000 registered dock workers in the Liverpool docks today, compared to 10,000 to 12,000 in the late 1960s.

There has been co-operation from registered dock workers. It is a fallacy to suggest that the development of the non-scheme ports has been responsible for the decline in the scheme ports. The development of the non-scheme ports in natural deep-water berths was a consequence of the changes in trade with Europe, as opposed to the rest of the world. Those ports were seized on as an opportunity to move trade away.

The hon. Member for Darlington paid no regard, apart from a passing comment, to areas of decline such as the north and north-west. In my area, the entire local economy was port-orientated. Nearly all the industries were adjacent to and related to the docks. Now those jobs have gone, and we have suffered from mass unemployment ever since. Although there has been no restriction on the movement of new industries into those areas, and enterprise zones and free ports have been developed in Liverpool, employment in the port transport industry is still in decline.

It is typical of Conservative Members to argue purely on the basis of competition, and to ignore the social consequences of what has been happening. We should be grateful to those who had the vision to bring in the National Dock Labour Board. They brought order where there was chaos; humanity where it was lacking; dignity where it did not exist. They brought a decent life to men who worked hard to make their contribution to the wealth of the nation. Many Conservative Members had nothing to do with that.

When Conservative Members condemn schemes such as this, they do so on a single basis: they hate them and want them removed because they give protection, for the first time, to workers. For the first time in history, the working class of this country was protected by law, and that really galls Conservative Members. They approve of protection for the City and for big business, but it is another matter when it comes to protecting working-class men against the hyper-exploitation that was a centre of their casual labour, and ending a system of hiring that treated them worse than animals. Men were herded into a pen like cattle, and threw their books in, hoping that they would get them back along with work. That is the system that ended with the National Dock Labour Board.

I am not arguing that there will be a requirement for such a board for ever and a day, but I can see no reason for dismantling it at this stage. If it is to be ended, it should be ended after negotiation with the trade unions involved. I hope that the Minister can assure us that, whatever the future of the board, a decision will be made not in the House, but in full consultation with the industry.

We have seen a blatant example of the nausea of Conservative Members when they see protection for workers. Tonight, the hon. Member for Darlington has been clearly seen as an example of Toryism at its worst. I am sure that dock workers throughout the country will recognise the consideration of the Conservative party for the mass of working people in this country.

7.34 pm

Mr. Jacques Arnold (Gravesham): We have just been treated by the hon. Member for Liverpool, Garston (Mr. Loyden) to a highly emotional history lesson on the national dock labour scheme. In my view, this historic House should be concerned not with preserving men in history books, but with the employment of those who now work in the docks, and who will do so in the future.

I was the hon. Member who tabled early-day motion 275. I did so because of my concern over the wharves and riverside in my constituency. I was somewhat surprised at the rapid upswell of support in the House. 209 of my colleagues supported the motion, which amounts to the highest support among Conservative Members that an early-day motion has received in this Parliament.

That upswell of support is no accident. We in the Conservative party are concerned with developing the assisted areas, and it is no coincidence that the scheme ports by and large fall within those areas. There is an odd

combination at present: the dock scheme, which is killing jobs and stunting development, is slap bang in the areas about which we are most concerned.

I come from a borough that is not an assisted area. It is in the so-called plush south-east. Thirty years ago, Gravesham had a maritime and shipping tradition in Gravesend and Northfleet, but today our waterfront is known for inactive wharves, dereliction and unemployment that was until recently the highest in Kent. I have visited the wharves up and down the River Thames in my constituency, and time and again it was the same old story: they move only their own goods to avoid the conditions of the dock labour scheme. A large amount of business could come through if only that did not involve the application of the scheme in all its worst aspects.

Those wharves have done their sums. They know that they cannot do the business because of the cost, the inflexibility and the lack of control over the direct work force that would arise—and that is not to mention the levy payable on the scheme. They know that business is not viable under such conditions, so they do not bid for it, so new jobs do not come to my borough of Gravesham.

Who exactly are the beneficiaries of the national dock labour scheme? They are the non-scheme ports, and, far worse, Rotterdam, Antwerp and other major continental ports. The dock labour scheme is a killer of British jobs, and a developer of jobs on the continent. A company that used to unload bulk goods at a local wharf in my constituency found that, by unloading the very same goods at a continental port and then bringing them over to the south-east of England, it could exactly halve its costs. Moreover, the speed at which the ships could be turned round meant savings of thousands of pounds—or francs, or guilders—which made a major impact on business.

What was the consequence? Yet another wharf in my constituency went to the wall. What happened to the people who worked there? The 55 registered dockers all marched to Tilbury to go on the payroll there—thus compounding the problems of Tilbury, which is itself closing docks because it cannot compete for business. Twenty-seven of my local people who were the second-class workers of that wharf went straight on the dole.

The result of the scheme is a tragedy. We know that there is more business, but we cannot get it, yet that is at the very time that Kent county council is opening up our waterfronts with brand new roads through the Thames-side industrial route. We could have thriving wharves, with much heavy goods traffic coming off the major roads through the south-east of England.

The scheme is iniquitous. It has already cost British industry more than £450 million. It has done for dockers' jobs. In 1947, in the golden years of which the hon. Member for Garston spoke, Britain had 73,000 dockers. This magnificent scheme has worked its will and there are fewer than 10,000 registered dockers today—quite a success. Elderly men, who will be gone in 10 or 20 years, are left in the industry. Nothing of our dock industry will be left if it is allowed to continue to wither.

The consequence for those who work in the docks is a class structure. The upper class consists of those members of the Transport and General Workers Union docks section, who get all the best conditions and arrangements. The second-class citizens in the docks are also members of the TGWU. They resent what the docks section gets away with.

Let me give an example of another wharf in my constituency which considered starting up. It held discussions with the TGWU docks section, but it was told that if it went ahead the workers would have to be sacked and cleared away. The workers who would be slung on the dole are fellow members of the TGWU who do not happen to be the princes of that particular section.

We must set our docks free. We need to deal fairly with the 10,000 dockers remaining in the scheme, either by making a settlement that guarantees them a job for the remainder of their working lives—I mean a job, not a skive — or a one-off compensation payment to individuals after which they can compete for jobs like anybody else, in my borough, Liverpool or anywhere else.

The Government should have the courage of their convictions and tell the port employers and the union that it is now time to negotiate the abolition of the scheme. I hope that my hon. Friend the Minister will be earning the title of St. Patrick of Teignbridge by slaying this particular dinosaur.

7.42 pm

Mr. Michael Foot (Blaenau Gwent): I hope that the Minister will continue to resist the pressures that are being brought upon him by whatever number of hon. Members. The hon. Member for Darlington (Mr. Fallon) said that he was backed by 200 Conservative Members. I am glad to see that quite a number of them have evaporated and I hope that all the rest of them will lose their enthusiasm for the proposition as time goes on.

It is interesting when Tories come before the House and say that we should forget the history of the subject. It is natural that they should do so. With some honourable exceptions, most Tories resisted any attempt to introduce any form of proper control over the docks and industrial relations and to establish a proper system for working the docks.

In the old days, the fight was against casual employment in its most scandalous form. It was, as my hon. Friend the Member for Liverpool, Garston (Mr. Loyden) said, Ernest Bevin and some others in the TGWU who led the campaign to establish a dock labour scheme to overcome that in the first place.

Later on, we were faced with a serious problem in the rundown of the docks. Everybody knew that there would be a pretty big reduction in the number of people employed in the docks because of the technological changes. The problem was whether that could be done in an orderly manner or whether a series of industrial actions and strikes would accompany that serious change that had to be undertaken.

Faced with that problem, what happened? In those days, some Conservative Members had a slightly better approach, certainly than Conservative Back Benchers today. Lord Aldington was the spokesman for the employers and the Aldington-Jones agreement was an honourable agreement whereby the rundown was enabled to take place in an orderly way with consultations between employers and trade unions throughout. That was a proper form of industrial democracy for dealing with the problem. *[Interruption.]* It is all very well for Conservative members to sneer. They are sneering not only at Jack Jones, who made the agreement on behalf of the TGWU and the trade union movement, but at Lord Aldington, who saw the wisdom of trying to make an agreement which would be held to.

[Mr. Michael Foot]

Agreements are not there to be torn up at the convenience of one party. Apparently, Conservative Members are asking that all the undertakings made by Lord Aldington on behalf of the employers and the employers section on the board should be abandoned now that the rundown has taken place.

In many of the ports the number of dockers has been considerably run down. I do not say that there have not been any disputes. There have been a few, but there would have been far greater industrial trouble and disturbance in the docks if it had not been for the existence of the scheme and the determination of people on both sides to keep their word and to abide by their undertakings. Having agreed that procedure, they carried it through. If changes are required, there are appropriate methods by which questions can be raised on the board running the scheme. That was all agreed.

For anybody to come before the House and say that the scheme should be torn up unilaterally is a recipe for industrial trouble of the first order. Quite apart from that, it is a most dishonourable proposal. I imagine that one reason for the alleged inertia of the Department of Employment may be that it retains some remnant of a sense of honour in these matters and feels that it should be helping to protect the scheme which has made a considerable contribution to industrial peace in Britain in a place where, for many years, there were great dangers. Without it, changes in the way in which dock work was done would have been highly disorganised and accompanied by appalling strikes and industrial action of one kind or another, which would have wrecked our commerce at critical moments in the past 10 or 20 years. Therefore, I hope that the Government will stand by the agreement.

If change is required, the proper way, as my hon. Friend the Member for Garston said, is to discuss how amendments or alterations can be made. No doubt the TGWU and others involved will, in turn, put forward other propositions. I know that that is contrary to the way in which the Government try to deal with matters. They think that the way to deal with industrial relations is to say, "This is what we want. This is what workers must take and this is the way in which the whole change should be carried through." That is the way in which they try to run industrial relations in Britain, but they are gradually discovering that they come up against bigger obstacles.

I was glad to see that the Government were taught a lesson in the Ford dispute the other day, and there have been other instances. Other cases may arise in other areas too. */Interruption./* It is all very well for hon. Members to laugh. The agreement was very different from the one the Government expected in the first place, and that is very healthy for our industrial relations.

I hope that the Government will take no notice of the plea of the hon. Member for Darlington. I hope that the Minister will tell his hon. Friends—in private, if it is too difficult to do so in public—that it would be utterly dishonourable to have a unilateral breach of the scheme which has benefited Britain's dock industry for many years. It would be especially dishonourable because that scheme, among its many assets, gave people guarantees of employment.

I know that guarantees of employment stick in the throats of modern Tories. It did not stick so much in the throat of Lord Aldington and some of the other Tories of 20 or 30 years ago who made the agreement. They did not object on such grounds. A major part of the scheme was to ensure that dock workers should have guarantees of employment over a long period. If the Government were to yield to pressure from Back Benchers, one consequence would be that the jobs of many dock workers would be under threat, and once dock workers knew that, there would be industrial trouble.

Mr. Neil Hamilton: Does the right hon. Gentleman accept that if dockers in the scheme have guarantees of employment and other benefits as a result of the protection, they enjoy those benefits only as a result of guarantees of unemployment to others who would otherwise secure employment in the docks and enjoy the benefit of being in work?

Mr. Foot: The hon. Gentleman is talking absolute nonsense, particularly given the unemployment that we have had to endure over the past five or six years. Under the scheme, the dockers have a better guarantee of their employment than many other sections of the community, so it is a very good scheme. A similar industrial democracy system should have operated in many other trades, occupations and industries, so that better industrial relations would have been preserved. Many industries have not had that protection over the past seven or eight years.

I hope that the Government will resist any pressure in this respect and will recognise that if they are to seek change they should raise the matter under the provisions of the scheme. They cannot make changes arbitrarily and unilaterally without bringing dishonour on themselves and perhaps much greater industrial trouble. I urge the Government to reject—although they may have to do it politely—the nonsense from their Back Benchers.

7.51 pm

Mr. Nicholas Bennett (Pembroke): I congratulate my hon. Friend the Member for Darlington (Mr. Fallon) on selecting this topic, as it is a subject which many Conservative Members are keen to debate and on which they would like to see the Government take some action.

The hon. Member for Liverpool, Garston (Mr. Loyden) spoke about history. I have a family interest in the docks, as my maternal great-grandfather, Tom Mann, was one of the three leaders of the 1889 dock strike and led the fight to get rid of the casual system, which was abolished as a result of the 1946 agreement. We have moved on 100 years since then.

The Parliamentary Under-Secretary of State for Employment (Mr. Patrick Nicholls): Not all of us.

Mr. Bennett: My hon. Friend is quite right; many Opposition Members are stuck in the 19th century. The more progressive of them are in the 1930s, but the rest of us have had to move on to consider the effects of the scheme today, not 100 years ago, 1946 or even 1976, when the right hon. Member for Blaenau Gwent (Mr. Foot) introduced the Dock Work Regulation Bill.

The Aldington-Jones agreement was referred to by the right hon. Member. What agreement took place with the people in the cold store warehouses in Tilbury, who were told that their jobs would be handed over to the dockers? The people who worked in the container places were not consulted by Jones or Aldington, or by the right hon.

Gentleman, before the proposals were made. It was proposed that the definition of "port" in the Dock Work Regulation Act 1976 should be extended to cover a radius of five miles, but that never came to fruition because of opposition from the workers in those stores.

We are entitled to ask the right hon. Member for Blaenau Gwent what we should learn from his experience. In the Jones-Aldington report one sees the corporate state mentality which underlay all their recommendations. I quote from page 8, headed Container Groupage:

"It can thus be said with fair assurance that a good proportion of groupage containers are now being dealt with either by registered dockworkers or by other workers under acceptable conditions. But some container groupage work is still being done, sometimes close to the ports, under bad conditions."

The committee recommended that if other workers were carrying out the work, apart from registered workers, it should only be under proper conditions, and all the undertakings which handled groupage containers should satisfy themselves that the requirements were being met.

The Aldington-Jones agreement wanted to hand over to the dock workers the container work. The report went on to say—this is a lovely sentence which is worth savouring:

"In making this agreed recommendation the Committee feel it right to record that the trade union members of the Committee firmly believe that the Dock Labour Scheme should be extended to all ports and wharves."

You bet your bottom dollar they did. They would like to have a monopoly control over what happens in the docks.

I am delighted to say that common sense has prevailed and since then the number of registered port workers has declined, but the number working outside the scheme has increased because employers have seen, as have employees, that there are benefits to be gained from not being a registered port worker.

I should mention the working practices in the dock labour scheme. The first is ghosting. If an employer needs to bring a specialist worker on to the dock, such as a crane driver, he must be paired with a docker, who in theory stands and watches but in practice goes home or goes to the pub at 10 o'clock in the morning. Then there is bobbing. A set number of dock workers are assigned to the job—half of them do the work and the others bob off.

Moonlighting means that dockers are guaranteed fallback pay when there is no work for them to do, earn extra work driving minicabs or running market stalls. Then there is disappointment money. Employers pay compensation in return for lost bonuses when a ship fails to dock or a cargo is cancelled. There is not much disappointment for the workers, but there certainly is for the employers. The Spanish customs have meant, according to page 82 of the National Dock Labour Board annual report of 1986, that unemployment of dockers in the scheme is 21 per cent.

With regard to discipline under the scheme, I refer to an answer given to my hon. Friend the Member for York (Mr. Gregory) on 19 February. In every year since 1981, every employee who has been summarily dismissed under the dock labour scheme has been immediately re-employed —some discipline! If workers know that they will be re-employed immediately, they might as well be undisciplined in the first place.

As for the administrative costs of the board, a parliamentary answer on 14 January showed that a levy of some £4 million per year is imposed on employers, which has meant that the profit and loss of the scheme for the five major ports has varied between a loss of £1·5 million in London and profits of £2·4 million in Medway ports, £2·4 million on the Mersey and £2 million in the Manchester ship canal. There is a discrepancy between the best and worst ports in the scheme.

In order to find out the costs of the boards, I asked my hon. Friend the Under-Secretary whether he would tell me what the administrative costs of local dock labour scheme boards were. The answer was that the information was not made public. I then asked why it was not made public, and the answer was:

"I regret that the information is not held centrally and could only be obtained at disproportionate cost."—[*Official Report*, 3 February 1988; Vol. 126, c. 644.]

That does not tell me why it is not made public, just that it would cost a lot of money, so we do not know how much the boards are charging their clients for the use of the scheme.

My hon. Friend the Member for Gravesham (Mr. Arnold) referred to costs to the users of ports and mentioned Rotterdam and Antwerp. It is interesting to note that the average cost per tonne in Rotterdam and Antwerp is between £2·50 and £3·50. In the United Kingdom, the average cost per tonne is between £7 and £15. Only a very patriotic cargo vessel owner would choose the United Kingdom if he had a choice between unloading in Europe or in the United Kingdom.

I want to examine the costs that the scheme imposes on users in the United Kingdom and I take as my example the unloading of fish. In Aberdeen, which is a scheme port, the cost is £3 a box of fish. In the non-scheme port of Grimsby, the cost is £1·44 a box. That means that the trade in Aberdeen is gradually declining, while trade in Grimsby is beginning to increase.

I want also to consider dockers' pay. We have come a long way since 1889 when Mr. H. H. Champion said:

"The Dock Labourer has not unaptly been described as 'a man who always lives with only half-a-crown between him and starvation'."

That starvation is a long way away today. The average pay of a dock worker in the dock scheme today is £309·78 a week. However, that is only an average. In Port Talbot in south Wales—and south Wales has the second lowest wage rates in the United Kingdom—the gross wage of a dock worker is £472 a week. That is almost £300 a week more than the average wage in Port Talbot. People must be queueing all the way to Swansea to get a job in the Port Talbot docks. However, the number of people wanting to send their ships there is another matter.

According to the National Dock Labour Board the maximum severance pay in 1986 was £25,000. I could continue to cite the costs of the scheme to employers and the people who use the ports. However, I want to consider the scheme's effects. I have received a letter from Mrs. Eleanor Laing, who stood at the last general election for the Conservative cause in the constituency of Paisley, North. She has had discussions with business men who want to operate a new dock in Port Glasgow. She states:

"They are required to apply to the Clyde Port Authority for an Operations Licence, which they have duly done. The Clyde Port Authority has stated that one of the conditions of the granting of an Operations Licence is that they 'shall employ Registered Dock Labour at the said location on all activities falling under the definition of "Dock Work" and shall further adhere to the decisions laid down from time to time by the Clyde Port Authority and the National Dock Labour Board.' Negotiations have taken place with the Clyde

[Mr. Bennett]

Port Authority and it appears that the Company who intend to operate the Dock would be obliged to employ Registered Dock Labour which they calculate would add to their operating costs by approximately £4,200 per week. Such an added expense would make their business unviable and consequently they would be unable to put the Dock into operation and to provide the employment opportunities which they had hoped would result from their venture."

That is an example of the effect of the scheme on a company which wants to move into the dock labour scheme.

I suggest that the scheme is a restraint on trade. It prevents the creation of jobs in the inner cities. As my hon. Friend the Member for Darlington said, the derelict land in the port areas is equivalent to 300 new Canary wharves. That is five times the area of Paris and that land is lying vacant and waiting for an inner city initiative. That initiative will work if the scheme were abolished.

I now want to consider the attitude of mind operating in the National Dock Labour Board that underlies all its operations. Paragraph 19 of the National Dock Labour Board annual report is entitled "Definition of Dock Work." It states:

"Definition of dock work issues continued to be a problem and 12 cases were dealt with during 1986. There is growing concern over the increasing number of non-Scheme projects which have been and are being developed, often in close proximity to existing Scheme ports. This has been particularly noticeable on the Ouse and Trent rivers, and in the vicinity of the Wash. In some cases, the National Board took the unusual step of expressing its concern to the local authorities which were involved in the planning applications. In one case, Sutton Bridge, the matter was referred to an Industrial Tribunal. Unfortunately the Tribunal's decision went against the Board and in consequence, the development of this new facility, with its potential for adversely affecting the traffic and employment of registered dock workers at the nearby Scheme ports is the cause of anxiety both locally and to the National Board."

I could not give a better example of the corporate state monopoly attitudes embodied in the whole idea of the dock work scheme and the workings of the National Dock Labour Board.

What effect has the dock work scheme had on the ports in this country? My hon. Friend the Member for Darlington told us that in 1970 nearly 40,000 people were employed as registered dock workers. There are now fewer than 10,000. In 1967, 92 per cent. of the total non-fuel traffic entering the ports went to registered docks. Today only 70 per cent. goes to registered docks. That clearly shows the effect of the scheme on the employees within the scheme and on their livelihoods.

We should be taking action. We should not simply let the scheme wither away. My hon. Friend the Member for Darlington mentioned the average age of dock workers in the scheme—only 46·3 years. There would be dockers in the scheme for nearly another 20 years even if not one more docker was recruited; and we are aware that new dockers are being recruited to the scheme.

Some 22 per cent. of registered dock workers are under 40, about 40 per cent. are between 40 and 50 years old and 36 per cent. are between 50 and 60 years of age. The scheme will not wither away. It will go away only if Government action is taken to end the scheme. A policy based simply on allowing the decline to continue cannot create the conditions in which the industry can flourish and in which we can provide new jobs.

I believe, therefore, that we should take the advice provided by my right hon. learned Friend the Member for Richmond, Yorks (Mr. Brittan). We should give employers and the unions six months to get together to reach an agreement to get rid of the scheme. If at the end of that time they cannot agree, the Government must act to end the scheme. There would be sensible severance arrangements and retirement with dignity. I accept the promise made by the employers that they have no wish to return to casual employment. They recognise that the only way forward for the scheme is through the provision of fair competition.

We know that Labour Members have doubts. Only 44 Labour Members backed an amendment to the early-day motion tabled by my hon. Friend the Member for Gravesham. Most Labour Members did not sign the amendment. Many people who work in the ports that are not registered want to see an end to the "jobs for life" provided by the Aldington-Jones agreement. They believe that the significant amounts of idle time, high earnings and high severance payments enjoyed by employees in the scheme cannot be allowed to continue.

Deregulation of Britain's ports would do more than anything else to help increase the prosperity of the areas and provide the vital regeneration that they need. I urge the Government to have the courage to grasp the nettle and end one of the last Socialist legacies of the Attlee Government.

8.8 pm

Mr. Gavin Strang (Edinburgh, East): The hon. Member for Pembroke (Mr. Bennett) is mistaken if he believes that the number of Labour Members' names to the amendment to the early-day motion to which he referred is an accurate reflection of the views of Opposition Members on these matters. He is well aware of the rather casual way in which people approach most early-day motions.

The hon. Member for Darlington (Mr. Fallon), who opened the debate, is well known for his opposition to the scheme, and he rehearsed the arguments that we have heard before in his usual articulate way. We do not accept his arguments, and I hope that the Government will take this opportunity to reaffirm their support—support that has existed under successive Governments — for the continuation of the scheme.

It was right that my right hon. Friend the Member for Blaenau Gwent (Mr. Foot) and my hon. Friend the Member for Liverpool, Garston (Mr. Loyden) should remind us briefly of the origin and history of these arrangements. There was enormous exploitation in the docks, and the casual labour system involved enormous hardship and poverty, not only for those who worked in the docks, but for their communities. There can be no doubt, not only that the scheme has dramatically changed that situation, but that major elements of it still provide benefits for dockers and the communities in which they live.

We believe in job security and in the dignity at work that the scheme has given dockers. Those important benefits should not be thrown away. If the scheme were abandoned or repealed, as Conservative Members suggest it should be, there would be a risk of deterioration in the conditions in which dockers work.

It is true that employers have expressed reservations about, and opposition to, the scheme. Undoubtedly, employers often wish to have complete control over their

labour force and resent the role of the trade union. We believe that the arrangements have provided a well-trained, skilled labour force for the ports and docks. Conservative Members seem to think that the reduction in the number of dockers shows a weakness in the scheme. Conservative Members know better than I do that there has been an important change in the pattern of Britain's trade. Entry into the European Community involved a major shift in the relative importance of various ports. A reduction in the labour force is often a consequence of investment and the increased productivity associated with greate efficiency.

Mr. Neil Hamilton: Can the hon. Gentleman tell me which of the ports are in decline and which are growing? Can he see any distinction between the two, based on whether they are in the scheme or out of it?

Mr. Strang: I am making the point that we recognise that there has been a change in the pattern of trade. It is true that the proportion of our trade that goes through scheme ports is lower than that through non-scheme ports, but a very substantial amount of our trade goes through scheme ports. Conservative Members would make a great mistake if they thought that that trade could easily be diverted elsewhere or that we should not be concerned about the enormous disruption that would occur if there were a breakdown in the relationship between the dockers' trade union and their employers. I hope that no hon. Member would want such a breakdown. Nothing in this world is sacrosanct. Of course there must be changes and developments, but surely we all want them to be reached on a proper, sensible and agreed basis.

This Government, like previous Governments, have provided valuable financial assistance in recent years in helping to meet the severance costs for registered dock workers. This scheme, which, as the Minister would be the first to point out, is separate from the dock labour scheme, is due to be extended because it ends this month. The Government are considering this matter. I assume that agreement will be reached on the continuation of some financial assistance from the Government. These severance arrangements are viable factors in the scheme's operation and are important for the employers. I do not believe that they contravene the EEC's provisions.

I want to encourage the Government to maintain a responsible approach to these matters. It must not be forgotten that the scheme is of great benefit to many people and that it should not be terminated, but must be adjusted and developed. All the aspects can be negotiated. I hope that the Government will make it clear that the position is as the Prime Minister reiterated only a couple of months ago in the House—that the Government have no plans to scrap the scheme.

8.14 pm

Mr. Ian Bruce (Dorset, South): I should like to sound a slightly different note in the debate. Conservative Members have put well a solid case on the harm that the dock labour scheme does. The Opposition have expressed solid support for the dockers who are trying to preserve their jobs. Conservative Members do not believe that the scheme is appropriate in today's climate to preserve jobs.

One need only look at my port as an example. When I was selected as a candidate to fight Dorset, South, there were 25 dock workers in my port. By the time I became a Member, there were 19. The last time that I spoke on this matter I thought that there were 16 but, apparently, there were only 15. I have not checked to find out how many there are now, but one can see that there is a terminal decline. I do not have a dock employer in my constituency —the dock employers are outside it—and there are 15 dock worker votes, a number which is rapidly decreasing. I am interested in preserving those dock worker jobs.

I know what my hon. Friend the Minister may be thinking about the scheme—that perhaps one day there will be sufficient legislative time for the Government to get around to scrapping it — but we must do something before we talk about scrapping the scheme. We must look at our docks and consider how to go forward. We had legislation 15 years ago, and we can argue about whether it was good or bad. There were 50,000 dockers then. There are fewer than 10,000 now, and the number is constantly decreasing.

We need to consider what we do in our ports and how we organise our docks for the future. It would be right for my hon. Friend the Minister to say clearly that the Government are not satisfied with the status quo and that they wish to hear from the port employers and the dock workers their proposals for the docks' future.

Not long ago, I had a meeting with my dockers. They said that, although they wanted to preserve the scheme —to me it may be a sacred cow—they were willing to negotiate. The Government go about all these matters sensibly. We have built up industrial relations. The jibe about Conservative industrial relations not working in the Ford dispute could not be further from the truth. Clearly the Ford dispute was solved by using Conservative industrial relations.

We should send to the dock workers and dock employers the message that we want to hear their proposals, that we shall find time in our legislative programme next Session to get the scheme changed— perhaps abolished, but certainly changed—and that that is our commitment.

8.18 pm

The Parliamentary Under-Secretary of State for Employment (Mr. Patrick Nicholls): I should like first to summon up all my sincerity and say how grateful I am to my hon. Friend the Member for Darlington (Mr. Fallon) for giving us the opportunity to debate this issue. I praise him for his good fortune in ensuring that we can discuss these matters at a reasonable hour instead of early in the morning. I should perhaps be even more enthusiastic about having the first debate this evening if I were not fairly certain of having the last as well.

May I also say to those of my hon. Friends who have spoken — all of them with considerable force and eloquence and with a fair degree of knowledge about the issues involved — how much I have appreciated their contributions. I have in mind particularly my hon. Friends the Members for Gravesham (Mr. Arnold), for Pembroke (Mr. Bennett) and for Dorset, South (Mr. Bruce). Even if I may not entirely agree with their conclusions, I can certainly appreciate the way in which they have put their argument.

Since the beginning of this new Parliament, the future of the dock labour scheme and the question whether it should be abolished have assumed some prominence. A number of hon. Members have asked questions about the scheme and I understand that early-day motion 275, which

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seeks Government action towards abolition, has attracted 210 signatures rather than the 209 claimed for it this evening. Ministers can therefore be in no doubt as to the significance of the scheme to Conservative Members as well as to the ports industry at large, and we are well aware that the issues raised by it are highly emotive.

However, the more one studies the issues involved, the more one becomes aware of the complexities. It is one thing to allege that the scheme is completely outmoded and a hindrance to flexible development of ports but quite another to assess the true weight of the impediment. It is yet another thing to conclude that repeal would solve all the industry's problems or that no progress can be made while it still exists.

The Government's position has been made clear throughout the various exchanges. It is only right for me to repeat that that position remains unchanged. There are no present plans to abolish or amend the scheme, although, as with other important statutory arrangements, its workings are kept under review.

As critics and supporters alike point out, the scheme derives from early post-war legislation designed to remedy the ill effects of the old-style casual working and the chaotic conditions of employment that existed in the docks before world war 2. The concept of joint regulation of relations between port employers and registered dock workers was held to be in the interests of both. Rightly or wrongly, that has led to a large body of legislation down the years.

So it was that the first national dock labour scheme was established in 1947 under the Dockworkers (Regulation of Employment) Act 1946. There followed the 1967 dock labour scheme, reflecting the 1965 Devlin inquiry into industrial relations, which essentially continues in operation to this day. Devlin marked an important turning point in the history of manpower arrangements in the docks. Before then, dockers were employed by the National Dock Labour Board and allocated to employers on a daily or half-daily basis. As a result of the 1967 scheme, dockers for the first time became permanently employed by specific employers, thus finally putting an end to casualism.

A system of licensing, to reduce port employer numbers, was embodied in the Docks and Harbours Act 1966. Finally, the Dock Work Regulation Act 1976 was an attempt by the last Labour Government to introduce a new and even wider scheme, but Parliament, in its wisdom, refused to approve their 1978 draft.

A statutory employment scheme necessarily entails some administrative on-cost. Hence we have the statutory National Dock Labour Board which runs the scheme, supported by a network of local boards, all consisting of an equal number of employer and union members.

The board maintains registers of dock works and employers which have a statutory monopoly over dock work as defined by the scheme as it applies at each individual port. It also regulates recruitment and discharge from registers and the allocation of registered dock workers to individual employers on a permanent basis. It administers the RDW severance and pension scheme on behalf of the industry, as well as medical, training and welfare facilities.

I have tried to describe the history of the scheme in the least emotive way possible. That history has been referred to not only by my hon. Friend the Member for Pembroke, who, through his family, has a direct knowledge of how the scheme first came about, but by the right hon. Member for Blaenau Gwent (Mr. Foot) and the hon. Member for Liverpool, Garston (Mr. Loyden). As I have said to the hon. Member for Garston on previous occasions, I do not for one moment doubt the sincerity with which he speaks about these matters. However, when he refers to the forties, it is difficult to know whether he is talking about the 1940s or the 1840s. Time moves on, and as politicians we try to derive the ability to learn from history and develop our ideas from it.

I do not know what I have done to deserve it, but I have had to listen to the right hon. Member for Blaenau Gwent making speeches on many occasions. I always envy him the style of his speeches. He has a Celtic eloquence which, as someone who is at least half Celt, I can wholly admire. However, once I have got behind the undoubted skill of the right hon. Member's delivery and can concentrate on his approach to the history of these matters, I find that he makes the ancient mariner look like the epitome of yuppy modernity.

Again, one can never doubt the sincerity with which the right hon. Gentleman speaks, but he sems to be completely unable to realise that times move on, decade succeeds decade and century succeeds century — *[Interruption.]* Does the right hon. Gentleman wish to intervene?

Mr. Foot: I am very gratified, because at the beginning of his speech the Minister said that he was going to keep the scheme in being. Anything that he says about me after that I can easily take.

Mr. Nicholls: I have tried to say the nicest things that I can about the right hon. Gentleman. I had hoped that I might be able to embarass him, as he may have been able to embarrass me, but perhaps he has been at the trade we both pursue for so long that he is unembarrassable. We shall see.

Let me deal with some of the most frequent criticisms levelled against the scheme. Perhaps the main criticism is that it gives registered dock workers the unnatural privilege of a job for life. Events have shown that there is rather more to it than that. Job security really owes more to the industry's own Jones-Aldington agreement than to the scheme itself.

The ports industry cannot be immune from today's competitive pressures and technological changes. The 1960s container revolution, the advent of roll-on/roll-off traffic and other advances precipitated a truly drastic rundown in labour requirements. The switch of trade from west coast ports to those on the east and south coasts, stimulated by our membership of the European Community, also affects the distribution of manpower to a considerable extent.

Adaptations have taken place, the dock labour scheme notwithstanding. Overall, from a peak of 81,000 in 1955, the number of RDWs declined to 27,000 in 1979 and to under 10,000 today. As my hon. Friend the Member for Dorset, South suggested, it may even be declining at this very moment.

Admittedly, because of the way in which the scheme and the associated Jones-Aldington agreement work together, severances of RDWs from scheme ports are effectively made voluntarily. In these circumstances, some large financial inducements have been needed to ease the industry's transition to proper manning levels.

Currently, the normal severance offer amounts to a maximum of £25,000 per man, after 15 years' service, of which the Government and the port employer concerned each pay 50 per cent. This is undoubtedly generous, but the fact remains that the industry has gone a long way towards eliminating its manpower surpluses in most ports. Manning is now much tighter and everyone involved can take much credit for that.

Questions have been asked about what arrangements will apply after the end of this month when the Government's present agreement with the port employers comes to an end — a particular concern of the hon. Member for Edinburgh, East (Mr. Strang). The employers are of course responsible for setting the severance terms offered to registered dock workers. They have said that they cannot determine future arrangements until they know what Government financial assistance will be available.

For the moment, however, the Government cannot make any specific pledge, as any further assistance has to be cleared in principle with the European Commission under its state aids regulations. That process is likely to take a few weeks yet, but of course that in itself has no implications for the future of the dock labour scheme.

A related criticism of the scheme is that it weakens management's ability to manage and reinforces union attitudes that make for inefficiency—a point made by a number of my hon. Friends. Certainly, there is no shortage of reports of disreputable working practices. Scheme or non-scheme, these can only lead to a loss of trade to overseas competitors and must indeed have contributed to the loss of jobs over the years. That must be bad for all whose work and future are bound up with the industry.

However, it has to be said that local managements seem to vary considerably in their ability to run successful cargo-handling operations. Despite the constraints, many scheme ports are profitable and, as I have already suggested, the industry has adjusted and responded successfully to enormous technological changes over the years, and that could not have been achieved without effective management.

The same arguments present themselves when considering the related position that the scheme militates against enterprise, competitiveness and development of the ports. Those were some of the concerns mentioned by my hon. Friend the Member for Darlington and echoed by my hon. Friend the Member for Gravesham.

The history of the past 20 years has shown that the ports have, in fact, worked through a profound revolution in their methods and operations, which has required enormous investment and a readiness to adapt. Some may say that that has been achieved in spite of the scheme, rather than because of it, but clearly some managements have been able to succeed better than others.

None of this is to deny, however, the perennial need to remain competitive, and to the extent that dock workers and their unions abuse the scheme, rather than use it constructively, they do, indeed, hamper their own prospects.

On that point, recent press articles have highlighted some of the so-called 'Spanish customs'. My hon. Friend the Member for Pembroke has referred to 'ghosting' 'bobbing' and 'moonlighting'. Obviously, such practices ultimately have the effect of undermining the employment prospects of those who indulge in them. Hon. Members can probably think of similar practices. Such practices are a far cry from the maxim, "A fair day's work for a fair day's pay," to which trade unionists have traditionally subscribed.

Finally, it is said that the scheme is anachronistic and no longer necessary for its original purpose. I suppose that it would be true to say that, starting from now, nobody with the industry's well-being at heart would design something so rigid and bureaucratic. However, that is not the same as pressing ahead at once with repeal. In my view, all those who wish to preserve the scheme, including Opposition Members, have a duty to show how it can be made to assist the industry and how abuses can be stopped.

I repeat that it is remarkable that we hear tales about how the dock labour scheme came into practice and the undoubted miseries under which dockers were made to work in the previous century from Opposition Members, when the leader of the Labour party was able to make a joke at his own party conference about dock workers, saying that it was not entirely realistic to say to a man who has a villa in Marbella, "Come on, brother, let me take you out of your misery." Perhaps to that extent, the leader of the Labour party is slightly in advance of some of his hon. Friends to whom we have listened tonight.

If the speeches of my hon. Friends tonight are taken at their face value, mere abolition of the scheme would mean that all the problems of the employers could be removed at a stroke. It is heartening to think that that could be so, but, despite the considerable eloquence and enthusiasm that my hon. Friends have shown tonight, I cannot believe that the mere abolition of the scheme would have all the desirable effects that they seem to believe.

8.32 pm

Mr. Harry Ewing (Falkirk, East): I apologise to the Minister, to Conservative Members and to my right hon. and hon. Friends for the fact that I have not heard much of the debate. Therefore, out of courtesy to the Minister, because I know that he would not seek to come back on what I say, I shall not take any great issue with the points that he has made.

However, from the debate that I have heard, and from all my experience of the dock industry — not as an employee, but as a Member of Parliament representing the port of Grangemouth over a fairly large number of years — my experience is that the National Association of Port Employers has sought for several years to have the national dock labour scheme terminated.

I do not accept that the future of our ports depends on whether that scheme continues. My hon. Friends may be surprised at my saying that. I do not believe that the future of the ports in the United Kingdom — especially in Scotland, and even more especially on the east coast of Scotland — depends primarily on the attitude of the National Association of Port Employers, or even on the attitude of the Transport and General Workers Union. It depends primarily on the owners of the vessels. From the debate that I was able to hear, I noticed that there was little or no reference to the shipowners.

For the benefit of my Scottish colleagues who are present, I shall relate the stark reality of what is happening in the Scottish ports at the moment and has been happening for a considerable number of years under a scheme called the grid scheme.

Simply explained, if one takes as an example the whisky industry in Scotland, one could put a load of whisky on

[Mr. Harry Ewing]

to a lorry in the city of Perth, where much of our whisky is made, and have it transported free of charge down to the non-scheme port of Felixstowe. The road haulage costs would be paid for by the shipowner, on the basis that it is much cheaper to pay those costs than to have the vessel steam the additional distance to Grangemouth or Neath, which is near the constituency of my hon. Friend the Member for Edinburgh, East (Mr. Strang), or to any of the east coast ports of Scotland.

That grid scheme has had interesting results in Scotland during the past 10 years. Ten or 12 years ago, 75 per cent. of all goods manufactured in Scotland for export were exported from ports in Scotland. That is a significant figure, but that 75 per cent. has now been reduced to 25 per cent. I agree that in a sense that is because Scotland is exporting less, but it is primarily because of the grid system, whereby the shipowners pay the road haulage costs from the point of departure to the non-scheme port of Felixstowe. The scheme is having a devastating effect on the port industry in Scotland, both east and west. The port of Glasgow has closed down almost completely. It was a busy, thriving port until about 10 years ago.

When I first went to Grangemouth to represent that constituency, there were 800 dockers. On hearing the Minister talk about technological change, I was reminded that Grangemouth was the first port in Scotland to be containerised. Our dockers in Grangemouth did not put up any opposition to the advent of mechanisation and, as a result, we are left with the most obsolete equipment. By that I mean that, if one wants to load a vessel eight containers across in the port of Grangemouth, despite its deep water for 24 hours a day, one can load the vessel only four across. One must then take the vessel out, turn it and bring it back in so that it is then possible to load the other four containers from the other side of the vessel. That is because the arm of the gantry that loads the containers on to the vessel is 17, 18 or even 20 years old and is now out of date.

Because of the lack of investment in the port, we in Grangemouth, having accepted containerisation in its early days, have been left behind in terms of mechanisation. As a result, the work force in Grangemouth has declined from about 800 dockers when I first went there to under 300 dockers now. In all honesty, I should point out that many of those 300 dockers are, as we say, "sent up the road" almost every day of the week because there are not sufficient vessels coming into Grangemouth to employ them full-time.

I urge the Minister to take on board my comments about the future of the port industry in Britain. If he thinks that there is anything to answer in what I am saying, perhaps he could drop me a note. The future of the port industry in Britain is not really tied up with the national dock labour scheme. I could advise the National Association of Port Employers that the national dock labour scheme will be broken over my dead body. I do not want to go into history, but I can remember what happened in the days of casual labour. I do not want to recite the incidents that took place then, because that would not do any of us any good. We all have our own memories of what happened in the days of casual labour. The National Association of Port Employers has got it completely wrong.

The future of Great Britain's port industry will not be decided by that association or—I hesitate to say it, but it must be said—by the Transport and General Workers Union and the national dock labour scheme. The future will be decided almost entirely by the attitude of shipowners. If the grid system, which has prevailed in Scotland to our serious disadvantage, is allowed to continue, the net effect will be the continuing closure of Scottish ports. Once the ports have been closed, the national grid system will be abolished and the road haulage costs will be added to the costs incurred by the company that is exporting goods. The company will have to pay for the transport of goods from cities such as Perth, Glasgow or Edinburgh down to Felixstowe or any other port from which the goods will be exported.

I hope that the Minister and his hon. Friends will give some thought to the part that will be played by the shipowners in deciding the future of our port industry. I believe that the role of the shipowners will, in the months and years ahead, become central to the issue that we have had the good fortune to debate tonight.

Inner Cities

8.40 pm

Mr. Sydney Bidwell (Ealing, Southall): I am grateful for this opportunity to open this debate on the inner cities. As recently as Monday, the House heard a statement by the Chancellor of the Duchy of Lancaster, who is also a Minister at the Department of Trade and Industry, on the Government's project for the inner cities. That statement was made on behalf of "She who must be obeyed". We understand that, as a result of that remark, a previous Leader of the House found himself in disgrace and ultimately departed from this House. Nowadays, he is to be found in the other place.

Monday's statement and the Minister's response to questions is best illustrated by the observation of my hon. Friend the Member for Newham, North-West (Mr. Banks):

"Why does the Minister not just come clean and tell us that the statement is part of the process of dismantling Labour-controlled local authorities in the inner cities . . . and turning them over to Tory business men to take decisions behind closed doors?"—[*Official Report*, 7 March 1988; Vol. 129, c. 43.]

My hon. Friend should know about the inner cities, because he is a former distinguished member of the Greater London council. We still have bitter memories of the abolition of the GLC. It was a major planner of London's affairs and it faced the difficulties encountered by Londoners in a progressive manner. Its work was appreciated by Londoners on the western fringes, such as those in the London boroughs of Ealing and Hillingdon, and those living in the inner city which is the substance of this debate.

My constituency is in the borough of Ealing. In a recent speech during the debate on rate capping, I said that my borough had the characteristics of an inner-city area. Those characteristics are especially apparent in the Southall end of the borough—the west end if one likes—as well as in other parts of the borough, including the area represented by the hon. Member for Ealing, Acton (Sir G. Young). I am glad to note his presence this evening, and perhaps he will explain how his right hon. and learned Friend's statement will substantially benefit Acton, an area which he zealously represents.

It is well known that Southall has the country's biggest community from the Indian sub-continent. I am not claiming that everyone is poor—far from it—but the area is overcrowded. There is a desperate housing shortage, largely due to the fact that the area has a low-average-age population. It also has a high level of youth unemployment. There is grave traffic congestion in the streets. The area is in desperate need of Government financial assistance channelled through the local authority.

That local authority, as the elected representative of the people, knows more than anyone where that money is needed. The Labour-controlled authority has struggled to meet the problems, but all that the Government have offered is rate capping. Such action has been taken instead of making money available to offset the need to increase the rates that raise the money to pay for the much-needed improvements throughout the borough.

The ruling Labour party of the authority, which had such a handsome victory at the last municipal elections, was elected on a manifesto to carry out progressive work, and it proceeded apace. Since 1979, the Government have reduced the total grants to local authorities from 61 per cent. of total spending to 46·4 per cent. in 1987-88. The effects in Ealing have been even greater. In 1980-81, the last year of the old rate support grant system, 52·4 per cent. of council spending was met by the rate support grant. In 1987-88 only 25·5 per cent. of its spending will be met by block grant. Those are significant figures. They demonstrate how central Government have pulled out of the borough and, in particular, their attitude towards a Labour-controlled local authority.

Ealing leapt from being the lowest rated area in west London to the highest because the local authority was intent on carrying out progressive change. In cash terms, the council is receiving less this year than it did in 1980-81. In 1987-88 Ealing has lost £48·5 million in rate support grant from the Government. That money could have been invested in providing essential services for the borough.

The particular social needs of the borough were outlined in a submission made by Ealing to have its rate-capped limit raised. The Government have consistently refused to accept that Ealing has inner-city characteristics. That is our major complaint. For example, using the *Z* score to measure urban deprivation, Ealing, as at 10 December 1986, ranked tenth out of the 23 authorities granted programme status. Ealing has repeatedly been refused that status. In other words, it has been victimised because it is under Labour control.

Since its election in May 1986, Ealing council has attempted to meet the area's needs. It has housed 1,000 homeless families, appointed 140 teachers, and negotiated with the private sector to provide more than 600 new homes for letting to families in priority need. It has started making improvements at the Acton end of the borough that had been held back for many years. Plans are well advanced for the development of Southall town centre and much-needed car parking space has been introduced. The Fenner Brockway centre, an imaginative leisure centre in a disused superstore, has been built. Lord Fenner Brockway was born in India and was a distinguished Member of this House for many years. He has been in the forefront of the struggle for racial harmony in this country.

Labour was elected to provide the services that the people need and to tackle the problems, characteristic of inner cities, of the London borough of Ealing. Those needs were not addressed by the Government. The Government's action in rate-capping the council was specifically designed to force the current administration to adopt the spending policies of the previous council. That was a backward administration and that was why it was soundly defeated and turfed out at the municipal election.

Ealing council has been faced with the dilemma of how to reconcile the needs of the area and the wishes of the electorate for better services with the Government's spending limit with which, as a responsible authority, it felt it had to comply. In very difficult circumstances, the council has managed to set a proper and legal budget while minimising the reduction in the level of service to the community.

The council has stated that there will be no compulsory redundancies. It is determined that no one will be sacked, although those who leave voluntarily are a different matter. None of the measures taken are affected by the recent announcements of the Secretary of State for the Environment. Ealing's budget remains totally lawful, even

[Mr. Sydney Bidwell]

after the later statement aimed at further limiting the options of those authorities which are trying to tackle inner-city needs, but are being prevented from doing so by the Government's rate-capping and grant-reducing measures.

If the Government are serious about improving the quality of life in the inner cities, they will work with local authorities instead of taking away millions of pounds which they should be spending on maintaining essential services. The Under-Secretary of State's responsibilities include planning matters. I do not know what will be the outcome of the proposals in the "Action for Cities" document, or what it proposes to do by giving powers to urban development corporations. I do not know whether the Minister will be made redundant as a result of that, because it bypasses local authorities and the time-honoured traditional duties imposed upon them in the realm of planning.

That document is a hotch-potch and does not have the characteristics of a White Paper. It is simply a propaganda statement made down the road at the Queen Elizabeth II conference centre, which is a very agreeable place. I recently went there in connection with matters relating to Cyprus. It is astonishing that the architect of the document was not present when it was launched in the House of Commons, and complaints were made about that.

Let us imagine a conversation that might have occurred between the Prime Minister and her husband, who said, "Now, look here Margaret. You made specific promises after your election success about tackling the problems of the inner cities. Six months have passed and it is about time that you did something about them. If we retire to the home that we have lined up in Dulwich, you could say that you did your best to carry out your promise in the flush of electoral success."

The document has all the hallmarks of such a scenario. It is unspecific and, for such a major matter, that is not good enough. There was a good deal of substance in the complaint of the Leader of the Opposition, my right hon. Friend the Member for Islwyn (Mr. Kinnock), about the absence of the Prime Minister at that important launch.

Mr. Tony Banks (Newham, North-West): Does my hon. Friend remember the old comics, the penny plain and the tuppence coloured? He has the penny plain comic; I have the tuppence coloured. I do not know whether he has seen this one. There is a very fetching picture on page 2 of the right hon. Lady whom he is describing—Mama Doc with soft lighting.

Mr. Bidwell: I have been known to put the right hon. Lady in some of my cartoons. I shall not go into graphic details, but no doubt she will be a future subject when we have our art exhibition in July. I do not stick simply to brilliant oil paintings. I dabble in the art of cartoon production as well. The Prime Minister has one of my works, but I shall not go into all the details. Margaret and Sid are already known to each other. My picture caused her to laugh heartily. I did not know that she could laugh heartily, but she did so on that occasion, which showed that I had scored a hit.

When the Minister replies, I hope that he will deal with the problems of the London borough of Ealing. I invite him to come and look at both ends of Ealing. It is a phenomenal place and has a phenomenal Member of Parliament for Ealing, Southall. It is well known that most Members of Parliament are exceedingly modest, so perhaps that will be acceptable.

The Minister knows all about the role of local authorities in planning. We are taken aback by the substance of the proposals. The civil engineers involved with the proposals probably do not live in the inner city. They probably live in the countryside or on the coast. Heads of companies will get together to co-operate in the programme. Some of them are well-known donors to the Conservative party. That will have an effect. I do not know whether a monopoly will result, but sometimes civil engineers are known to get on the telephone and to carve up the situation between them. Sometimes that is done on the golf course.

I shall not suggest other ways in which there can be collusion and collaboration to sustain a high profit level. Certainly there will be no public accountability in the paraphernalia of "Action for Cities". There is a real fear that planning and consultation with those who know about town planning and landscaping to make things pleasant will not take place.

On that score, the House might be interested to know that I received a letter from a Mr. Woodrow, secretary of the Association of Consulting Engineers. It comes from an address in Westminster:

"I note with interest that you will be introducing the subject of inner cities for consideration during the Consolidated Fund Bill tomorrow Thursday 10 March 1988.

The Association of Consulting Engineers is pleased to see that such an important issue is to be debated and would like to draw your attention to the contributions of UK consulting engineers in this area.

We noted the Government's statement at the Press Conference held on Monday 7 March of its intentions regarding 'action for cities'. However, we are concerned that in this process of regeneration of urban areas construction should be appropriate to the longer-term benefit of the community and that temptations of short-term thinking in cost cutting exercises are not considered.

I enclose for your information and use a copy of our paper 'New Images for Cities' which sets out the critical part consulting engineers expect to play in the revitalisation of the nation's cities."

Of course, these engineers may be after a quick buck—I do not know—but there is a great deal of substance in what they say. There is also a certain amount of fear about what is proposed in "Action for Cities". It will land us in difficulties because it will not take into consideration the time-honoured planning system in which the feelings of local people are of prime importance. The proof of the pudding will be in the eating. The hon. Member for Acton said that Labour-controlled authorities would be queuing up to get in on this scheme and obtain financial assistance. Of course they will if it develops into anything of substance, but we are sceptical about it, set, as it is, against the massive needs of London.

There are depressing things all over London. The other day I travelled to the TUC demonstration in Hyde park, where worries about the National Health Service were expressed. I went on the Central line from Ealing to Marble Arch. I am sure that the track on which that train travels — I speak as an ex-railway worker — is long overdue for replacement or renovation. The vehicle lurched badly, and I do not know whether the rolling stock

requires renovation too, but that sort of thing will not be done under "Action for Cities". It is sorely needed. London's cluttered roads and desperate housing problems will not be solved by it, either. In my part of London there is a rising generation of young people whose mums and dads came from the Punjab and who stand no hope of getting decent housing as things stand, and the proposals will not help them.

The Chancellor will shortly make a speech. I do not know what money he will allocate to this scheme or how he will face the enormous problems that are developing, especially in London. One of the leading members of the Prime Minister's Cabinet at the launch of the scheme was the Home Secretary. The crime rate has been rising ever since the Tories came to power in 1979, and that certainly has much to do with the high rate of unemployment and enforced idleness among young people. Crime and unemployment go together, yet time and again the Prime Minister has denied that there was any connection — until she was finally forced to agree that perhaps there was some connection.

The whole country — inner cities, outer cities, urban areas and villages — needs extra public expenditure. "Action for Cities" is trivial compared with the gigantic problems that exist. We shall see whether the Chancellor goes for tax relief for high incomes and befriends the rich, or makes proposals that will lead to a real solution of the great problems that beset the people of the capital.

9.4 pm

Sir George Young (Ealing, Acton): I congratulate my parliamentary neighbour, the hon. Member for Ealing, Southall (Mr. Bidwell) on his success in the ballot and on choosing this important subject for debate. I endorse his invitation to my hon. Friend the Minister to come to the London borough of Ealing. My hon. Friend will find a confident west London suburb emerging fast from the recession. In my constituency he will find a new confidence in investment, the Park Royal estate bustling with activity, and plans for two shopping centres, one of which will be wholly funded by the private sector. He will find the streets covered with skips and buildings covered with scaffolding, showing that the construction industry has work under way.

The renewed confidence in the borough owes nothing to the Labour-controlled local authority which last year put up the rates by 58 per cent. In spite of its recruitment, the authority is taking an unprecedented time to process the planning applications that will generate even more jobs in the borough. My hon. Friend will find the incidence of squatting going up on local authority estates and he will see delays in dealing with maintenance and management of those estates.

If my hon. Friend the Member for Ealing, North (Mr. Greenway) catches your eye, Mr. Deputy Speaker, he will wish to speak in more detail about the activities in the borough of Ealing. I reiterate the invitation to my hon. Friend the Minister, and hope that he will visit some of the successful and expanding firms in my constituency as well as those in Ealing, North. I shall be brief, and if I cannot stay in my place after I have finished my speech, it will be because I have duties upstairs in the Committee examining the Local Government Finance Bill.

The statement on inner cities made on Monday was a confident one and, for three reasons, is likely to prelude regeneration. First, the statement was made against a background of economic recovery. Many of the previous initiatives on inner cities were made against a background of recession and, inevitably, had to swim against the economic tide. Inner-city economies have been vulnerable and exposed to that recession.

That has now changed. There is a real appetite for investment in the inner cities and as I have travelled around the country, I have been enormously encouraged by how much of the investment is in industrial activity as well as in commerce and services. The background to Monday's statement is far more positive than the background to similar initiatives in previous years.

Secondly, the basis of partnership is now much better developed. When we started on the whole process of partnership in the inner cities, there were two cultures that did not understand each other. One had the private sector looking for quick decisions, looking at profit-orientated projects and trying to relate to the rather slow, leisurely six-week cycle of the local authority dealing in a partisan, political atmosphere with socially responsible projects. It has taken time for those two cultures to get to know each other and to understand better each other's needs. The whole regime introduced by the Department — urban regeneration grant, urban development grant and the urban programme — has forced the two sides to work together and to climb the learning curve together. Partnership is no longer an aspiration but a reality.

The third reason for greater confidence relates to the local authorities. Here, one has to distinguish between the rhetoric and the reality. The reality is that, in 1979, the mainly Labour-controlled local authorities thought that the Conservative Administration were here for about four years and that then it would be business as usual.

In those days, such authorities had a real ability to obstruct Government initiatives in the inner cities. Now the balance of power has swung the other way. The metropolitan county councils are no more, and urban development corporations have been established. The local authority empire is faced with competition from housing action trusts, opted-out schools, urban development corporations and so on. The morale of the far Left in the inner cities was destroyed by the result of the last general election. It has been virtually disowned by its own party and is quite happy to deal with the Government and to work with them on their own terms to regenerate the inner city.

Ms. Diane Abbott (Hackney, North and Stoke Newington): Rubbish.

Sir George Young: Opposition Members may say that that is rubbish, but local authorities such as those in Manchester and Islington are quite prepared to talk to the private sector and to put in joint applications for development grants in order to get worthwhile projects going in their areas.

Mr. Tony Banks: Is the hon. Member aware that in October the Association of London Authorities sent a delegation to see the Secretary of State and offered a partnership between the boroughs and the Department of the Environment, and that it was rejected out of hand by the Secretary of State? Does the hon. Gentleman really welcome more and more local authority functions being taken away from democratically controlled councils and handed over to appointed bodies and the services run by Tory business men?

Sir George Young: I do not think that the hon. Gentleman was at the meeting. I certainly was not. My hon. Friend who is to reply to the debate was there and it is probably best if I leave him to deal with that.

The answer to the hon. Gentleman's question is that, yes, I welcome the opportunity for housing action trusts to turn round difficult to let, difficult to manage estates where the local authority has failed for decades to address itself to those problems. I welcome the opportunity of bringing in private sector capital to make faster progress, rather than simply leaving the local authority to do it out of its own resources.

The most significant fact on Monday was that the Prime Minister staked her credibility and reputation on making progress in the inner cities. I am sure that the Prime Minister will want to go back this year and next year to the sites that she has been visiting over the past few months, and that she will want to see progress. The political imperatives for making progress in the inner city and getting projects going are far stronger than they have ever been.

Given the number of Government initiatives in the inner city, we have to address the problem of how to co-ordinate them at the local level. There are likely now to be in the inner city MSC projects, some urban regeneration projects, some opted-out schools and some city technology colleges — a whole range of welcome initiatives. Some mechanism will have to be developed for managing these and it strikes me that the Thamesmead trust and the Stockbridge village trust may provide the model for getting local participation in the management of these new initiatives. Even greater efforts than have been made so far are needed to win the confidence of the local people. I see the hon. Member for Newham, South (Mr. Spearing) in his place, and he may wish to develop the theme of the London Docklands development corporation.

New UDCs are being set up in areas that are more heavily populated than the docklands, and I am sure that they will wish to involve local people as much as possible in the discussions about the progress of the area, the direction it is to take and, where possible, the management of change.

The final point that I want to make relates to the whole business of getting private capital. This Administration have much to boast of in getting the private sector to invest in projects which hitherto have been the responsibility of the public sector. The extension of the docklands light railway to the City is being funded privately. The Dartford river crossing is being funded privately. The Channel tunnel, which 10 years ago was to be a public sector project, is now being funded privately. But I think that even more progress can be made in getting the private sector to fund more of the infrastructure in the inner city.

I know that there is a long and somewhat theological debate with the Treasury on what is and what is not public expenditure. Progress has been made by the Department in housing, where the housing associations can now borrow privately without the whole amount spent on a project scoring as public expenditure. I hope that we can make even more progress in getting the private sector in renovating the infrastructure in the inner city.

I say to my hon. Friend the Member for Rossendale and Darwen (Mr. Trippier), whose appointment has been so warmly welcomed by all those who interest themselves in the inner city, that if we can complement the resources that the Government have made available by even more from the private sector, there really will be an opportunity to make such fast progress in transforming the inner city that the whole debate about whether it should be public or private will be made redundant.

So I regard Monday's statement as a positive one, against a background of growing confidence built on real partnership and, in spite of the rhetoric, with many local authorities willing to collaborate. At the end of the day those who live and work in the inner city will be grateful for what was announced on Monday.

9.14 pm

Mr. John Fraser (Norwood): I listened with great care to the statement made on Monday about inner-city policy, and I do not rise to rubbish everything that the Government are doing. The statement was characterised by bringing together many of the things that the Government intended to do anyway and trying to dress them up as an inner-city policy, rather than being an original initiative to deal with the deep-seated and intractable problems that we face.

I spent four years going to virtually every inner-city partnership area in the country, from Gateshead to Brixton, Islington, and so on. The more one looks at the problem of the inner city, the more one realises that it is an intractable problem and that there are not solutions that are common to all areas of the country. One must look carefully at the problem because there is not a single solution to it, and one must choose between one project or another.

I am becoming convinced that the only way to make progress is by means of a partnership. Having looked at the matter in great detail, I do not believe that local authorities on their own are capable of creating the same amount of wealth as a partnership. We must devise projects in the inner cities that create wealth as well as consume it.

In some London boroughs, if a developer wants to develop a site and sends out a local search to find out whether there are any planning restrictions on the site, it may be 20 to 26 weeks before he receives a reply saying whether he can buy the land. That is not a very good start if one is thinking of setting up an enterprise in an inner-city area.

If someone makes an application for planning permission to build—this is the case in Tory boroughs such as Wandsworth and Westminster as much as it is in boroughs such as Lambeth or Southwark—which itself creates jobs and which may create permanent jobs afterwards, he may have to wait six or nine months for the result of his application.

Those are examples of schemes that are within the scope of local authorities, which perhaps are not as geared as they should be to the creation of new jobs and enterprise in inner-city areas.

Often, business and commerce take no account of the needs of the local population. Therefore, there must be a partnership between local authorities, Government, industry, trade unions, and sometimes academic skills, to serve the needs of the community, realising that each has an appropriate part to play.

I said that the problems are intractable, but some of the main problems that I experience in my constituency are concerned with poverty. If we were to eliminate poverty, there would not be any inner-city problems. For all that is said about extending the A13 and so on, there are mixed

races and cultures in St. John's Wood, but there is no poverty. In consequence, St. John's Wood is not a programme authority. It does not experience problems with housing, behaviour and so on, because it has wealth.

What distinguishes the inner-city problem more than anything else is poverty, which is the creation of the Government. In my constituency, unemployment has trebled since the Government took office in 1979. One quarter of the population are on social security benefits, two-thirds of them are on housing benefit and about 25 per cent. of the male population are unemployed. I use the male figure because it is often a more accurate reflection of unemployment than the female figure. Poverty is at the root of the problem. If the Government stopped creating poverty, as they have by the changes in housing benefit rules, some contribution would be made.

There is the most intolerable housing shortage in inner-city areas, which has been made deliberately worse by the Government. The problem in areas such as Brixton, Islington and Hackney is not that people want to leave the areas, but that many people want to move into them. Those people who want to move into them have a lot of money and are forcing the price of houses up beyond the reach of ordinary people. The only way to provide for the 20,000 people on the housing list, the thousands that are homeless and the hundreds that are in bed-and-breakfast accommodation in my borough, is for the Government to restore the levels of investment in the housing investment programme to allow homes to be built to rent. This would allow people to live in dignity, which would eliminate another element in the inner-city formula for deprivation, deep unhappiness and distress.

The problem of the inner city, particularly in London, is often characterised by appallingly high levels of crime, and high levels of alcohol and drug abuse. Any metropolitan, cosmopolitan area is difficult because of the conflict in people's values. It is clear from some estates that some people think that graffiti is an art form. Indeed, the Greater London council spent money on encouraging graffiti—*[Interruption.]* If it did not, I apologise.

Some people think that graffiti is a great art form, but others do not. Neighbours often have conflicting values about the nature of their environment, and when there are conflicting values it is difficult to get a cohesive community working together. People have conflicting ideas and attitudes towards the police. I am not condemning any view; I am simply describing a conflict. There is also a conflict about people's attitudes towards litter and so on.

In the inner cities, in addition to investing money, we must try to establish a cohesive and stable community working together. The Government do nothing to encourage that. My borough gives 40 or 50 per cent. of its inner-city money to voluntary projects which try to bring the community together and give it a sense of dignity, self-respect and self-reliance. The Government accompanied their great announcement by cutting our inner-city partnership money in Lambeth by 10 per cent. year on year. We have lost about £1·25 million in inner-city partnership money as a result of the Goverment's attitude. All our efforts to build a cohesive community and a common set of values are being destroyed by rate-capping inner-city policies.

As many other hon. Members wish to speak, I shall make just one more point. The Government have tended to concentrate their fire on the development of land, not on people. It is very easy to take an empty area such as the docklands and say that it is a raging success. It is a raging success, but it is not such a success for the people who live there.

If we took any inner-city area within two or three miles of the City of London and drove out all the people from the centre of Islington, Brixton or Hackney and said that the land was for sale to those who are rich and want to be a few miles away from the City of London, we could make a raging success of those areas. However, we would have exploited the land and the people. It is all very well to take riverside land that has a high value and, if enough money is spent, has a high amenity value, and say that it is a success. I regard an inner-city policy as a success if it addresses itself to improving the dignity and wealth of the people, instead of the value of the land and those who are not deprived and who settle upon it.

9.22 pm

Mrs. Maureen Hicks (Wolverhampton, North-East): I welcome the debate and start by congratulating the hon. Member for Ealing, Southall (Mr. Bidwell) on his choice of subject, although I regret that we might part company at that point.

Having listened to a rather depressing introduction to the subject, I have to ask, where is the hon. Gentleman's vision, imagination and initiative for the inner cities? When I heard the announcement by my right hon. Friend the Prime Minister on the night of the general election, I was overjoyed by the fact that she was singling out the inner cities as a problem that we should pinpoint, highlight and alleviate.

I am afraid that too much of the debate so far has concentrated—as so many Opposition Members choose to do on these subjects—on money. I should like to take us back to the problem of people and their lives. Essentially, that is what we are discussing.

On Monday, the Prime Minister initiated a situation whereby she has taken the strands of inner-city life, housing, education, employment and law and order and brought them together under one umbrella with the overall aim to improve the quality of life of those people who hitherto have often felt abandoned. I see "Action for Cities" as an exciting initiative. We have to provide hope, initiative and leadership in those areas. Financial backing of £3 billion and the establishment of 57 inner-city centres are no mean achievements; however, such initiatives demand leadership. The heart has gone out of the people, and the hope that they once had has been replaced by despair. Even if we do nothing else, we as a Government must inspire those people to want to help their community.

Opposition Members may say that it all started on Monday, but they know as well as I do that our attention was drawn to the inner cities a long time ago. Without a healthy economy, it is impossible to take any initiatives. In my constituency, I have had the benefit of a task force, and an inner city area grant of £5 million this year. The urban development corporation has been extended, with another £15 million, and we also have the £160 million urban development corporation in the black country.

On top of that, the Government agreed on Monday to a £50 million injection into a black country spine road. Without the roads, the business cannot be brought in, and unless the business is brought in, the jobs cannot be created. Those strands all depend on one another, but for too long they have worked in isolation.

[Mrs. Maureen Hicks]

I see one barrier to our progress, and I speak from experience of my constituency. That is the problem of law and order. Unless we tackle that underlying problem, some of our initiatives will not achieve the success that they deserve. In my area, which has had 16 years of Labour control, people who live in high-rise flats feel abandoned; they feel like prisoners. They view their homes as no-go areas, because they have experienced deplorable estate management.

The hon. Member for Norwood (Mr. Fraser) talked of homelessness. We have thousands of empty council houses and flats in my area, which we cannot give away. No one wants them, because they have been allowed to run down to such a degree that it would take a considerable sum to return them to being habitable. The area has become unpopular. It is a disgrace, when thousands are on council waiting lists, that there should be properties available which they will not consider renting. I welcome schemes such as Estate Action and the housing action trusts. The Government are bringing in new money and initiatives to return properties to use and find homes for the people who need them.

It is deplorable—here I revert to the problem of law and order—if, having provided homes, we allow the mindless minority to come in and ruin those areas by vandalising them. The wheel has turned full circle, and we have found no solution.

Mr. Nigel Spearing (Newham, South): The hon. Lady is describing a phenomenon of which many of us would disapprove. But does she deny that one of the major purposes, hidden or obvious, of the housing legislation now going through the House is to increase the cost of housing on the open market? The hon. Lady started by saying that it was not a matter of money, but surely that is what it is all about.

Mrs. Hicks: I think that the hon. Gentleman is getting away from the point. We are talking about homelessness and the problems of inner-city areas, and about the need to give those who cannot afford to buy the opportunity to rent properties which they can guarantee will be well managed. If the local authorities have not been able to provide the necessary management of estates and finances, we cannot criticise the Government for coming in to assist.

The safer cities initiative, involving eight inner cities in the next 12 months and 20 over the next three years, seeks to combine the efforts of the police, the community, businesses and voluntary groups, all working for a safer and better community.

We shall get the concierges and entry phones into the high-rise flats, and we shall do all in our power to deter the offenders. But what is the point of all that if we cannot inject pride into a community? It is difficult to restore pride in anyone who has lived in a high-rise flat or who has been scared to go outside the home or to let the children play in a nearby park.

We have 330 neighbourhood watch schemes in my area and 420 business watch schemes. They are partnerships, and the safer city scheme will also be a partnership whereby each of the groups involved will work for a common end. That initiative will be funded by the Government but run locally to bring those strands together.

Some people rubbish some of the initiatives in "Action for Cities". I see that it is compulsive reading on the Opposition Benches—almost a best seller, except that it is free, unlike some Labour publications. I for one have put in my bid for a safer city initiative for Wolverhampton.

We must give heart and hope. It would be wrong for the Opposition to be destructive. There are initiatives after initiatives, which never existed years ago. I ask the Opposition to join me at least in having the honesty and vision to welcome these measures.

We should all welcome the togetherness that we are trying to foster between schools and industry and the voluntary sector and the police. We should welcome the efforts to try to give our young people a sense of pride.

One of the nicest things that has happened to me since I came to the House last June was when 14 young people from Wolverhampton visited me last week. As the hon. Member for Brent, South (Mr. Boateng) knows only too well, Wolverhampton suffers from a great deal of bad publicity, but those 14 young ladies were here to receive their Duke of Edinburgh gold awards. I told them that they were showing an initiative in their local community. Too often we hear about the glue-sniffing parties and truancy. We almost have a down on our young people.

We should capture such initiative in our inner cities. If we lose such people when they are young, we lose them for life. The wheel turns full circle and they contribute to the sort of problems we are now experiencing in our inner cities. If we get the opportunity to encourage the police to visit their schools, we should do so. I know that some Labour Members disagree with that philosophy, but we must start educating people for future life in the inner cities so that they will respond and appreciate the environment in which they live.

I hope that all hon. Members will join me in welcoming the initiatives. I hope that they will try to foster togetherness and leadership in our community, and try to get people back to work. The west midlands has the highest success rate in getting people back to work. We should welcome the training initiatives and the initiatives that seek to provide skills for the young unemployed in the community, to help improve the quality of life, and, above all, to help make inner cities a safer place to live.

It is no good just throwing more policemen in. We have 19,000 more now than in 1979. That is no solution. Money and people are not always the answer. No matter how much money and people are thrown into the inner cities, unless attitudes are improved and hope and motivation restored to create a sense of pride, we might as well forget the problem in the first place. I ask hon. Members please to join me in welcoming the initiatives and let us get to the roots of inner city deprivation.

9.35 pm

Ms. Diane Abbott (Hackney, North and Stoke Newington): I listened with great attention to the Minister's statement on "Action for Cities" on Monday. Since then I have read the document many times and believe that it would be better called "Inaction for Cities". It contains no proposals for new money for the communities; it contains no new proposals. As has been said, a bunch of initiatives that would have taken place anyway have been grouped together into what is fundamentally a PR initiative.

On Monday the Minister challenged Labour Members to say what we disagree with in the document. The thrust

of our disagreement is with the omissions from the document, which are manifold. After the Minister's statement and the questions on it, I came away with a strong sense of insult. In the morning, the Prime Minister and six Ministers held a press conference to launch the document, yet in the afternoon we got a statement only because of pressure from my hon. Friends, and the Prime Minister was not here.

That reflected the lack of seriousness about the democratic process and was an insult to the House. If the statement was important enough to warrant the presence of the Prime Minister and six Ministers in the morning, it was important enough to warrant the Prime Minister's presence in the House that afternoon.

Mr. Spearing: Conservative Members have lauded the quality, availability and free access to the document "Action for Cities", but the document — superficial though it may be—would not have been available in the House on Monday afternoon if it had not been for the action of a Labour Member.

The Parliamentary Under-Secretary of State for the Environment (Mr. David Trippier): That is not right.

Mr. Spearing: It is true.

Ms. Abbott: I am able to confirm that I was present when the Labour Member took the action which made the document available. The initiative was an insult to the House, first because of the manner of its launching and secondly because of the lack of availability of the document. The document is an insult to the inner cities because it is almost entirely a PR initiative. If Conservative Members and Ministers were serious about tackling the problems of the inner cities, they would be talking about cash. If it were anything more than hypocrisy, they would be giving London its money back.

Since the Government have been in office, London has lost £7,000 million in rate support grant. The initiative is nothing but cant and hypocrisy, designed to delude no one. The Government shed crocodile tears about the inner cities but money has been systematically drained from them and given to the shires. Since 1979, some £8,000 million has been lost by London for spending on housing, which is the equivalent of 150,000 new homes. How can the Government talk about their concern for the inner cities when millions and millions of pounds have been drained away? The amounts of money talked about in the document do not begin to compensate for the money lost as a result of the Government's policies.

The initiative was an insult not only to the House and inner cities but to the black and ethnic minority communities of the inner cities, who make up a large part of the population. We have made and are making a valuable and important contribution to inner-city life, but Conservative Members think that we are invisible. I have read the document three times and I can see only one mention of black and ethnic minorities in a reference to the need to recruit more black and Asian police officers. It appears that, far from taking a constructive, positive attitude to the inner cities, the Government see at least one segment of the population purely as a law and order problem.

With regard to the inner cities, the document contains no mention of the black and ethnic minority communities, of multiracial communities, of the contribution made by the black and ethnic minority communities or of the importance of guaranteeing fair access to social services and housing to black and ethnic minority people. How can the Government talk about a stable and flourishing community in the inner city if black and ethnic minority people do not believe that they get fair access to housing and social services?

Mr. Trippier: Will the hon. Lady give way?

Ms. Abbott: Perhaps the Minister will allow me to finish making my point.

All kinds of documents and research show that the black and ethnic minority communities are not receiving fair access to services in the inner cities. A Government who talk about rebuilding the inner cities, about flourishing inner cities and about a serious inner-city programme, yet believe that black and ethnic minority people can be ignored cannot believe that their initiatives will be taken seriously.

Mr. Trippier: The hon. Lady's remarks are quite scurrilous. She is well aware of the responsibility of project Fullemploy. I hope that she has heard of Linbert Spencer and indeed she has probably even met him. She will be well aware that Project Fullemploy concentrates on the black community. I hope that she will also be aware that it is actively sponsored by major Government Departments. Has she counted the number of times that project Fullemploy is mentioned in the document?

Ms. Abbott: I can only go by what is written. As I say——

Mr. Trippier: It is written in the document.

Ms. Abbott: I hope that the Minister will allow me to continue, as I gave way to him for some minutes.

I can only go by what is written in the document. The attention in the document to the multi-ethnic communities in our inner cities is entirely derisory. The black and ethnic minority communities outside the House have taken note of how we are perceived as invisible by the Government.

The document contains no mention of fair access to services and there is no serious mention of black business and enterprise. What will the Government do about black business and enterprise? What are they going to do about the well-documented problems that black and ethnic minority business people have about access to capital? What will they do to give practical help and support to black business enterprise? I see nothing in the glossy 32-page document about that.

Mr. Trippier: I am now convinced that the hon. Lady has not read the document carefully. If she had, she would have seen that as a result of changes made by the Department of Employment to the loan guarantee scheme, only in the 57 programme authorities, there has been an increase in the Government guarantee part of the small loans guarantee scheme which is a clear recognition of the problems facing many small businesses run by black people in getting loans from the bank. That is a specific measure designed to help those people. It is in the document.

Ms. Abbott: If the measure is specifically designed to help black and ethnic minority business men, why was it not spelt out in the document. Are you telling me——

Mr. Speaker: Order. I apologise for interrupting the hon. Lady, but she continues to use the word "you". That is me.

Ms. Abbott: I apologise, Mr. Speaker.

If the measure is aimed specifically at black and ethnic minority business, why is that not spelt out in the document? This point seems to have got under the Minister's skin. The treatment and references to the black and ethnic minority community in the document are derisory and run contrary to the whole trend of inner city and urban policies of the past 20 years. That appears to reflect a complete lack of seriousness on the Government's part when it comes to inner city problems.

Black and ethnic minority communities want to know what the Government will do about issues like contract compliance. What will the Government do to ensure that local jobs and local contracts go to local people including black and ethnic minority people? The Government cannot talk seriously about the problems in the inner cities unless the issues affecting black and ethnic minority people are addressed seriously. That is a gaping omission in the document. Conservative Members, especially the Minister, should be ashamed of themselves.

The document was an insult to the House and the inner cities and a calculated insult to the black and ethnic minority communities who, inasmuch as the inner cities have flourished, developed and made money, have contributed to that. They deserve to be respected and treated properly.

The document is also an insult to everyone with intelligence. We should get behind that glossy PR document, with its picture on page two of "Mama Doc" in soft focus — as my hon. Friend the Member for Newham, North-West (Mr. Banks) described it — and think just for a few minutes about the Government's real programme for the inner cities. In a sense, the document is irrelevant because, to find out the Government's real programme for the inner cities, one need only look to the city of Westminster, a local authority of which I have some experience because I was fortunate enough to serve as a member for four years.

Conservative Members have told us about the Government's housing proposals about how they are designed to help the people of the inner cities and to introduce choice and about how the Government's new Housing Bill, with its housing action trusts, will help people in the inner cities. Hon. Members may not know what Westminster council does or know about its current housing policies — the kind of policies that the Government wish to introduce throughout the country with their housing action trusts..

Westminster council is selling off between one third and one half of its council properties to anyone who can prove the most tenuous connection with the city of Westminster. That is what it is doing in an area where it has not housed anyone on the waiting list for many years and where house prices are so high that no person on an average income has access to housing on the private market. For the ordinary person, council housing offers the only hope of getting a home. The council is selling off its council houses to anyone with cash in hand.

What are the council's proposals for the poor and homeless of the inner city? The answer is to build prefabricated housing on the outskirts of London. Westminster's housing policies for its poor and homeless amount to bringing yuppies in and shipping the poor and homeless out. That is the reality of the Government's housing policy for the inner city. Buildings may be built and renovated, but the Government will not help people.

To see the real face of this Government's initiative for the inner city one should look at Westminster's cemeteries. Burying the dead has been a basic function of local authorities since time immemorial, but such is the humanitarian and caring face of Conservative local authorities that there is the appalling spectacle of a local authority selling off three cemeteries for a total of 15p.

That has been a disgraceful, squalid episode. Councillors have had to resign. The fraud squad has been brought in and Westminster council has been forced to try to buy the cemeteries back. We hear a lot from Conservative Members about the failings of local authorities. We want just one Conservative Member to condemn Westminster for peddling the dead. Westminster's actions have caused shock and outrage not just throughout Westminster but throughout London.

The Government's policies do nothing for the poor of the inner cities and everything to line other people's pockets. Overall, the Government's policies focus on taking powers away from people through their local authorities and giving more power to central Government. They take as their theme the development of buildings and not the development of people.

It has been said that the heart has gone out of the people of the inner city. To the extent that that is true, the reason for it is to be found in the way in which the Government have systematically drained money and resources away from the inner cities and stripped people's representative bodies — their local authorities — of powers. It has to do with the callousness and lack of concern that the Government have shown for the people of the inner city.

What could be more symbolic of that callousness and lack of concern than this wholly superficial, cynical and calculating PR exercise, which will do not one jot of help poor people in my constituency of Hackney? It ignores many of the most pressing problems such as public transport and the problems of black and ethnic minorities. This PR exercise will do nothing for my people and I only hope that in the months and years to come the Government will put some real work into the inner cities.

9.51 pm

Mr. Harry Greenway (Ealing, North): If the hon. Member for Hackney, North and Stoke Newington (Ms. Abbott) would like to know how 18 Conservative Members stand on the question of the Finchley, Mill Hill and Hanwell cemeteries, perhaps she will look at early-day motion 737, which shows our determination to ensure that these cemeteries are properly looked after. A number of my former constituents are buried in Hanwell cemetery, and I am deeply concerned about its sale. I remind the hon. Lady, with respect, that in the winter of discontent of 1979, during the dying months of the Labour Government, the dead were left unburied, sometimes for weeks on end. What a terrible and wicked thing that was. No one in that Government seemed to care or to do much about the problem for a very long time.

I congratulate the hon. Member for Ealing, Southall (Mr. Bidwell), my neighbour, on securing this debate and on his choice of subject. If I cannot stay for the whole of the debate, it is because this very evening I shall be helping

a number of constituents to set up an enterprise in my constituency. I missed the hon. Gentleman's speech in the debate on rate capping because I had to attend two public meetings in my constituency — one seeking to raise £120,000 to keep a scout facility going, and the other concerned with traffic in the Perivale hospital area.

I know a difficult area when I see one. I believe that Ealing council would do much better for our borough if it spoke positively about the area rather than in the depressing terms adopted by the hon. Member for Ealing, Southall this evening. I fought three general elections in east London, and I taught and lived in east London for a time. I know the area well. I also lived in a difficult part of Birmingham for a time, and I know that area well.

I was deputy headmaster of a boy's school of 1,100 pupils in King's Cross. I taught there for 12 years before going on to Lewisham to a mixed school of 2,200 pupils. At the King's Cross comprehensive we had pupils of 65 nationalities, and in Lewisham we had pupils of 95 nationalities. I am very accustomed, therefore, to seeing people from many backgrounds, and I know the problems and opportunities that arise in such a situation.

We all respect the hon. Member for Ealing, Southall, but when he talks in such a depressing manner about the borough of Ealing — as Ealing council does — I am prompted to say to him that he should talk up Ealing, as I always will. We have easy access to the M1, M25, M4 and M40, and a wonderful infrastructure of roads. We are near Heathrow and Gatwick airports. We have excellent rail and bus services. Ealing has all the infrastructure that any thriving community, or potentially thriving community, should look for.

The hon. Member for Southall did not mention my constituency, where unemployment is 6 per cent. below the national average, and would have been a great deal better if we had not suffered the imposition of a 57·1 per cent. rate increase on our industry in the current financial year. In such an area, there is no limit to the growth that can be achieved by the enterprise of our own people. Ealing has a wonderful community of people, who are hard-working, industrious and determined. However, Ealing needs a council that will enable them to go ahead, because with that they would do so.

Mr. Bidwell: I do not want to be unkind to the hon. Gentleman, but he knows as well as I do that one of the most pressing problems that we meet in our local surgeries is housing. The situation is desperate throughout the borough of Ealing. It is all very well having easy access to motorways and the employment available at London airport, which these days is a major employer, but there is considerable misery and gross overcrowding in both the hon. Gentleman's constituency and mine. Those problems must be tackled. The Government have been in office for nine years, but what have they been doing for those nine years if they now need to introduce an innovation of this kind? Where have the Government been for nine years?

Mr. Greenway: I was coming to the very point that the hon. Gentleman has raised. It is kind of him not to be unkind to me, but he is not normally unkind to people, which is much appreciated.

The hon. Gentleman raised the question of housing. I had every intention of saying some words about that. When the present administration in Ealing, which has been in office for nearly two years but is still pleased to call itself "the new council", came into office in 1986, there were 30 families on the homeless families waiting list. One of the first things that the council did was to abolish residence points and to suck people on to the Ealing homeless list, from far and wide. Those people are given the same priority for access to housing as those who have lived locally all their lives and been born and bred in Ealing, or who have lived there for a considerable time. That fact causes tremendous local resentment, which I understand. We now have a homeless list of 1,000. Ealing is the soft touch of the country, and everybody knows it.

Expenditure on homelessness has increased from £300,000 in 1986 to £14 million in the current year. Why does the hon. Gentleman not talk about that imposition? It was imposed by Ealing council on our borough. Why does he not talk about the difficulties presented by that for the local scene that must finance it?

One could build on every blade of grass in the London borough of Ealing — indeed, I am not sure that the council would not like to do that — but that would not solve the problem caused by the number of people who are being attracted into the borough by that extraordinary policy of open house and, "Come here, whoever you are, and we will house you." Ealing council is seeking to build on 16 acres of superb playing fields at Cayton road in Greenford. That land is needed for pupils' recreation. People have to live, and they must have land. That policy is wrong; it is gross vandalism.

There are 208 allotments left in Northolt, but Ealing council seeks to build on many of them. The people's way of life is being destroyed. Every year I go to different shows, such as flower and vegetable shows, at which all the produce comes from people's allotments. This way of life is important. If inner-city regeneration is to do anything, it must give people access to such land, not take it from them; otherwise, the people's way of life will be destroyed.

Last Friday, after my long surgery, I took the chair at a spontaneous public meeting at the Hanwell community centre. The meeting was absolutely packed to the doors. Labour councillors attended and at times they were roundly attacked because they want to remove a complete lung from that community — in an already over-built area. We must have a rational approach towards housing policy. The miles of docklands and other similar areas are ideal places on which to build the necessary extra new housing. Suitable infrastructure could be provided so that people could travel to work. That is far better than building on every blade of grass in Ealing, the "queen of the suburbs."

Housing policy is important, and I believe that the council should be much quicker in letting empty properties. The other week some people came to my surgery and told me that a flat down the road had been empty for 14 months. They have asked for that flat six times, but have been refused. That is terribly wrong.

The hon. Member for Southall spoke of the need for more cash. Is he aware that on 26 February the council issued a job advertisement for part-time assistants for the gay and lesbian rights officer, at a salary of £8,000?

Mr. Paul Boateng (Brent, South): We had all that last night.

Mr. Greenway: It is no good running away from the facts — that council is still recruiting.

The hon. Member for Southall spoke of 600 new council homes in Ealing. He did not mention that those

[Mr. Greenway]

houses are part of housing developments that were established by the Conservative council under private enterprise. Those houses have now been taken over by a housing association scheme—250 of those homes are in my constituency. Such a scheme would now be illegal. The tenants will never have the right to buy, yet people cherish that right. The council has taken that right away, and that deals a massive blow to inner-city regeneration and people's sense of ambition.

Mr. Boateng: Rubbish.

Mr. Greenway: I have no doubt that the hon. Gentleman owns his own home. Why are other people to be denied that right?

The council is spending millions of pounds a year on its own publicity. It regularly publishes a magazine called "Voices"; no one likes it, and it is full of Labour party propaganda. Currently, the council is sending out "Ealing Housing News". The Minister for Housing and Planning recently said that this paper would not pass the new code for truth that is being established. It is designed to put the shockers on every council tenant, and it is mendacious. No council tenant need cease to be a council tenant if he or she does not wish to do so, but that paper states the opposite.

I note that the hon. Member for Brent, South (Mr. Boateng) is holding aloft the Government document "Action for Cities". Obviously he is trying to develop his muscles, and good for him.

My hon. Friend the Member for Ealing, Acton (Sir G. Young) spoke about the delays that industrialists face when trying to get approval for new building schemes, but, he did not quantify that delay. Last week one of my constituents came to see me. He wants to build a new facility at his factory that will employ 100 people. His application will not see the light of day at the council for six months. He needs to get that planning approval within six weeks at the outside. The money is there, the jobs are there, and the work is there. What he needs is a council that will wake up and approve that plan.

A council that increased the rates on the Lyons Group of companies by £600,000 in the current year cannot be surprised that between 60 and 70 people may become redundant as a result in the next few weeks. The group cannot put up its prices any more. Sales of its products are not increasing, so the extra rates will have to come from employment.

Mr. Fraser: The hon. Gentleman will know that Ealing's expenditure went up by about 20 per cent., but the result of the withdrawal of rate support grant exaggerated that increase to one of about 60 per cent. The Government were therefore responsible for 40 per cent. of that increase and the local authority for 20 per cent. Which does the hon. Gentleman condemn more — the Government, or the local authority?

Mr. Greenway: That is a totally false argument. The council deliberately increased industrial rates by 57·1 per cent. That put £450,000 on Taylor Woodrow's rates. To stand still, Taylor Woodrow has to generate another £15 million-worth of work. It will not make a penny out of that. It will not gain one extra job, but, to pay the rate increase, it will have to find an extra £15 million-worth of work from somewhere.

The Labour party claims to care so much about the Health Service, as we have heard from the Leader of the Opposition, the right hon. Member for Islwyn (Mr. Kinnock), yet the council increased Ealing hospital's rates by £0·5 million.

At the other end of the spectrum, a small company up the road from my office faced a rate increase of £5,000, which meant that one job out of five was lost. Rate increases cost jobs, and people concerned with the inner cities and partnership schemes must face that. An area will lose its resilience and its purchasing ability if the council increases ordinary people's rates by 65 per cent. If people have to pay their money to the town hall, they cannot make purchases from shops or factories to keep employment going.

Mr. Robert B. Jones (Hertfordshire, West): Does my hon. Friend agree that there is a correlation between the problems caused by rate increases in such places as Ealing and the fact that firms are driven out to the surrounding shire counties and cause problems by exerting pressure for development on green belt land, which leads to the overheating of local markets? Therefore, bad news for Ealing is bad news for other places, too.

Mr. Greenway: My hon. Friend makes his point very well.

I had the foresight to initiate the Ealing enterprise agency. This is a superb institution, financed almost entirely by the private sector with a very small donation from Ealing council. It is an enterprise scheme at the centre of which is an individual who has a great understanding of industry and has handled several hundred inquiries in the two years since the agency was set up.

My hon. Friend the Minister was central to that initiative. He took the trouble to come to Greenford to help me establish the agency. It has gone from strength to strength and, by now, thousands of jobs have been generated as a result. Without those jobs, the borough would look pretty sick, having suffered so much as a result of the council's actions.

Finally, I warmly welcome the link between schools and industry. It is overdue and must be the way forward for more jobs and better motivated pupils. If pupils can leave school with a proper work ethic, generated by knowing what industry expects of them, and having seen that by visiting factories, they will be much better contributors to industry. That is a vital leg of the Government's excellent programme.

10.9 pm

Mr. Simon Hughes (Southwark and Bermondsey): The title of the now much-quoted document issued on Monday was "Action for Cities" but I fear, having read it, that it is action that risks communities — and that is how I would criticise it.

People in my office have been through it today to see how many times local authorities are mentioned in it. They are mentioned four times. Page 5 says:

"This does not mean leaving it all to the local authorities".

That is a mention that merely excludes them. They are mentioned again on page 15, on which Tyne and Wear county council appears. Page 14 mentions them again in a negative way:

"National land registers have been introduced by the Government to highlight unused land owned by local authorities and other public bodies."

Lastly, they are mentioned on page 18 which refers to

"Home Office demonstration projects",

and lists a few places — Bolton, Croydon, North Tyneside, Swansea and Wellingborough — where the projects brought together

"police, probation, local authorities, voluntary organisations and the private sector."

Local authorities are not mentioned at all in the index. That is clear evidence of how local councils are ignored in "Action for Cities", and that is its first and major flaw.

My second criticism is that the document confirms that local elected government is ignored, but unelected replacements proliferate. There are to be another development corporation, two more city action teams and other variations of those of a lesser type. So local government is excluded, quangos are increased and there is no mention of what we in London would welcome and have asked for for a long time—parish or community councils like those we used to have and which the rest of the country has. We regularly give the Government an opportunity to legislate to allow parish or community councils in London, but that opportunity has once again not been taken.

If the Government really wanted to give power to local, natural communities, they could start to allow us that power by amending the law. I ask the Minister seriously to consider that. It would greatly help people to feel that they had power again instead of suffering from the exclusion of power which the document makes it clear is more likely.

Not only hon. Members such as I criticise the document. It has not had a very good press. The *Financial Times* is hardly a Left-wing newspaper, yet it said:

"On inspection,"

"Action for Cities"

"turns out to be one of those cases in which the fatness of the prospectus is in inverse proportion to its contents . . . Taken as a whole, however, the package is shallow."

The article ends with an important last paragraph:

"Other Government policies, not counted in the inner city balance sheet are likely to do more damage to the immediate interests of many of the worst—off inhabitants of the inner cities than yesterday's measures are to do good. The new community charge or poll tax will be payable by every inhabitant, however poor; the maximum remission will be 80 per cent. The new social security regime, due to come into force at the end of the month, will leave some of those at the very bottom of the pile with less income than now. The new housing policies will lead to sharply increased rents accompanied by a ceiling on rebate expenditure. Some may be 'rescued from dependency' by the combination of such sticks and the 'Action for Cities' carrots, but many will become more dependent than ever."

Ministers will have read Tuesday's comments in the press and will be aware that there was much other criticism. I shall quote one such criticism. It is about the Prime Minister going to her press conference accompanied by six Cabinet Ministers and rattling off the breakdown of the programmes. They totalled £3 billion and the Government claim that the money is already being spent. The press comment says:

"at this point the sheen began to look scrappy. How much new money was there? She couldn't say. Why hadn't a figure been produced? Well, there was not much new money. It would all have to to be found within the existing public expenditure totals already announced. . . . Yes. Slowly, the Empress said farewell to most of the new clothes her advisers had provided."

The "Action for Cities" was not all that it was heralded to be.

It was not only the press which gave the document a hard time. In this building last night, the right hon. Member for Henley (Mr. Heseltine) made a widely reported speech and I should like to quote three of the headlines that the speech was given in today's press. One of them was, "Heseltine calls for more jobs". Another was, "Heseltine urges action on jobless", and a third headline says, "Heseltine accuses Ministers". I have the full speech which I copied in the Library and if there is any doubt I can confirm it verbatim.

An article in *The Independent* says:

"Michael Heseltine last night accused ministers of deceiving themselves and great number of the unemployed by holding out hope of significant improvement. He warned that if determined action was not taken, lawlessness and potential political violence could be added to the despair and intolerable human waste already generated by the problem."

The press criticised the document, and the right hon. Member for Henley, who started working for the inner cities in the first of the three Conservative Governments, has within two days said that the serious problem of unemployment is not being seriously dealt with.

The hon. Members for Newham, South (Mr. Spearing) and for Newham, North-West (Mr. Banks) will confirm that, if people living in the areas in which the Government have taken initiatives are asked about it, they will confirm that the Government plans are not working. The hon. Members for Newham, South and for Newham, North-West are in the Chamber and they and colleagues who represent London docklands constituencies attended the launch some days ago of a report from the London Docklands consultative committee. The facts in it are incontrovertible and have been accepted and confirmed. The facts and views in that report confirm that the people within the area of this pilot scheme for all inner-city renewals, the flagship for the Government's policies on inner cities, do not believe that it has been a substantial improvement for them.

The evidence shows that in terms of new jobs, new opportunities, new homes and improvements, there is no great advantage for most people. Indeed, there is a deficit measured over the eight years of Government interest in London docklands. That is the evidence from all three of the boroughs that are affected. As the hon. Member for Norwood (Mr. Fraser) said, one can put glass and concrete buildings on derelict land and bring jobs from elsewhere to a new and better site, but that does not necessarily generate community spirit, community activity or enterprise or true community regeneration.

Mr. Spearing: I endorse the hon. Gentleman's remarks 100 per cent. Is he aware that this afternoon, in a Select Committee on a matter which I shall not mention relating to this area, a witness said in his acute summing up that most of the people feel that there is a party going on next door but that they are not invited and are not part of it?

Mr. Hughes: That does not surprise me. It is what my constituents tell me all the time. They self-evidently manifest the fact that the opportunities are open for those who have money, but for those who do not have money the opportunities are not open. The Minister should talk seriously to people in the inner city in my part of the world about the issues that really matter to them. If I gave him a list of what they would say, it would show that they are all critical of Government policy.

About education they would say in London that the Government are proposing to destroy something that, although far from perfect, none the less gives many

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advantages: special education, adult education and commitment to special needs in a multiracial and multicultural capital city.

They would say about employment that all the promises of last year about employing local labour have so far come to nothing. The legislation that we have just been dealing with in Committee and last night finished dealing with in the House positively precludes local labour from being advantaged in terms of employment in the inner city.

They would say that finance is being reduced, not increased, in real terms for the local authorities in the inner cities with the hardest problems and the greatest stress. They would confirm that there have been real cuts in the Health Service—and I mean real cuts, in real terms, in cash—for districts such as Lewisham, north Southwark and Camberwell, which have led nurses who have never been on strike before to take to the streets with patients and others. They would confirm that social security which they desperately need is about to be taken away and that social services which they desperately need are no longer going to be available.

I want to mention something that was excluded and that I hope that the Minister will consider again. The voluntary sector should be one of the key partners with local authorities in the inner city and its regeneration. People who are willing to contribute voluntary effort and who have the experience to do so should be invited to the table, not kept outside the door.

Only this week, the Archbishop of Canterbury's advisory committee on urban priority areas, planning for the launch of the Church urban fund next month, made it quite clear that its members want, in all local, district and borough areas, on behalf of Churches of all denominations, to invite the leaders of public authorities to join them in a dialogue on how best to help the communities which they serve.

The Government seem to believe, unlike 100 years ago, when city and local councils were regarded as vital to regeneration, that now they know all the answers and have all the solutions. The tragedy is that they will not be lasting solutions or proper answers unless the people and their representatives are listened to, their needs are registered and their representatives are involved all the time in the partnership in solving them.

10.23 pm

Mr. Paul Boateng (Brent, South): In some ways, the less said about "Action for Cities" the better. It is a high-colour gloss on the truth. Its hallmarks are hype and hypocrisy. It is a shameless deceit.

What we need to talk about is the opportunity missed on Monday. The Government had an opportunity to say something that might have sparked some hope in the inner cities. They had the opportunity to make an announcement that would really have opened doors for people of all races in the inner city, and for the poor, those on the verge of poverty seeking a way up and people trapped in a nightmare world in which no sooner has one door opened for them than another is shut. The Government might on Monday have given those people a ray of hope. Instead, they chose the other way; they chose a way characterised by a complete inability to grasp the challenge of the inner cities.

The challenge of the inner cities is, first and foremost, one of investment — investment in the infrastructure, investment in industry, investment in people. What we want in the inner cities is investment, not high-gloss brochures.

The borough in which my constituency is situated is the eighth most deprived borough in Britain. Unemployment in my constituency has risen by 273 per cent. since 1979. When I consider that rise, I know, and Conservative Members must know, that the only way forward is investment. We looked for investment from the Government on Monday, but we did not get it.

Mr. Keith Mans (Wyre): Will the hon. Gentleman say what has happened to the rate of unemployment in his constituency in the past year?

Mr. Boateng: I have no hesitation whatsoever in sharing with the House what has happened to the rate of unemployment in my constituency over the past year; it has gone up, particularly on the inner-city housing estates. The hon. Member for Wolverhampton, North-East (Mrs. Hicks) rightly highlighted that as a major problem which must be tackled by the Government, but which so far has not been. Unemployment has gone up on those inner-city estates, particularly among black people between the ages of 16 and 25. It is a problem that exists throughout the community, black and white, but it is felt particularly by young black inhabitants of inner city estates. That is what has happened in my constituency over the past year. Only investment, not glossy brochures, will tackle that problem.

I should like to raise with the Minister a number of specific problems that we face in Brent, but which I am sure are shared elsewhere up and down the country. First and foremost is infrastructure. The hon. Member for Wolverhampton, North-East rightly mentioned housing. Last year the Government allowed Brent to spend £22·2 million on council house repairs. The amount needed was £146 million. Are Conservative Members surprised that there is hopelessness, vandalism, isolation and bitterness on those housing estates? The housing needs of our people are not being met.

It is not only people living on council estates who are suffering. Many owner-occupiers in my constituency, some of whom are old or unemployed, are experiencing increasing difficulty in meeting their mortgage repayments. They are finding it increasingly difficult — this applies particularly to older residents who rely on a fixed income — to afford repairs to their houses. What response did the Government give to that? None.

The infrastructure is under strain, but the Government are doing nothing to ameliorate the problem. There are opportunities for the creation of investment and jobs on estates such as Stonebridge, if only the Government would give us the money to do it. We need to be using local people to do work locally because they have a stake in the estates on which they live. It is much better to use local people than to have to contract out to people from the outskirts of the cities who do not know the area, do not know the problems or challenges and are unable to rise to them.

What was the Government's response to those problems? It was to make it much more difficult, through the Local Government Bill, for authorities to hire local labour. Conservative Members should understand that that simply is not good enough. We ask the Government to address the issue of the infrastructure of our inner cities.

Mrs. Hicks *rose*——

Mr. Boateng: I shall give way in good time.

With regard to infrastructure — I hope that the Minister will listen — we have a particular problem in Harlesden in my constituency of which he is aware. He knows about it because a group of residents and employers there have written to him and his Department on numerous occasions asking exactly what is to happen to the centre of Harlesden and the development proposals for that area that have been with his Department for many years.

I pay tribute to the local small business men, the larger enterprises, Woolworth, the building societies, the banks and local residents who are involved in the Harlesden Centre Group. They have no axe to grind, but a stake in the prosperity of the centre of Harlesden. They have asked year after year for a response from the Department of the Environment to the proposals that have been put forward by the local council and by a consortium of public and private money. I can tell the Under-Secretary of State for the Environment that they mean business. We look to the Department of the Environment for an early answer to their problems.

We also look to the Department of the Environment to answer letters more quickly. Those residents and business people are still waiting for answers to their letters. They meet on cold winter nights upstairs on the second floor of Woolworths and they ask questions, collect signatures and attempt to see the Minister. They invite him to look at the problems in Harlesden, but answer get they none. They are entitled to better.

When, within the next month, I go to the next meeting of the Harlesden Centre Group, am I to show them "Action for Cities"? What comfort will it bring those men and women? They want public and private investment. That group of people—local residents, local ratepayers, local taxpayers and local business people—have had no response from the Government.

This document and Monday's announcement represent a deceit. The Government are not addressing the real problems of the inner cities.

Mr. Trippier: I am not trying to be clever, but when the hon. Member for Brent, South (Mr. Boateng) looks at *Hansard* tomorrow or on Monday he may be surprised to discover that he has not explained to the House what these people are asking. It may well be that one of my colleagues within the Department is dealing with the matter, but I am not absolutely clear about what they are asking.

Mr. Boateng: They are asking for an answer to their last letter to the Minister. They are asking simply when the Department of the Environment will release the money that the council is currently awaiting to enable that development to start. That is what they are asking for.

I had imagined that because the Minister has received numerous letters to that effect from the Harlesden Centre group and, only a couple of months ago he received a letter from me, he would have been aware of the issues in Harlesden.

Mr. Trippier: The hon. Gentleman specifically referred to me. That is not correct. I am not the Minister for Local Government.

Mr. Boateng: With due respect, I know exactly to whom I am referring. In my office I have a letter signed by the Minister specifically in response to a letter that I sent him about the problems of the Harlesden Centre Group. When the Minister looks at *Hansard* tomorrow, or more importantly, when he looks in his own filing cabinet, he will find that that issue has been raised with him by the people of Harlesden time and again. We want an answer. I hope that tonight the Minister will give an undertaking to seek an answer to my question.

Aware of the onward march of time, I should like to examine two other issues. The first is investment in industry. A local borough such as Brent does not have the resources of the GLC or of central Government that will enable it to bring about the industrial rejuvenation that it really wants in industrial estates such as the Park Royal estate. I am glad that the hon. Member for Ealing, Acton (Sir G. Young) is present, because many of his constituents seek work or have work on that estate and have a vested interest in its future.

We want Government support for the kind of initiatives that the London boroughs of Ealing and Brent are seeking to develop together for such estates. That proposal has its origins not in any sectarian alliance but in a bipartisan approach to industrial rejuvenation, of the kind that existed between Ealing and Brent for many years.

Sir George Young: Perhaps we can build tonight on the partnership between Ealing and Brent. Is the hon. Gentleman aware that in his constituency Guinness wished to expand and to provide more jobs by developing its car park but that the London borough of Brent is trying to place a compulsory purchase order on it for a gipsy site? How will that provide new jobs?

Mr. Boateng: I am well aware of what has happened, and I welcome the hon. Gentleman's interest. I hope that he will join me in ensuring that the Department of the Environment does everything in its power to facilitate the creation of proper sites in London for gipsies and that he will join me in ensuring that Guinness and other local employers have sufficient land available to them when expansion is able to take place. I have heard and seen nothing connected with the debate about the Guinness site that the creation of a gipsy site there would impair in any way. That is not the issue, as I fancy the hon. Gentleman well knows, in relation to the borough's proposals for that land, which has lain fallow for many years. I, too, should like it to be used for socially and commercially useful purposes.

It ought to be possible to achieve genuine consensus rather than mischievous political points over the development of the Park Royal industrial estate. We need the Government to say that money will be forthcoming for the work that must be done there to create roads and factory sites, if new companies and new jobs are to be attracted to the area. Is the Minister willing to discuss with the London boroughs of Brent and Ealing how the Park Royal industrial estate might be further developed by building on the engineering and food industries that are already there and making it into a place of growth, hope and prosperity? Two Labour-controlled councils are willing to work with the Department of the Environment.

We must also invest in people. We have seen in the glossy document "Action for Cities" pretty pictures of people, but there is no recognition of the fact that economic growth needs to be generated. The hon. Member for Acton referred to economic growth and to the new

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climate of prosperity, but it rang hollow in my ears. Even where there is growth and development, Conservative Members must realise that the inner cities lack people with specific skills.

On Tuesday last I visited a factory in my constituency that is owned by Heinz, and I spoke to the senior management. It is seeking to shed labour, but at the same time it is seeking to increase productivity and capital investment in that plant. Tens of millions of pounds are to be invested there, but the company is having to import skills from outside London because they cannot be found in London.

The London Docklands development corporation is much vaunted in this glossy document, but when one looks further one finds that none of the £400 million that has been pumped into docklands is earmarked for training. There is a mismatch of skills which is addressed nowhere in the document.

Before we hear the trumpeting of promise and success for the Government's inner-city proposals, let us have some content. In the United States, they are asking about one of the candidates, "Where's the beef?" That is what we are asking about this document. When we have the answer, perhaps we, too, will bring out the trumpets—but that will not be for a long time yet.

Several hon. Members *rose*—

Mr. Speaker: Order. I understand that the first Front Bench speaker will seek to rise at 11.15 pm. Three hon. Gentlemen have been sitting for most of the time during this debate. Would they divide the time equally between them?

10.40 pm

Mr. Nigel Spearing (Newham, South): The truth of the debate was revealed by the non-reply that the hon. Member for Wolverhampton, North-East (Mrs. Hicks) did not give to my intervention in her speech—with a great deal of which I would agree. That was the challenge that it was the intention of the Government, through legislation going through the House, to increase not only the cost of land but the general level of rents. That will clearly be to the disadvantage of the inner cities and all who live in them.

Much of this glossy document describes what I regard as a conduit for capital. The Minister dissented when I informed my hon. Friend the Member for Hackney, North and Stoke Newington (Ms. Abbott) that even this glossy, although available to the press, would not have been available to the House but for the action of an hon. Member.

I can assure the Minister that I know more about the matter than he does, because when I attempted to get the glossy from the Vote Office last Monday, I was informed that it was not available. On further inquiry, however, I was told that the Vote Office had contacted the Minister's Department and would endeavour to deliver it by 3 pm. I was also told that, but for my questioning, the Vote Office would not have known of the document's existence.

For once, I think that the Minister can take it that the Government's PR apparatus failed dismally in not permitting Members of Parliament to see it. Perhaps after tonight we shall be able to say, "No wonder." Perhaps the Government had something to hide.

One of the things that they hid was the Prime Minister. In her opening words at the press conference, which will go into the annals and the history books, she said that she wished to encourage civic pride in Britain: that, from someone who destroyed the Greater London council almost single handed, and who wishes to take away some of the civic powers of the cities of Leeds and Sheffield in extending the urban development corporations.

Civic pride—a subject to which I shall return—is something with which we should all be able to agree, and which we should all have. We should cherish and enhance the civic amenities and commonly owned civic facilities which alone make life inside the inner city tolerable and even fruitful. The problem is that the present Government are doing the opposite.

I challenged the Minister on Monday about the London Docklands development corporation. Before it came along, he said, there had been trivial developments. Not so. Lord Rippon, when he instituted the docklands joint committee, set up a co-operative structure of local authorities that put together packages of programmes. I have here "The Years of Growth", the London joint committee operational programme. In the back of the document, we find a host of developments, including the London docklands strategic plan and the Beckton development plan, adopted by the London borough of Newham and now nearing completion.

In addition, that document set out many civic facilities. It mentioned the East Beckton primary health care premises in my constituency. That document was published 10 years ago. Those premises in Tollgate road, Beckton, were opened by Lady Shearman, the retiring chairman of the Newham district health authority, at midday yesterday. It has taken 10 years, but we have now got it. It should have been funded entirely by the Newham health authority. In fact, it has had to rely on some funding from the LDDC. That is the wrong way round.

Why should not the health authority in some cases, and the borough in the case of education, provide full funding? We look with distrust upon the LDDC, particularly in the light of the spectacular resignations that have occurred recently and the letter from the auditors, Robson Rhodes, on aspects of consultancy contracts and the way in which the board was unaware of certain things that were going on. Recently, I asked the Secretary of State how the LDDC was going to respond to that letter, and he said that the matter was still under consideration.

Indeed, the Public Accounts Committee may, as we know, be receiving a report from the Comptroller and Auditor General about the LDDC. Therefore, it would be wiser to await that report before extending the principle of the UDCs to other areas. As a visiting Austrian said recently when interviewing me, "It strikes me that we have a colonial situation here. They are coming on you like a colonial power." I could only agree.

My hon. Friend the Member for Newham, North-East (Mr. Leighton), in the Adjournment debate tomorrow, will refer to some of the needs of our borough, but I wish to use the second part of my time to talk about the Health Service in Newham. I have already said that it is not entirely funded, as it should be, by the district health authority, and we have to rely on the munificence and patronage of the LDDC for proper facilities.

After visiting the health centre yesterday, I went to the local district and general hospital, where some nurses and auxiliary workers had been busy collecting signatures from

passers-by in an effort to obtain proper facilities for that hospital and for the NHS in Newham. I have the 17 pages of signatures in my hand, given by over 200 passers-by in less than an hour.

Newham is an inner-city area. Our in-patient numbers have risen by 8·5 per cent. since 1982, out-patients by 5·4 per cent., elderly day patients by 24 per cent. and maternity in-patients by 30 per cent. Cost-efficiency savings have been computed and agreed by the RHA and DHSS as £5 million between 1982 and 1987. Next year, depending on whether the Chancellor coughs up for pay, our income will go down by between 1·5 per cent. and 3·5 per cent. as our needs go up.

That is being done by a Prime Minister who, in commending a package which she claims was part of her election mandate, dared not face the House. She dared not face the House with this inner-city package because she knew that it was essentially a fraud, just like her policy for health.

I said that I would emphasise the civic pride which the Prime Minister emphasised at the beginning of her press conference on Monday. Civic pride concerns not just our local community, Newham—important though that is—the nation, or even Westminster perhaps. It is something larger.

The vast majority of people look upon themselves as members of the Health Service. Civic pride will enable people to obtain the services for which they have paid and which are their due. At the moment, too few are doing too much for too many for too little in the Health Service.

I was torn by the descriptions given by the staff of Newham hospital yesterday of the feeling of anguish they have in not being able to provide what they know is necessary, because there are not enough staff. The dedication of those people who stay in low-paid jobs is beyond all praise.

I received a letter not long ago from a person who works in the blood transfusion service. There can hardly be a greater emergency service than that. The people who work in that service are outside the usual pay negotiations for scientific staff and are working hard to keep the service going, but only just.

The Government have taken Newham's land through the UDCs and are not providing the wherewithal for Newham to supply a blood transfusion service for those in need. Through the legislation before us and through the Housing Action Trust, the Government may well take our homes as well.

10.51 pm

Mr. Tony Banks (Newham, North-West): I should like to be fair to the Government and to the Minister and say that the Government have not been responsible for creating all the problems of the inner cities; just most of them. Certainly the Government have been responsible for exacerbating all of them. I do not see how the Minister can pretend that taking some £20 million in rate support grant from the inner cities and £7 billion in rate support grant from London, as well as doubling unemployment and poverty since 1979 have nothing whatsoever to do with the problems of the inner cities. That is where the problems of the inner cities are most deeply rooted.

As my hon. Friends have said, one cannot solve problems merely by throwing money at them, but taking away funds and resources as the Government have done has made the problem much worse, so the crisis of the inner cities is essentially created by the policies of the Government.

The Prime Minister has made great play of the inner cities because they have become a fashionable subject, rather like her campaign to clean up Britain. She appointed Mr. Branson as the overlord for clearing up the litter, but we do not know what has happened to that initiative. She also chaired the working party to deal with football hooliganism, because it was fashionable at the time. She takes up those things, then throws them down as it suits her.

The inner-cities initiative has been full of nonsense, hype and glossy documentation. The Prime Minister, sitting there flanked by six Members pretending to be Cabinet Ministers, all nodding away as she clucks around them, is lamentable and pathetic, but it is typical of the attitude and style of the Government.

I have looked at the document "Action for Cities". We keep hearing from Conservative Members that local authorities should co-operate. I have already said that some members of the Association of London Authorities went to the Department of the Environment and wanted to do a deal with the Secretary of State for the Environment. My God, that must have stuck in their throats, but the Minister was not prepared to accept, and they were thrown out of his office. He said that he was not interested, because the Government are not interested in a partnership with Labour local authorities.

The document "Action for Cities" has a picture of the agricultural hall in Islington. This is all trumped up. There is not one mention of the fact that Islington was able to get this going by co-operation and funding. There is no mention of Islington, because the Prime Minister and Ministers cannot bear to mention that one Labour local authority is prepared to co-operate and to work in partnership with private enterprise. That level of small-mindedness is appalling. So when one hears the hon. Member for Henley (Mr. Heseltine) talking about the crisis and conflict to come in the inner cities, at least on this occasion we can join hands with him and say that we are in agreement.

Yes, there will be problems in the inner cities. There is the possibility that there may be civil commotion in the inner cities. All the glossy pamphlets in the world will not avert that crisis. I can think of one very useful thing to do with this glossy pamphlet — that is, add it to a large bonfire. Frankly, that is all it is worth.

The Government's inner-city policies so far have involved taking resources from local authorities. They have then attacked the authorities in a most vile fashion, assisted by the rabid right-wing Tory press. They have removed the authorities' functions and handed them over to unelected, unaccountable quangos made up of Tory business men who take decisions behind closed doors, unaccountable to the public whom they are supposed to support and whom they are supposed to be looking after. They are totally unaccountable to Parliament as well, because the Minister simply will not answer questions.

In the few minutes that I have left I want to say a few words about the London borough of Newham. We can be sure that the three hon. Members who represent Newham will never allow the case for Newham to pass by default. We make no apologies for continually bringing to the

[Mr. Tony Banks]

attention of Ministers and the House the problems that we face in the second most deprived local authority area in the country.

I want to show the Minister a very good document—one that is much better than the hyped glossy that the Prime Minister launched the other day. It is called "A Fair Deal for Newham" and a copy is winging its way to the Minister at this very moment. I hope that he will look at it. It even includes some graphs. Any Tory Member who wants to discover how unemployment has affected the London borough of Newham since 1979 need only look at a graph to see how dramatically it has risen. Indeed, it has risen even more dramatically than the wave on the Minister's head. There has been a dramatic increase in unemployment in the London borough of Newham and that has brought all the usual problems.

Capital allocations are a great problem for Newham. They have plummeted in real terms. The housing investment programme allocation dropped from £47 million in 1979-80 to £17 million this year. Most other allocations have dropped by a similar degree. As a result, the urban fabric in our borough is crumbling.

There are still many Victorian schools in the borough. Twenty-three of Newham's 62 primary schools were built before the first world war, and some still have outside toilets. There are 108 tower blocks in the borough. A Conservative Member referred to tower blocks. The tower blocks in Newham are appalling places for people to live. I do not blame the Government for the fact that the tower blocks were built, but they are there and we do not have the resources to deal with the problems that they create.

The problem of housing in the inner cities is reaching a crisis point equivalent to that in the National Health Service, and it deserves the same level of parliamentary attention that is given to the Health Service.

Let me tell the Minister about homelessness in Newham. Housing the homeless is an inescapable statutory obligation, as the Minister is aware. However, the costs have soared in my borough. In 1983-84, we spent £52,000 on bed-and-breakfast charges. In 1984-85, that had risen to £138,000. In 1985-86, it had risen to £605,000, and in 1986-87 it rose to £1·9 million. The projected figure for 1987-88 is £5·4 million.

How does the Minister think that we can deal with the problems in the London borough of Newham when charges for bed-and-breakfast accommodation have risen from £52,000 in 1983 to £5·4 million? Next year, the figure is expected to be about £8 million. However, the Government do not take homelessness levels into account when determining the council's block grant. That is a shameful scandal that "something should be done about", as we say in this House so often.

I want to refer to the revenue expenditure needed to compensate for past penalties. Newham's revenue support from the Government has dropped substantially, despite the fact that the Minister and the Department of the Environment have acknowledged the levels of need in the borough and recognise Newham's position as the second most deprived area in England and Wales. Newham's block grant dropped from 60 per cent. of revenue expenditure in 1985-86 to under 46 per cent. in 1987-88. Although the Minister is not responsible for that, because it is an environment matter, it has a knock-on effect in the inner city.

It is impossible to say that reducing rate support from about 60 per cent. to 46 per cent. has no impact on jobs, services and facilities in the inner city. The council is trying to construct a balanced budget for 1988-89, limiting rate rises to an absolute minimum, but the effect of the soaring cost of homelessness, which I mentioned, means that real cuts will be imposed in nearly all service areas.

Newham borough council has adopted throughout a responsible approach to regeneration. It is reaching major agreements with the London Docklands development corporation on ways of achieving revitalisation of the area, and it is ready and willing to work with the private sector to boost the local economy and help to create new jobs. The council's essential capital spending in docklands means that we are having to ignore the remainder of Newham where the worst inner-city problems exist. The investment currently made in docklands by Newham and the LDDC needs to be matched across the borough, and at the moment we simply do not have the resources to do that.

I warn the House that Newham is in danger of becoming a divided society, with docklands taking all the resources, while the rest of the borough is even more deprived of investment. We must avoid turning Newham into a divided community. That is the essential problem that we face in our borough.

I hope that the Minister will take these problems seriously. We want a partnership with Government, but we have the feeling that there is so much vile opposition to Labour local authorities and so much hatred from the Conservative Benches towards authorities such as mine that this plea will fall on deaf ears. If it does, the responsibility for the chaos and the aggravation that will follow will rest entirely with the Government and the Minister.

11.1 pm

Mr. Hugo Summerson (Walthamstow): It is a great pleasure to follow the hon. Member for Newham, North-West (Mr. Banks). I do not admire the content of his speeches, but I admire the delivery. I should like to pick him up on some of his comments.

The hon. Gentleman mentioned the royal agricultural hall in Islington. I have lived in Islington for the past 11 or so years, and I know that Islington council bought the hall in, I think, 1974. Why it did so no one knows, including I suspect, Islington council. Had the council been going to do something with the hall we could have understood that action, but the council did nothing, let it deteriorate and the hall became worse. All the time the ratepayers had to pay interest charges.

The hon. Gentleman tries to give credit to Islington council for what it did with the royal agricultural hall. There should be no credit to the council, but a lot of credit to the Government, who made urban development grant available to the business men who ultimately took over and developed the hall. It is entirely due to the Government and to that private enterprise that the royal agricultural hall is thriving.

The hon. Gentleman also mentioned quangos. He spoke in emotional terms about operating behind locked doors. It might interest the hon. Gentleman to know that my local Labour-controlled council had a meeting of its finance committee the other day, and the first item on the

agenda was a motion to exclude the press and the public. There is another example of a Labour council operating behind closed doors.

Ms. Abbott: If the hon. Gentleman were knowledgeable about local authorities, he would be aware that it is usual for finance committees to exclude the press and the public when they discuss matters to do with contracts and other confidential matters.

Mr. Summerson: If the hon. Lady could see the way in which my Labour council runs its affairs, it would not surprise her in the slightest that it wants to exclude the public.

I am glad to see the hon. Lady here, because I pass through her constituency on the way to mine. I get on my bicycle and pedal through Stoke Newington. I give the hon. Lady a warning: Stoke Newington is getting more prosperous. She should see the danger signs. Front doors are being painted. New cars are appearing on the streets. The worst sign of all for the hon. Lady — she will not like this — is that there is a delicatessen in Stoke Newington.

It may be a truism to talk about buildings in the inner cities. Of course, there are buildings in Regent's park, which one might call the inner city, and splendid buildings they are, too. They look splendid, but they were all badly built and have had to be renovated. No building is permanent. If we want to keep buildings in good condition, they must be maintained constantly.

I agree with what the hon. Member for Newham, North-West said about tower blocks. Some system-built tower blocks in my constituency are falling to bits. I am convinced that they breed crime, vandalism and despair. They are sinks, and they should never have been built, but they are classic examples of what happens when those in power — I make no party political point on this — believe that something will be good for people. They impose those things on people.

It was a fashionable idea at the time, but Le Corbusier has done more harm to people in Europe and in America than almost anyone else. I am sure that he and everyone involved in building those tower blocks had good intentions. We heard all the nonsense about streets in the sky and cities in the air, but they did not have to live in them. One of my great ambitions is to see those tower blocks come down.

I have no doubt that the Labour Government passed the Housing (Homeless Persons) Act 1977 with the best of intentions, but it has been a disaster. If a council has a duty to house homeless people, people will make themselves homeless. That adds terribly to the problems of a mature city, as London is. It is all very well for Labour Members to say that we need more money to build more houses, but where will they build those houses? We cannot build them in parks and open spaces. We cannot cover London's green lungs with buildings. Those open spaces are what make London a partly civilised city.

Waltham Forest council has calculated that it would have to cover Wanstead Flats — an area of 140 acres — with bricks and mortar to house everyone on the waiting list. That is simply not possible.

Another factor is the divorce rate, which is increasing by leaps and bounds. It means that there are more households and more people looking for somewhere to live. The problem is becoming worse. If we make it easy for people to get divorced, and if we put it in statute that local authorities must house homeless people, there are bound to be more homeless people.

Infrastructure is badly needed in many inner cities. Infrastructure is the catalyst for new development and for bringing inner cities to life. Local authorities should look at this in a positive way. Instead, I am sorry to say, too many of them have acted in a negative way and imposed massive rate increases.

We have heard much about rate increases. In my own borough, there was a rate increase of 62 per cent. last year. The biggest local employer in my constituency tells me that it has had to increase its turnover by about £2 million to generate the increased profit purely to pay its extra rates bill. My local hospital has had to find an extra £250,000 a year in rates. Merely soaking local people by increasing rates goes nowhere towards solving the problems.

The problems of the inner cities are multifarious and diverse. They have been with us for many years. I hope that the Government can work in a positive way, in harmony with local authorities — I should like to see that happen — but local authorities must change their attitudes. I hope that the Government will motivate and inspire local people and perhaps — who knows? — through them the local authorities; and then the inner cities will be made better for us and for future generations.

11.12 pm

Mr. Roland Boyes (Houghton and Washington): I congratulate my hon. Friend the Member for Ealing, Southall (Mr. Bidwell) on being fortunate in the ballot and on his choice of subject, which is both topical and timely.

A great deal has been said this week about the Government's "Action for Cities" and Mrs. Thatcher's post-election flagship. We had been led to expect a cruise liner at least, but all that we had was the Prime Minister and half the Cabinet in the same old leaky rowing boat. Yet again the Tories are trying to persuade us that the private sector and the Government alone can cure the ills of the inner cities, and they are using this dogma as an excuse to destroy local government.

Since 1979, almost 50 Acts have been passed that affect local government and diminish its powers, and that has gone hand in hand with the rubbishing of its activities in many sections of the gutter press — or perhaps I should say in the press, because it is sometimes difficult to differentiate between the Murdoch papers.

There has been a persistent and deliberate withdrawal of local authority finances, amounting to a net loss of £8 billion from inner-city authorities alone. "Action for Cities" gets 10 out of 10 for presentation, but zero for content. I am not alone in saying that, because the *Financial Times* in its editorial of 8 March, under the heading

"Flawed plan for inner cities",

said:

"On inspection, this turns out to be one of those cases in which the fatness of the prospectus is in inverse proportion to its contents."

Even the *Evening Standard* was not satisfied when it said in its editorial:

"Our rundown inner cities can be made competitive and entrepreneurial again — but it requires a greater Government commitment than we have seen so far."

This is a public relations exercise rather than a White Paper, which suggests that there is simply not enough Government policy to fill one. The bottom line is that

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there will be almost no new cash. Instead of providing much-needed strategic public investment and the proper co-operation with local authorities that is needed to breathe new life into our inner cities, the Government have given us a collection of so-called solutions, all of which are based on the mythical power of private sector money. These solutions range from the trickery of streamlining grants by simply changing their names, to the Chancellor of the Duchy of Lancaster's breakfasts, which have become a joke before they have started.

We are all too aware of Mrs. Thatcher's fervent desire to win votes in the inner cities. There are few Conservative constituencies in the targeted urban development corporation areas. The Government's cheap jibes at inner-city Labour local authorities and the repression of their activities at the expense of concerted urban renewal betray this electoral motive.

On 8 March the *Financial Times* said:

"Taken as a whole, however, the package is shallow. The principal reason for its shallowness is ideological. The Goverment has a profound distaste for local authorities."

"Action for Cities" is simply part of the longest-running and most expensive election campaign—paid for by the taxpayers—that this country has ever seen. On a more sinister note, if the Prime Minister does not succeed in changing the electoral complexion of inner-city areas, we should remember what happened to the GLC and the metropolitan counties in 1985.

The Government's continuing and calculated undermining of local authority efforts to generate jobs, industry and services, and their blind faith in the private sector—cash winkled out of some of their best supporters—are appalling mistakes that are likely to exacerbate many of the problems associated with the inner cities.

Only yesterday the right hon. Member for Henley (Mr. Heseltine)—no longer Mrs. Thatcher's golden boy——

Madam Deputy Speaker (Miss Betty Boothroyd): Order. That is the third time in two minutes that the hon. Gentleman has referred to the Prime Minister in that way.

Mr. Boyes: He is no longer the right hon. Lady's golden boy. The right hon. Gentleman recommended that the Government should provide at least £500 million more for the urban programme as that would increase inner-city employment and prevent social disorder.

On 10 March, *Today*, under the headline

"Jobless will riot, warns Heseltine",

said:

"Tory rebel Michael Heseltine last night warned of full-scale riots unless unemployment was drastically reduced. Even two million jobless will still mean too many families 'deprived, underprivileged and firmly enmeshed in an environment of hopelessness, as they are today.' That would lead to 'possibly explosive' anger which could erupt on the streets in a few years' time, claimed Mr. Heseltine."

It is vital for inner-city regeneration that co-operation is established between central Government, local authorities, the private sector and local communities, and for them all to be involved in the decision-making process for an integrated, strategic programme. That would result in the achievement of real, meaningful success.

The goals to be attained must be set by local authorities for the good of the community and not be determined by the profit motive. A couple of days ago, an article in *The Daily Telegraph* about potential investing companies said:

"at the end of the day they have a responsibility to their shareholders as well as to the community and should not allow the charity element to overshadow the case for profitable investment."

I am sure that the residents of our inner cities, many of them unemployed, poor, homeless, disabled and old, living in what the right hon. Member for Henley described as, "an environment of hopelessness" will appreciate being considered a "charity element" in inner-city regeneration.

If "Action for Cities" is the compassionate face of Thatcherism, I hope that we never see it in vindictive mood. It is certain that market forces, left to their own devices, will repeat the errors of the 1960s and put bricks and mortar, property and land values, before people and communities.

Only democratically elected local authorities can exercise the appropriate sensitivity to the needs and aspirations of communities that is necessary for successful urban renewal. The Government's main tool for encouraging private sector money into the inner cities is the urban development corporation. "Action for Cities" imposes another UDC on another local authority—Don Valley in Sheffield. These corporations are funded by cash controlled by Whitehall. They are undemocratic and unrepresentative and can operate outside the democratically determined objectives of local authorities.

The London Docklands development corporation is an example of that major failing. It is a concentration of private affluence, surrounded by public squalor, yet it is heralded as the Government's biggest success story. In his speech yesterday, the right hon. Member for Henley said:

"Children are growing up in the pincer grip of their own deprivation but live just a stone's throw away from a more affluent society whose benefits they see but cannot share".

Local authorities will of course continue to work with urban development corporations. They have little choice but to do so when there is money available, and the examples of Cardiff Bay, Teesside and Tyne and Wear urban development corporations show just how local authorities have felt compelled to be involved in UDC work, even though many of the UDC ideas came originally from the localities, and councils could complete the job themselves, given the cash.

The Government's policy is totally inflexible. A Coopers and Lybrand report specifically recommended that there should not be a UDC in Sheffield, yet this week's proposals sees one imposed. It is therefore difficult to see the UDC as other than an element in the struggle against local authorities. UDCs can work only in a very limited sense. They suck resources, public and private, into a demarcated zone, while the surrounding area is starved of capital. They cannot achieve the regeneration of the inner city, never mind the whole city.

We have recently seen the introduction of the mini-UDC, as yet an unknown quantity. Large amounts of cash will be pumped into relatively tiny areas. Clearly, as well as assisting the regeneration of small areas, they have an important political role to play.

So far, the Government have made attacks on Labour-controlled local authorities the main focus of their inner-cities policy. It is, however, unquestionably spiteful and divisive to starve local Labour authorities of resources and then complain that they are incapable of doing a job properly themselves. Tory councils can act irresponsibly too, as my hon. Friend the Member for Hackney, North and Stoke Newington (Ms. Abbott) said.

The selling of three cemeteries on land worth between £7 million and £9 million for just 5p each by Westminster city council is a particularly topical example of that. The Conservative leader of the Council, Lady Porter, was rightly accused by Labour councillors of total incompetence and irresponsibility. In my opinion, as a Westminster ratepayer, she should have resigned immediately. The whole episode is squalid and a disgrace, and I regret that the suggestion of my hon. Friend the Member for Copeland (Dr. Cunningham) for an extraordinary audit was not taken up.

However, I hope that the district auditor, when he completes his investigation, will mete out the same treatment to the Westminster councillors as he has to some Labour authorities. In addition, I understand that the fraud squad is investigating the matter, and that the courts might yet have a part to play.

The Government's perception of the problems of the inner cities is as narrow as the so-called solutions that they have presented to us this week. These problems are numerous and by no means restricted to inner-city areas in particular. All over the country we are faced with high unemployment, poverty, bad housing, environmental degeneration, crime, racism and poor transport, but not only those matters will receive attention.

For example, in an article in *The Guardian* today, about the winding up of the new towns in the north-east, Peter Hetherington says:

"inner cities are fashionable. The old industrial areas, such as south Durham, are not . . . While the cities offer hope to Mrs. Thatcher, for many Conservatives the Durhams of this world would appear political no-go areas."

The phrase "inner cities" is a Thatcherite code word, designed to focus the nation's attention on the purpose of winning votes, while ignoring the real reason behind our social and economic problems. Nine years of incompetent Conservative Government have left our inner cities in the tragic mess that they are in at the moment.

11.23 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. David Trippier): I wish to congratulate the hon. Member for Ealing, Southall (Mr. Bidwell) on being fortunate in bringing forward this subject for debate. He has done the House a great service, and we have had a wide-ranging debate.

My great sorrow is that there have been comparatively few speakers who represent constituencies north of Watford, as I do. I am glad to see that the hon. Member for Houghton and Washington (Mr. Boyes) has contributed to the debate, as he represents a distinguished constituency in the north-east. I am also grateful for the contribution of my hon. Friend the Member for Wolverhampton, North-East (Mrs. Hicks) who represents an important seat in the west midlands. In the short time that I have, I want to deal in as much detail as I can with some of the specific points raised in the debate.

I begin by discussing the general point made by Opposition Members, about partnership. It is perhaps significant that few hon. Members representing constituencies north of Watford have attended. That is strange, given that, of the 57 programme authorities upon which the Department of the Environment concentrates, the vast majority are north of Watford, and about 53 of them are controlled by the Labour party. Yet the hon. Members who represent those areas are absent. Do they perhaps approve of the document?

It is interesting to note that the photograph on the cover is of an area Salford which is controlled by Socialists on the council and represented here by Labour Members, who work extremely well with various Government Departments.

Mr. Simon Hughes: It is only fair to point out that the Minister knows why the debate is less well attended than it would usually be. Unusually, the Consolidated Fund debate is being held on a Thursday, so many hon. Members who would normally be here are not.

Mr. Trippier: I agree that there was short notice of the subject matter, but that is not a matter for me. I accept, of course, that some hon. Members have left London to get back to their constituencies in the midlands and the north. Nevertheless, this is an important debate on the inner cities. The Government have said that they should be top of their agenda — not as a passing phase, but for the whole Parliament — so I should have thought that more attention would have been paid to the debate by hon. Members from north of Watford.

The hon. Member for Southall referred to rate capping. He will recall that a delegation was sent to see my hon. and learned Friend the Minister for Local Government, who listened carefully to the delegation's special pleading. Having considered all the circumstances described to him by Ealing borough council, my right hon. Friend the Secretary of State substantially increased the council's rate limit in recognition of the problems it faced. We did not hear about that from the hon. Member for Ealing, Southall.

The Government have been reasonable and responsible. The hon. Gentleman would probably have preferred to leave ratepayers in his constituency to face a rates bill even higher than the one they faced the year before. That increase, mentioned by several hon. Members, was about 65 per cent.

The figures mentioned by Opposition Members to describe what has been lost to London and their mconstituencies as a result of Government action are bogus. At best, they are hypothetical. There is no way in which any Opposition Member could put a figure on what a Labour Government — had the country had the misfortune to have one—would have done in the period that has elapsed since 1979.

Mr. Boateng: The Minister really is a bit rich. Talk about brass! Richness and brass characterise the Department of the Environment, which has taken our brass and grown rich at our expense. It has taken about £21 million from Brent in rate support grant since 1980-81. We know what we got out of the urban programme in 1987-88 — £4·5 million. Those are not bogus figures: they are facts.

Mr. Trippier: That is the interpretation that the hon. Gentleman wants to put on the facts. They are clearly speculative. He has no way of knowing how any Labour Government, had they been in power since 1979, would have dealt with rate support grant for local authorities. Many of my hon. Friends can remember the horrific economic mess that the Labour Government left. They had to bang on the doors of the IMF to borrow money. When the drastic cuts were made, they resulted in the so-called winter of discontent, a winter that we have not had since 1979. It is clear that the hon. Gentleman does not

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know what he is talking about. Alternatively, he thinks that Conservative Members have forgotten. They have not forgotten.

The hon. Member for Southall spoke about the powers given to urban development corporations. Of course powers for land assembly, compulsory purchase and vesting are given to those corporations, but only in areas where we think that local authorities have been ineffective in bringing about the urban regeneration that we all wish to see. The vast majority of the 57 programme authorities on which my and other Departments concentrate our resources work well in a form of partnership not only with central Government but also with the private sector.

I am grateful to my hon. Friend the Member for Ealing, Acton (Sir G. Young) for bringing to the attention of the House the fact that a few more local authorities controlled by the Socialists have changed their tune since the last general election. We still have some way to go, and we are not yet at the stage of banging the cymbals.

Mr. Bidwell *rose*——

Mr. Trippier: I am sorry, but I am not giving way. The hon. Gentleman knows that everybody has had a fair crack of the whip and I have less time to reply than any hon. Member has had to make a speech. I do not think that the hon. Gentleman would wish to be unfair.

Mr. Bidwell: The Government always have the last word.

Mr. Trippier: Of course we still have the last word on planning. Even though the power of planning and vesting are given to urban development corporations, the power of appeal lies with my right hon. Friend the Secretary of State for the Environment. There is no question about that.

As my hon. Friend the Member for Acton said, it is time for us to speak with confidence about the positive side of our inner cities and the great strengths of the people in them, our indigenous resource that we need to encourage and develop, particularly in enterprise. Opposition Members have said that there is no new money. That is a silly comment. The vast majority of people who know anything about how Government work know that the public expenditure survey round is normally completed by November, prior to the beginning of the Government year, which in this case has not yet started. Extra money has been made available by various Government Departments.

In my budget in the Department of the Environment, what is known as the urban block has been increased from about £541 million to £594. *[Interruption.]* Let us not be silly. Even the hon. Member for Brent, South (Mr. Boateng) will be able to calculate that that is slightly more than the rise in the retail price index or inflation. There has been an increase in money coming from various Government Departments. We were not going to keep it all back until the announcement on Monday.

Our inner-city document has made it abundantly clear that we now have clear co-ordination within Government Departments. It is led by my right hon. Friend the Prime Minister and co-ordination and presentation of the policy is in the capable hands of my right hon. and learned Friend the Chancellor of the Duchy of Lancaster. That is new, and it is also new that there will be an increase of £120 million in my Department's targeted spending programmes on inner cities and estates in 1988-89. That includes more resources, not only for urban group programmes, but for Estate Action. That was not mentioned at all by any Opposition Members. That is additional money going into most of their areas.

The hon. Member for Brent, South might forgive me if I doubt some of the statistics that he gave the House. When he was asked by my hon. Friend the Member for Wyre (Mr. Mans) whether unemployment had been reduced in his constituency, he said that it had not. Yet the figures are perfectly clear; I have them here, published by the Manpower Services Commission.

The hon. Gentleman does not seem to know what is going on in his own constituency. In January 1987, the figure for Brent, South was 15·4 per cent. In January 1988, it was 13·1 per cent.

Mr. Boateng *rose*——

Mr. Trippier: I am terribly sorry; the hon. Gentleman has had a fair crack. The figures are here. He can read this again in *Hansard*. I will happily debate the matter with him in correspondence. The Manpower Services Commission figures are here. He sought to deny them in his speech 20 minutes ago.

Mr. Boateng: Since the Government have been in power, there have been 19 changes in the way these figures have been calculated. If those changes are disregarded, the real unemployment trend is up. Will the hon. Gentleman not recognise that I referred him specifically to the levels of unemployment on the priority estates, which have consistently risen over the last nine years? That is a fact, that is also in *Hansard*, and that is game, set and match.

Mr. Trippier: It is not game, set and match; that is a very silly comment for the hon. Gentleman to make. He has probably forgotten that in my former incarnation I was in the Department of Employment, where I had a shared responsibility for statistics, and I can say with complete conviction that the statistics which have been presented by the Department of Employment are correct. The hon. Member for Kingston upon Hull, East (Mr. Prescott), who at that time was shadow spokesman for employment, acknowledged that those statistics would have been presented in exactly the same way had a Labour Government been in power. That is a matter of record, which the hon. Gentleman may care to check.

We would have regarded this interesting and exciting debate as a little more creditable if the hon. Member for Southwark and Bermondsey (Mr. Hughes) had said at some point that there were either some things in the presentation document that he welcomed or something that the London Docklands development corporation had done that he welcomed. He fought shy of that.

The hon. Gentleman told us that his research assistant had spent some time counting the number of times that local authorities had been referred to in the document. He should have looked at the photographs, in which there are several mentions of local authority schemes that are very good examples of partnership in action. All of us in government believe that the best possible partnership is a tripartite partnership—ourselves, local government and the private sector.

The difficulty that I have with the speeches of the hon. Members for Southwark and Bermondsey and for Brent, South is that they seem to be concerned only about Government or public sector investment.

Mr. Boateng: Will the hon. Gentleman give way?

Mr. Trippier: No, I will not.

They totally ignore the fact that, for every pound of taxpayers' money that we inject into these schemes, particularly under urban development grant, and that is on average. In the scheme at Salford Quays, portrayed on the cover, the leverage is six to one. But I heard not one word from any Opposition Member about private sector investment. The reason for that is that hon. Members do not understand it. They do not understand enterprise or the importance of the private sector taking the lead.

That is what is different about this. We have shown the House this evening that we have indeed increased the amount of public finance that is made available for these new initiatives, as a result of which we are now going to have the multiplier effect, attracting that much more capital from the private sector. It is possible to achieve a leverage far in excess even of four to one. If one can get six to one in Salford, one can get it anywhere else. What is more, Salford has approached these matters in a sensible way and in a form of partnership which we welcome.

The criteria we set down for our grant regime are flexible. If certain Labour authorities cannot comply with them, .there is something seriously wrong with those authorities. And most of those Labour authorities, which are the great defaulters, are represented by Opposition Members who have spoken tonight. The representatives of the vast majority of decent Labour authorities are not here tonight, because they, like my hon. Friends, will welcome the publication of this document.

This will be an exercise in self-help. It will bring pride back to the inner cities. The form of co-ordination we shall see will bring about the vitality that is needed in these areas. As my hon. Friend the Member for Wolverhampton, North-East said, the people in these areas will no longer be part of a forgotten army. We shall make these areas strong and vigorous once again.

Student Unions (Funding)

11.41 pm

Mr. Allan Stewart (Eastwood): I am delighted to have this opportunity to initiate a debate on the important subject of the financing of student unions, a subject which has been of concern for some years to hon. Members, to the Government, to students, indeed to everyone interested in the proper use of public funds and individual rights.

Concern has focused recently, perhaps particularly, on the compulsory membership of the National Union of Students. I draw the attention of the House to early-day motion 449 sponsored by my hon. Friend the Member for Thurrock (Mr. Janman) and endorsed by 213 other hon. Members. That motion welcomes the Employment Act 1987 with its measures to

"reverse closed shop arrangements, but notes that hundreds of thousands of students will still have no choice over whether or not they join the National Union of Students; and hopes that the Secretary of State for Education and Science will take steps to rectify this anomalous position as soon as possible."

My hon. Friend the Member for Hertfordshire, West (Mr. Jones) raised this issue during business questions on 25 February last and the Leader of the House said it would be appropriate for hon. Members to table an amendment to the Education Reform Bill. My hon. Friend the Member for Thurrock and others have done just that, tabling a new clause to the Bill to move to a system of opting into membership of the NUS or other national student bodies. It would be premature to expect the Minister to leap to his feet tonight and announce that the Government intend to accept that new clause; we shall have to wait for the issue to be debated for him to do that.

I was a voluntary member of a students' union at the university of St. Andrews, where I was also president of the students' representative council, a separate organisation. That structure has some attractions, to which I will come later.

Students' unions north and south of the border began as voluntary organisations, as private clubs giving facilities to members. But as the concept of the student grant developed, membership dues were increasingly paid for most students by grant-giving bodies. Those bodies, the Scottish Education Department and local authorities in England and Wales naturally questioned those payments as not being strictly necessary. The response to that was to make membership compulsory. When that happened, of course there was automatic payment of fees for those who wished to join the students' union, and the union had the bonus that membership was compulsory for those who did not wish to join or were indifferent to joining.

That change had two inevitable effects. First, it made the students' unions much more free of any real need to satisfy their membership. Secondly, the fee, in effect, was negotiated by the union and the university or college authorities. It was paid for by the taxpayers and ratepayers. Inevitably, the fees went up.

Change was inevitable, and in 1980 the Government announced that in future the unions would be financed from the general funds of the university or college. That meant that the student union allocation was competing with other demands from departmental budgets. It was hoped that financial realism and the need for the universities and colleges to provide proper institutional oversight would lead to wholly satisfactory arrangements.

It is my contention that that was a fundamental mistake by the Government because it broke the link between the membership of students' unions and their income. One of the books on the subject noted the consequence that

"The responsibility that should be at the root of any democracy has been entirely removed. Members have no financial responsibility for what the union spends or how it spends it."

The income of the National Union of Students, which in 1986-87 amounted to about £1·84 million, was from the taxpayer through block membership by student unions. That means, as the early-day motion of my hon. Friend the Member for Thurrock points out, that perhaps hundreds of thousands of students who have no wish to do so are forced to be members of the NUS, but, on the other side of the equation, many individual students may wish to be members of the NUS but if their student unions have opted out they cannot join because there is no longer the possibility of individual membership.

A fundamental point in relation to Government legislation in other areas is that, since membership of those unions is compulsory, and is a closed shop, in effect students are forced to join two closed shops.

It may be thought that the consequences of compulsory membership are not a matter of concern, or that any concern is purely theoretical. People may say that students will be students, nothing is ever perfect, and does it really matter in practice? I must tell my hon. Friend the Minister that I believe that it does really matter.

It matters to one of my constituents who was a full-time treasurer of his students' union. He was sacked because he refused to sign a cheque for students' union funds to go to the fighting fund for the striking miners. He argued that that was wrong, he refused to do it and he was sacked. It is not a matter of theory to him; it is a matter of real concern.

It is a matter of real concern to Mr. Paul Soden who refused to join the students' union at Manchester polytechnic. Although he was willing to pay the money, he was expelled from the polytechnic. It was a matter of real concern to Mrs. Patsy Fry who was expelled from her course at the Queen's road polytechnic in Bristol solely because she refused to join the students' union.

It matters that at Strathclyde university my right hon. Friend the Member for Henley (Mr. Heseltine) was unable to address a meeting; it was disrupted and had to be abandoned. Conservative students have been refused the right to speak at student association meetings solely on political grounds and have been physically attacked by their political opponents.

It is a matter of general concern to society that students may pursue a so-called no-platform policy under which those who profess views with which student union leaders do not agree are refused the right to speak. That goes right to the heart of academic freedom and democracy, whatever the views of the people concerned.

Mr. Derek Fatchett (Leeds, Central): The hon. Gentleman says that he supports academic freedom. When the Education Reform Bill reaches its Report stage and the Opposition table an amendment relating to the definition of academic freedom for academic staff, I assume that the hon. Gentleman will support it.

Mr. Stewart: I am not sure whether the hon. Gentleman's concept of academic freedom and mine are the same. However, I speak as a former university teacher and I have been in touch with my hon. Friend the Minister about that Bill. He gave a very helpful reply to the point that I raised with him.

Mr. Fatchett: I am interested in the intellectual conclusion that the hon. Gentleman draws: that our definitions of academic freedom are different. I suspect that the evidential basis for that conclusion is very weak, and it might be helpful if the hon. Gentleman were to define academic freedom.

Mr. Stewart: Academic freedom is fundamental to our society. If people are invited to give their views to a particular institution, they should have the right to do so. That fundamental right has been denied by student unions from time to time. I have alredy mentioned my right hon. Friend the Member for Henley. Lord Joseph also suffered such attacks when he was Secretary of State for Education and Science.

I am not making a general attack on student unions or on the National Union of Students, but there are matters of general concern about the NUS. There are long-standing links with, and on some occasions there has been explicit support for, the IRA. At the 1987 NUS conference, Sinn Fein members called for the intensification of the anti-Unionist campaign. It matters that taxpayers' money has been used by the NUS to campaign against the Abortion (Amendment) Bill. Hon. Members may hold widely differing views about that Bill, but why should taxpayers' money be used in that campaign?

My hon. Friend the Minister ought to be concerned about the fact that there was a national demonstration against the Education Reform Bill, not because there was a demonstration, or because students were there, but because subsidised tickets were available from, for example, the students' union at Bristol university — I have a report about it in my hand — to attend the demonstration. Why should my hon. Friend be in charge of handing out taxpayers' money for people to come on subsidised bus trips to oppose the Government's legislation? That is an example of what can happen.

What is the answer to these problems of individual freedom and potential abuse—the problems, in effect, of two closed shops?

Mr. Robert B. Jones (Hertfordshire, West): My hon. Friend has been talking about two closed shops, referring to the local students' union and the National Union of Students. He should also bear in mind the affiliation of the National Union of Students to the International Union of Students. There is therefore a third closed shop.

Mr. Stewart: My hon. Friend has added a new dimension to the debate. I had thought that two closed shops were good going.

What, then, is the answer? I do not think that it is any good tut-tutting, or blaming Left-wing students; after all, they are just taking advantage of the opportunities that the system offers them. I think that the answer is to apply the principle that the Government have applied elsewhere, especially the returning of trade unions to their members.

The Government should recognise that we are talking about three different functions: first, the services for students, which require to be paid for — usually, under the present system, via the taxpayer; secondly, local representation on the individual campus, and the need for a channel of communication between students and the university or college authorities; and, thirdly, a national trade union.

In regard to the first function, I feel that it would be preferable if the Government simply increased the grant under the present arrangements, and gave students the choice whether to spend the money on being members of a student union. After all, students are by definition intelligent people capable of making a rational choice.

As for the local representational function, there is a case for a direct grant from the university authorities for that limited function. As for the third function — the financing of a national trade union — it is absurd that that is currently compulsory and financed by the taxpayer. As my hon. Friend the Member for Thurrock has suggested, let individual students opt into membership of a national union, and let the Government give direct grants to such a body if they wish to do so, for specific and agreed purposes. There are various possible methods of achieving those objectives.

I hope that my hon. Friend the Minister will recognise that there is a genuine problem, and that he will agree that the Government should apply their general principles to the problem of what have been called the forgotten closed shops: the same principles of individual choice that have been so successfully applied by the Government to other areas of national life.

11.58 pm

Mr. Robert B. Jones (Hertfordshire, West): I should like to declare an interest, as a life member of St. Andrews university students' union. I am grateful to my hon. Friend the Member for Eastwood (Mr. Stewart) for initiating a debate about this important issue. I have felt passionately about it ever since I was a student, and, indeed, ever since I was a student union official.

My hon. Friend the Member for Eastwood was a very distinguished president of the student representative council, but I think that I go one beyond him in that I was not only an officer of the student representative council, but also an officer of the students' union. I think that the traditional pattern in the Scottish universities of separating the services role of providing food and cheap refreshment from the political representative system is quite a good one.

My most vivid memory is of the seemingly interminable debates that took place in the students' representative council at St. Andrews when I was there about its membership of the NHS. When I first went to St. Andrews — I imagine that the same was true when my hon. Friend the Member for Eastwood was there — we were affiliated to the Scottish Union of Students, an entirely separate body. The NUS had ambitions, as trade unions do from time to time, and sought to take over the SUS. In order to do so, it offered free membership of the NUS to the student unions presently within the SUS.

We tried that and about two thirds of the way through the year the student representative council in St. Andrews decided that it would vote to disaffiliate from the NUS because it felt that it had had rather bad value for money. It was also concerned about the extremist political image of the NUS.

Despite the fact that St. Andrews had a year's trial membership, the NUS said that we could not leave

[Mr. Robert B. Jones]

without giving a year's notice and paying the affiliation fees for that period, so we were unable to disaffiliate. It took several years before a referendum of the students decided to pull the university out of the NUS, a model that was followed subsquently by a number of other Scottish unions.

The clear point that came out during the course of that debate about membership of the NUS was not just the value-for-money one but the moral one. The NUS was clearly recognised at that time as an extremist political body. Its political stance on Northern Ireland, for example, was unconditional support for both wings of the IRA.

As a delegate to the NUS conference in Birmingham in the early 1970s, I attended the debate at which that motion was passed. I found it deeply offensive, as I know did the students at my university. Many of the students at St. Andrews come from Northern Ireland's unionist community. There has always been a close relationship between the Province and Scotland. It was intolerable for them that their money, through their subscription to the NUS, should be used to support a body which was actively bombing, maiming and killing their friends and relatives in Northern Ireland.

But the issue was not just the NUS's policy on the IRA; there were many other policies that were equally unacceptable, either to large groups of students or to individuals with views on particular matters. I cite, for example, the religious views of Jehovah's Witnesses, which do not permit them to join such bodies; they must therefore decide whether to go to university and be obliged to compromise their religious views, not to go to university, or to find one of those few universities that are not affiliated to the NUS. That is an intolerable infringement of people's conscience and religious freedom.

In recent years there have been many examples of intolerance practised by local student unions and the NUS. I do not know whether my hon. Friend the Minister will refer to this, but one that sticks in my mind is the discrimination against Jewish students that has been specifically practised over the years.

The student unions have taxpayers' money and money from their individual members and they dole it out to societies affiliated to the union. They pick and choose the causes that they want to support. A body of which they approve might receive a large grant and one of which they do not approve might get no grant at all. Jewish society after Jewish society was denied any funding out of allocations in individual universities because of the pro-PLO stance of the local student union, and that is intolerable.

I said in an intervention in my hon. Friend's speech that he had overlooked — I am sure unintentionally — the third closed shop, the International Union of Students, which is closely identifed not just with the far Left but with the Soviet Union and its satellites. Almost every hon. Member, whatever his or her political affiliation, would find the motions passed by the IUS at its conferences deeply offensive, yet students are forced to subscribe through their funds, or through taxpayers' funds, to those causes.

This is a moral issue. The Government should not stand aside and say that the matter is for the students to decide and that they can vote extremists out of office, because even quite moderate student unions would not in any way satisfy the point of conscience raised about Jehovah's Witnesses. As my hon. Friend the Member for Eastwood said, unions which have compulsory membership grow lazy and unresponsive to their members, because they know that they will get the same amount of cash whether the service they provide is good or bad.

My hon. Friend touched only lightly on possible solutions. I agree with him that in the long term it is perfectly proper to separate the political representative functions — the trade union functions — of student representative councils from the functions of providing services, but both functions should be voluntary. In the short term, there is no case against the membership of the National Union of Students being made voluntary. I recommend to my hon. Friend that students who wish to become members of the NUS should have to choose to become members.

That would not cause any administrative problems. It is possible at present, and it has always been possible, for students of colleges which are not affiliated to the NUS to join it, and many students do. In my days as a student at St. Andrews, before we affiliated to the NUS, many students belonged to it, although they did not have to.

It could also provide a choice of unions — that is a theoretical possibility, but one that should be encouraged — because different unions with different objectives could be set up. That would provide students with a choice, which would be beneficial to them as it would enable them to shop around and obtain better concessions on items such as travel and insurance.

This is the last great closed shop. It is a moral affront to anybody who believes in democracy and it is a moral affront to taxpayers who are forced to pay for this absolutely extraordinary farce. What other trade union has its subscriptions paid for by taxpayers? Not one. That is why the model should be outlawed by my hon. Friend when he gets a legislative opportunity.

Some of us have stayed up late tonight because we remember all too vividly the intolerance of the National Union of Students and Left-wing student unions. We have been acquainted with far more modern instances of that by our constituents, and I hope my hon. Friend will be able to give a positive lead today.

12.8 am

Mr. Gerald Howarth (Cannock and Burntwood): I am grateful for being called in this important debate, and I congratulate my hon. Friend the Member for Eastwood (Mr. Stewart) on his great success in coming third in the ballot.

Mr. Fatchett: A great deal of skill.

Mr. Howarth: The hon. Gentleman is very familiar with the matter and will appreciate that the ingenuity of my hon. Friend has allowed his name to come so high in the ballot.

The hon. Member for Leeds, Central (Mr. Fatchett) will appreciate that, although many of my hon. Friends are here tonight at this late hour, we represent but the tip of the iceberg. As the hon. Gentleman ought to be aware, nine tenths of the iceberg appears below the surface. If my mathematics are correct, I would imagine——

Mr. Fatchett: It is nine tenths of the iceberg, only if the hon. Gentleman has 45 supporters, or should we say 50?

Mr. Howarth: It may well be 45 in total. It would be 46——

Mr. Tim Janman (Thurrock): From the number of signatures to my early-day motion, I suggest that each of us represents one iceberg.

Mr. Howarth: My hon. Friend has made an extremely important point by showing the strength of feeling on this issue. More than 200 of my right hon. and hon. Friends signed the early-day motion, which has now been incorporated in an amendment to the Education Reform Bill. I hope that my hon. Friend the Minister will acknowledge the strength of feeling and bring proposals forward when the Bill reaches its Report stage.

Like my hon. Friends the Members for Eastwood and for Hertfordshire, West (Mr. Jones), I must declare an interest. I was also a pressed man in the National Union of Students when I was at Southampton university in the great, heady days of the late 1960s, when all was turbulent. The hon. Member for Blackburn (Mr. Straw), who sadly is not with us tonight to share in these important proceedings, had been elected as chairman of the NUS. Of course, he was a more moderate gentleman then, and by comparison with the rest of the Labour party he is almost one of us now. That shows either that wisdom comes with old age, or that the Labour party has moved dramatically to the Left. I suspect that the latter is probably the case —*[Interruption.]* The hon. Member for Leeds, Central will have to speak up if he wants to intervene from a sedentary position.

I was at university at a turbulent time. I managed to become a member of the students' representative council and participated in the affairs of the union. I am delighted that a newspaper has taken a potted look at what it calls "a random harvest" of the latest political leanings and activities in various universities around the country. I see that Southampton university is described as "apathetic and very Tory". They strike me as excellent things for a university to be.

One of the problems that arose when we were all pressed men in the union was that we had to fight constantly against a certain degree of apathy and deal with professional student agitators.

Mr. Robert B. Jones: I cannot let my hon. Friend get away with calling this apathy. Rather, it involves other priorities. There is nothing wrong with a student having enjoyment or work as priorities rather than mucking around with Left-wing politics.

Mr. Howarth: That illustrates the passion with which my hon. Friend views these matters. He is so concerned that he has anticipated the very comment that I was about to make.

At the time of the great troubles, Professor Max Beloff asked why students who had gone to university to study and learn, and to make friends, should, as part of their wider education, become involved in grotesquely trivial political matters. He said that to play a game of cricket or pursue a young lady were equally valuable pursuits. In the light of yesterday's debate in the Chamber, that seems to be a wholly honourable thing for a young man to do at university.

It was a feature of the times that, to preserve a moderate balance, in Southampton we tried to get the entire engineering section to vote at lunch time for some common sense. The trouble was that, unlike the social scientists, who kept gentlemen's hours, the engineers had to work and engage in a certain amount of discipline. They would pitch in at 5 minutes past 1, having come straight from lectures, vote down all the political nonsense from the Left, and disappear at 2 minutes to 2 to get back to lectures, and at 5 minutes past 2 the die-hard Lefties, who did not have to go back to lectures, would reverse everything that was a genuine reflection of the views of the normal students at the university.

Mr. Robert B. Jones: At least engineering students could spend their lunch time voting. I spent my lunch time quaking because at 2 o'clock I was due to have an economics lecture from my hon. Friend the Member for Eastwood (Mr. Stewart).

Mr. Howarth: I am delighted that my hon. Friend was quaking. It clearly illustrates that my hon. Friend the Member for Eastwood was doing an extremely good job. As a result of it, my hon. Friend the Member for Hertfordshire, West is now in the House, and we are all, therefore, beneficiaries. My hon. Friend the Member for Hertfordshire, West told me that I could not go home but should join in this debate. It is a very important debate and, of course, I postponed my departure to be here to demonstrate my concern rather than be with my wife and family and my constituents.

My hon. Friends have made strong points about the fact that the fee that is paid to student unions is in no way negotiated by the student concerned. It does not come out of the student's pocket, and therefore there is no connection between the fee that is paid and what goes on in the students' union. I think that we would all accept that much of what goes on in student unions, and what went on in the 1960s and the early 1970s, is unexceptional. Student unions should provide social and sporting facilities for the better education and enjoyment of students, but after Fred Jarvis became involved — I understand that he was one of the early NUS presidents after the war — the students' union became politicised. Much has happened to the trade union that he now heads. Everyone is now looking back on that period, as it is 20 years since the great problems of 1968. The unions were thrown into turmoil.

I am one of the few hon. Members who were in Grosvenor square in March 1968 for the great Vietnam demonstration.

Mr. Fatchett: I was there.

Mr. Howarth: The hon. Gentleman was there as well.

Mr. Fatchett: And the Minister.

Mr. Howarth: Well, there were three of us. I suspect that I am unique among those of us who were there in Grosvenor square on that horrifying and frightening occasion in so far as mine was the only banner in support of the Americans. I took the precaution of ensuring that there was a thin blue line of men from the Metropolitan police between me and the hordes, and very wise I was, too.

Half an hour before, we had heard these people coming down the streets. There was a roar. They entered the square and I saw them tearing up the square with their bare hands and tearing down palings and jabbing the policemen's horses with them. It was a frightening

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experience — all the more frightening because of the politicial pusillanimity of the Government of the time, who allowed all that to go on.

Subsequently, I went to the London School of Economics. I ruffled my hair, tried to look shabby and said that I was a comrade from Southampton who had come to try to help. It shows the naivety of the Left-wing students at the time that I was posted to security. I was completely unknown to them. I merely said that I was a comrade come to join them. They played the BBC news over the loudspeaker system at the LSE, and they all sat there wondering what to do. They were the first item on the news — this massive demonstration in Grosvenor square—and none of them had managed to fathom the magnitude of what they had done, or what they would do thereafter. The whole thing was what I could call, "Kicking against the pricks." I must be careful how I continue, but I believe that that expression would not be wholly inappropriate to our political leaders at the time, who allowed themselves, supinely, to be dealt with in that way.

Time is pressing, and I know that some of my hon. Friends and the hon. Member for Leeds, Central wish to speak. I have three principal anxieties. The first is about freedom of expression. I went through that experience in the 1960s and was vilified. I tried to organise a meeting for Patrick Wall, the former Member of Parliament for Haltemprice, and he was howled down despite the fact that we had installed extra 50 W amplifiers. My hon. Friends who knew Patrick Wall in the House will know that he is an extremely mild-mannered man, yet he—an elected Member of Parliament—was denied the opportunity of speaking about the defence of our country, which should not be controversial.

To try to defuse the problems, there was a joint declaration from the Committee of Vice-Chancellors and Principals and the National Union of Students. It was a disaster——

Mr. Robert B. Jones: It was not worth the paper it was written on.

Mr. Howarth: It certainly was not. That is why I am so angry about the NUS. It is not a principled bunch of people, and it never has been on such matters. It has never been prepared to guarantee freedom of expression, and that is why my right hon. and hon. Friends were forced, two years ago, to introduce the Education (No. 2) Act 1986, section 43 of which deals with freedom of speech in universities, polytechnics and colleges. That is not only an indictment of the NUS; it is a heavy indictment of the supine men and women who have been responsible for running our universities. At Southampton, when we wished to organise a meeting to which Enoch Powell had been invited and the student union refused to allow us to have a room in the union, the vice-chancellor said, "You are asking me to take your hot chestnuts out of the fire for you." The man was not prepared to stand up for freedom of expression.

My hon. Friend the Member for Eastwood mentioned the no-platform policy, which is still very much in existence. Let us not forget that in the past few months my hon. Friend the Member for Luton, North (Mr. Carlisle) has been subjected to assault and battery. In Manchester, three years ago, the former Home Secretary, my right hon. and learned Friend the Member for Richmond, Yorks (Mr. Brittan), was subjected to the most grotesque attack. I say to the hon. Member for Leeds, Central, and I should be interested to hear his response, that those who espouse his brand of politics tend to attack those who espouse our brand of politics, and those who espouse our brand of politics tend not to attack those who espouse his brand of politics. That fundamental difference needs to be remembered.

My second anxiety is about the ultra vires payments. For as long as I can remember, student unions, given this funding, which does not even pass through students' pockets, have attempted to divert it into unworthy causes —causes outside the remit of any student union, either for the funding of demonstrations or for the funding of strikes and strikers.

During the National Union of Mineworkers strike, outrageous attempts were made in universities to fund the strikers or to send people to support the picket lines. What had that to do with learning? Absolutely nothing! Even the president of the National Union of Mineworkers was incapable, and remains incapable, of learning anything, so there was no value in that action.

My third point relates to the concept of accountability by opting in. The fact that the National Union of Students says that it speaks for 1·2 million people, or however many it is, gives to it a spurious authority, when its membership is entirely press-ganged. My hon. Friends have mentioned what is happening nationally and on the international scene. The NUS is used as a political vehicle when it has no right to be hijacked.

Like the Scottish Labour party, the system is an anachronism. It is out of date and serves no useful purpose. Therefore, I hope that my hon. Friend will be able to give us some indication tonight that the commitments given by successive Front-Bench Conservatives, notably when they were in opposition, will become robust. I hope that he will translate into Government action that which tripped so easily from the tongue when in opposition. We hope that the Minister will be able to send us home to our constituencies tonight full of encouragement and joy.

12.27 am

Mr. Graham Riddick (Colne Valley): I, too, add my congratulations to my hon. Friend the Member for Eastwood (Mr. Stewart) on winning the ballot, which is the easy part, and also on raising such a sensible subject.

My hon. Friends have identified the problem. I believe that there is a problem, first, with the method of funding and, secondly, the related problem of the closed shop, which leads directly from the method of funding. As my hon. Friends rightly say, three closed shops operate. I should like to talk about two of them. The first is the National Union of Students. Any student who belongs to a students' union that is affiliated to the NUS finds himself automatically affiliated to the national union as well as to the individual students' union. It is absolutely right that my hon. Friend the Member for Thurrock (Mr. Janman) should have tabled an early-day motion, and he has secured the support of well over 200 Conservative Members for it. There is no justification for dragooning thousands of students into the NUS.

I must gently admonish my hon. Friend the Member for Thurrock, although one has to be very careful before doing so as he is one of the "driest" Members of the House,

for concentrating his motion and, indeed, his amendment to the Education Reform Bill upon the closed shop of the NUS. There is another closed shop, of individual students' unions, which I believe is a more serious problem. The situation is such that, if one wishes to study at any university, polytechnic or college in this country, one has to belong to a students' union. I cannot see how that situation can be defended in any way.

The Government abhor industrial closed shops and the most recent Employment Bill, currently going through another place, will effectively neuter their effect. However, the Government allow the closed shop of the students' unions to continue. The Government must now concentrate their minds on that issue. I am sure that my hon. Friends will agree that there should be no step-by-step approach. We must deal with the NUS and the student union closed shops.

Mr. Janman: I am grateful for the gracious way in which my hon. Friend has admonished me. Does he agree that the fact that the student closed shop—irrespective of how one wishes to define it — is funded by the taxpayer means that it is far worse and less defensible than industrial closed shops?

Mr. Riddick: I agree. There is no defence for a closed shop that is wholly funded by the taxpayer. It is extraordinary that the Government are prepared to allow this situation to continue. I hope that the Government will now grasp this important nettle.

The money for students' unions is passed directly, as a block grant, from the parent institution to the compulsory membership union. The individual student does not see his contribution. In many cases he has no idea that that money has passed over to that union. There is no accountability. Each union therefore has a guaranteed income without the need to attract a single customer for its services.

Generally, the services comprise bars, cafeterias, refectories and a varied range of sporting and welfare services. Entertainment events are also organised throughout the terms. However, the block grant also helps to fund a rag-bag of special interest and political groups. The money also funds the payment of sabbatical officers — people who, by and large, are Left-wing political activists. It is a classic case of jobs for the boys.

It is bad enough that any Government should be funding such things, but it is extraordinary that a Conservative Government should do so. It is estimated that about £40 million of taxpayers' money is handed over to an extraordinary assortment of Trotskyists, Marxists, Maoists and other Left-wing activists.

There is scope to introduce a market mechanism to ensure that the services provided are subject to the same economic laws that have led to dramatic improvements in other parts of the state sector. The Government have already grasped the difficult nettle of nationalised industries. They are more effective, efficient and market-orientated. We are now trying to effect such changes in Government Departments and agencies, and that is absolutely right.

Dr. John Marek (Wrexham): I am interested to hear the hon. Gentleman's comments. Will he tell us in what way British Telecom is now more efficient?

Mr. Riddick: I am not sure whether I should be taken down that road, but, in my experience, British Telecom was the most appalling monolithic nationalised monster in the 1970s. One had to wait months, in some cases up to six months, to have a telephone installed. That situation has now been completely reversed. Of course British Telecom is not perfect, but it is improving. Furthermore, investment in British Telecom today is far higher than it was when it was a nationalised industry.

Mr. Fatchett: Will the hon. Gentleman give way on the subject of British Telecom?

Mr. Riddick: I do not want to give way to the hon. Gentleman on the subject of British Telecom. I shall happily give way to him, but not on the subject of British Telecom.

Mr. Fatchett: I shall deal with the hon. Gentleman's comments about British Telecom later. He might be interested to hear my comments.

Mr. Riddick: I shall look forward to that.

Student unions are featherbedded, unaccountable and excessively wasteful. Often they are loss-making, scruffy and down-market and provide only limited or poor quality services in an atmosphere of shabby, political agitprop. Leeds university is a good example of that. My hon. Friend the Member for Taunton (Mr. Nicholson) went up to Leeds only last week and I am sorry to report to the House that his speech was interrupted by a load of militant Socialists and Trotskyists who did not like what he had to say. There is no justification for such behaviour.

The students' union at Wolverhampton polytechnic is £70,000 in the red, yet the union prefers to spend its time persecuting members of the Conservative association and spending large sums of money on far Left political causes. The majority of students at Wolverhampton polytechnic wholly ignore the seedy and unpleasant students' union and instead use the facilities in the nearby city centre. The pattern of far Left political control is replicated throughout the country.

I wish to turn now to the possible solutions to the problem. One involves the facilities which students' unions currently provide for their members. Those facilities, including bars and cafeterias, should have to stand or fall on their own efforts. They must be made market-orientated. If Labour Members were to say that that was not possible, I have no doubt that breweries would be only too happy to supply beer at very advantageous prices to the students' unions. We all know how much beer students can consume. Furthermore, the breweries would be only too happy to lend money at very generous rates of interest.

Other solutions could be found if university and college authorities retained a certain amount of the block grant to provide, for example, sports facilities. The money left over should then be allocated to individual students so that no money went directly to the students' unions. If left to individual subscriptions, the National Union of Students would wither on the vine.

The Government have a duty to grasp the nettle. They must take away the money and power which they are inadvertently giving to those Left-wing agitators and militants.

12.39 am

Mr. Derek Fatchett (Leeds, Central): These are interesting times for the Secretary of State for Education and Science. He has already been ambushed by the right hon. Members for Henley (Mr. Heseltine) and for

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Chingford (Mr. Tebbit) and forced to change his mind about the abolition of the Inner London education authority. That defeat did his political stock no good. He has now been in open disagreement with the Prime Minister about the provisions of the Education Reform Bill. It is interesting to see what today's *Financial Times* has to say on the subject. It mentions the increasingly authoritarian style of the Prime Minister and the powers of the Secretary of State:

"As to the Education Reform Bill, there are at least 184 new powers. You may think, 'So what?' "—

Mr. John Battle (Leeds, West): Is that all?

Mr. Fatchett: I am sure there will be more by the time the Bill reaches Report stage in another place.

"You may think, 'So what?' But it means that the Secretary of State for Education, Mr. Kenneth Baker, can set a national curriculum for schools, by order. He can set attainment targets, by order. As this week's disclosure of a letter from an official in No. 10 Downing Street to his counterpart in the Department of Education indicates, the order is as likely to reflect the views of the Prime Minister as those of her Education Secretary."

So the Secretary of State is having some difficulty winning his way on crucial issues such as assessment, and it is clear that the real Secretary of State is the Prime Minister.

Tonight, the Secretary of State faces his third major political ambush—the St. Andrews mafia have come for him. They are here to persuade the Secretary of State to change his mind yet again. They may be on to a winner, not because of their intellectual arguments but because we know that the Secretary of State is desperate for a few friends. When one's stock is as low as the Secretary of State's, even the St. Andrews mafia may comfort him.

Conservative Members may find some support, but I warn them in advance that I have had the pleasure of seeing the Parliamentary Under-Secretary of State in Committee, where he said no every time. I suspect that he will say no again tonight. He was christened Stonewall Jackson by my hon. Friends in Committee. I am sorry to disappoint the Minister's hon. Friends, but I can forecast what he will say.

Mr. George Robertson (Hamilton): On the subject of the St. Andrews mafia, I went to that organisation—that is the operative word—too, but before certain new hon. Members made it unrespectable. I was at Queen's college, Dundee, and we used to suggest international visits to St. Andrews from Dundee. In those days, the students' union and representative council were run by a blue mafia—they were extremists. One of them was called Duncan Pirie, but has since changed his name to a posher version—Manson Pirie. He now runs one of the eccentric Right-wing organisations that writes the manifestos that people such as the Minister must stand up and defend with the stonewall expression that my hon. Friend the Member for Leeds, Central (Mr. Fatchett) has described. However, hon. Members should not be put off; some decent people came out of St. Andrews, even if they are under-represented in the House.

Mr. Fatchett: My hon. Friend proves that at least one decent person came out of St. Andrews. Clearly, my hon. Friend's experience of travelling from Dundee to St. Andrews has made him a suitable candidate to be a foreign affairs spokesperson.

The hon. Member for Eastwood (Mr. Stewart) talked of academic freedom. It might be useful to return to that theme because one or two of his hon. Friends spoke about it. I intervened in the speech of the hon. Member for Eastwood. We all know him to be consistent, and if we can show him at a later stage in the passage of the Bill that we can come forward with a definition of academic freedom for academic staff that is agreed by the Committee of Vice-Chancellors and Principals I have no doubt that he will support it.

Perhaps I could suggest to the hon. Gentleman a little background reading of the reports of some of the debates that have taken place. He might be interested in today's issue of *The Independent* or, in the context of this debate, yesterday's issue of *The Independent*. In that there is a review of the proceedings in Committee on the Education Reform Bill. With some perception, the author says that on the question of academic freedom the Secretary of State was somewhat embarrassed and found his position difficult to maintain. The journalist said of the Under-Secretary of State for Education and Science, the hon. Member for Wantage (Mr. Jackson), that there was no such embarrassment.

May I ask the hon. Member for Eastwood and those other hon. Members concerned about academic freedom to forget what the Under-Secretary may say in that context, but to support the Secretary of State and fight for academic freedom for individual staff?

Some hon. Members have spoken about freedom on the campus. I have always supported freedom of speech on the campus and it must be supported as long as it is within the law. If hon. Members look at the record of the debates on the Education Act 1986 they will see what I said on that occasion. I have always argued that the no-platform policy causes the National Union of Students a great deal of difficulty and is wrong in much of its implementation.

Mr. Robert B. Jones: Does the hon. Gentleman hold that view on principle?

Mr. Fatchett: Yes. My view is on the record and there is no attempt to fudge the issue. I make the point clearly to the hon. Gentleman that that principle of freedom of speech within the law must be maintained. Those who break the law are not exercising the right of freedom of speech; they are abusing it. In terms of student union politics I have always held that position.

I should like to turn to two aspects of the hidden agenda before coming to the real agenda. That hidden agenda has become clear because of the failure of Conservative student politics. The Conservative student movement has been an incredible embarrassment to the party and to Conservative Members. It is not surprising that Conservative Members now look slightly sheepish.

The record of the Federation of Conservative Students is a catalogue of abuse. Those who need the press reports about the Young Conservative conference at Eastbourne just a few weeks ago will know about the behaviour of the former Federation of Conservative Students and the way in which it tried to use physical and political violence to make sure that it could impose its views. We saw the behaviour of the FCS when its members damaged the students' union at Loughborough. Was that two years ago? We have seen the intervention of the right hon. Member for Chingford when he was chairman of the

Conservative party. He had to intervene because the FCS had become such an embarrassment to the Conservative party.

All that is not surprising, because the politics of the far Right clearly has some influence in the Conservative party, but it is an influence that the party wants to hide. The right hon. Member for Chingford is not known for niceties and acted when it became known that the FCS was becoming a political embarrassment. It talked in many contexts about legalising drugs and intervening in central America. It produced the scandalous draft of the newsletter at Aston university after the Bradford City football club fire. After those events, the political wing of the Conservative party in student organisations was in disgrace and the right hon. Member for Chingford was right to close it down.

Mr. Janman: Will the hon. Gentleman accept that there is a fundamental difference between a student organisation that is part of a political party that is not funded by the taxpayer and a national student organisation that is undemocratic, has a dragooned membership, has extreme policies and is funded by the taxpayer?

Mr. Fatchett: I am very interested in the hon. Gentleman's intervention. I wonder why he does not answer my point. My question is, very simply: is he embarassed by the behaviour of the former FCS, or did he support it and its policy? I should be happy to give way to the hon. Gentleman, because I think that he would like to answer that question. It is not about taxpayers' money. What I want to know from him is whether he stands by the old FCS and what it stood for. Will he tell us?

Mr. Janman: It is totally irrelevant to the debate, Madam Deputy Speaker. What we are debating tonight is the funding of student unions and the funding of the National Union of Students. It seems to me that it is about time that the Front-Bench spokesman for the Opposition started to address that topic.

Mr. Fatchett: Again, Madam Deputy Speaker, the weasel words of the hon. Gentleman will be noted with great interest. What the hon. Gentleman will not do—I suspect that it comes out of that same stable of views—is condemn the Federation of Conservative Students.

Mr. Robert B. Jones: On a point of order, Madam Deputy Speaker. I understood that this debate was about the finance of student unions. The hon. Gentleman, so far, has talked about the Education Reform Bill and his views on that, and about the FCS and his views on that, and we have had 11 minutes of it. We have yet to hear from him about the finance of student unions. Is the hon. Gentleman entitled to use all this debating time on material which is unrelated to the subject?

Madam Deputy Speaker (Miss Betty Boothroyd): In my view, the hon. Gentleman is not out of order; nor has he been on his feet yet for 11 minutes. Mr. Fatchett.

Mr. Fatchett: I could make progress, Madam Deputy Speaker, if there were not so many interventions. It is not my fault; I am not trying to delay the House. I can understand the hon. Gentleman wanting to get the subject away from the Federation of Conservative Students. This is one part of the hidden agenda—the failure of the Conservative party to recruit among students in our universities and polytechnics. There is only one saving grace as far as the Conservative party is concerned in terms of recruitment, and that is the alliance. It does worse, but only just, and if the FCS has more influence the Conservatives will do worse than the alliance.

The other part of the hidden agenda is the clear authoritarianism of the Conservative party. My hon. Friend the Member for Leeds, West (Mr. Battle) has said how interesting it is that Government Members defend freedom of speech when at the same time we have the language of the Prime Minister about her desire to "extinguish" Socialism—the language of violence and eradication.

The real authoritarianism of this Government stretches to the press, to the BBC and to all those institutions that offer alternative views. We know, and it has been clearly stated, that every student union that disagrees with the Conservative party is a target for that authoritarianism. If it disagrees with the Conservative party, it is in danger of being closed down.

When it comes to the argument about the closed shop, I feel that I am on very safe ground indeed. I rely on the former Secretary of State for Education, Lord Joseph. It seems to me that Lord Joseph came out of the Right-wing political stable of the Conservative party. He differs, I suspect, from a number of hon. Gentlemen here tonight in that he is a thinking man, a sensitive man. In October 1983, at the Conservative party conference, he said of student unions:

"a wrong impression has been given by the phraseology we use, we use the words of industrial trade unionism. In fact the student union is not the same—mercifully—as an industrial union.

The only work it can stop is by itself, by its own members, to its own harm. What we have in the student union is provision that enables automatic membership, automatic access to be given to students at a polytechnic to the facilities such as libraries and sports facilities provided by the public and I do not see how we can therefore make membership voluntary."

Lord Joseph was right in October 1983 and I suspect that some Conservative Members present tonight supported him at that time. He clearly said that the student union was not a closed shop on the basis of an industrial closed shop. The student union is of the nature of a providing body, whereas the closed shop is in essence part of an economic collective relationship. Because Conservative Members have failed to relate their arguments on this issue to the points made by Lord Joseph, their argument falls.

The student union provides a range of services which are among the opportunities available in student life. They extend beyond the political. While the Conservative party does badly on the political side in that context, there are sporting and cultural facilities and many of us have benefited from them.

I remember Grosvenor square in 1968. Although I was there, I hope it was not I who allowed the hon. Member for Cannock and Burntwood (Mr. Howarth) to be responsible subsquently for security. I recall, too, when at the London School of Economics, having the advantage of playing for the LSE cricket club, which was subsidised through the student union, of being elevated to the dizzy heights of vice-captain and secretary of the cricket club, and of performing those tasks using all the skill with which I have run my subsequent political career. We won many matches, including the Universities Cup. My only mistake as secretary was to have three teams playing on two pitches, an occasion when Socialist planning did not work.

[Mr. Fatchett]

Within the political process at local and national level we have the opportunity for individuals to express their views. The hon. Member for Cannock and Burntwood spoke of his time at Southampton university and of activating the silent majority. That is all part of the democratic process, and I respect his efforts in that matter. But what I suspect the hon. Gentleman and many of his hon. Friends regret is that the Conservative party cannot find a substantial majority among student bodies, and that that is the reason for their attack tonight.

We believe in student bodies. There is a role for the NUS as a voice that can represent the interests of students to Government. That is why we want to maintain the system as it is and why I hope the Minister will reject tonight's Right-wing monetarism—this Right-wing free-market force from St. Andrews—and will recall what my hon. Friend the Member for Hamilton (Mr. Robertson) said about better forces having come out of St. Andrews. I am sure that those better forces would recommend the continuation of the student union arrangements as they now exist.

12.58 am

The Parliamentary Under-Secretary of State for Education and Science (Mr. Robert Jackson): The debate has been interesting and useful, and may well be pregnant with consequence. We are grateful to my hon. Friend the Member for Eastwood (Mr. Stewart) for raising the matter.

Following the precedent set by my hon. Friend the Member for Hertfordshire, West (Mr. Jones), I declare my interest as a former president of the Oxford Union, a student union which happily conforms to the model prescribed by my hon. Friend the Member for Eastwood.

Two different but related sets of issues have been raised in the debate: that of local unions—unions at the level of the institutions—and that of the NUS; and I wish, first, to register the significance of the debate. Hon. Members have shown an impressive commitment by their eloquence and arguments. There was of course the impressive commitment reflected in early-day motion 449 put down by my hon. Friend the Member for Thurrock (Mr. Janman), which has now attracted about 214 signatures. By the standards of parliamentary icebergs—if that is what early-day motions are—that is a major iceberg. All that constitutes at least a significant expression of opinion. I believe that it should cause heart searching on the part of those who find their stewardship under such formidable criticism.

I must also register what might be called the propriety of the debate. Local unions and the National Union of Students derive the bulk of their finance from the taxpayer. They are not, they cannot regard themselves, and they cannot be regarded as simply private bodies. The words of the Attorney-General's guidance on expenditure by student unions in 1983 underline that point.

I do not believe that it would be wise policy for us, as Members of Parliament who represent the taxpayer, to press the principle of accountability too hard. We may pay the piper, but experience often shows that the piper will play best if he chooses his own tunes. My hon. Friends are right to insist that hon. Members have a proper interest in how several tens of millions of pounds of taxpayers' money is being disbursed by student unions and the NUS.

Having said that, I now advert to some of the difficulties that I consider to be in the way of some courses of action that have been proposed this evening. With regard to local unions, I remind the House that we are considering organisations that are part of the structure—often the constitutional structure—of institutions—universities and polytechnics—which are autonomous, and whose autonomy all Governments, especially a Conservative Government, are bound to respect.

As recently as 1983 the Attorney-General, in his guidance to student unions, to which I have already referred, remarked:

> "It is clear . . . that if a college is to function properly, there is a need for the normal range of clubs and societies so as to enable each student to further the development of his abilities, mental and physical. Equally, it is likely that the college will gain from the fact that the students hold meetings to debate matters of common concern and publish some form of campus newspaper. Reasonable expenditure on such purposes is, in the view of the Attorney General, plainly permissible for a Student Union."

That was not only the view of the Attorney-General in 1983; it is embodied in the statutes and charters of many autonomous universities and colleges, each of which has found its own way of giving expression to the view.

The Government feel that Parliament should act to override such a view only when very powerful considerations of public policy are at stake. That is the first difficulty in some of the proposals put forward in the debate.

Another set of difficulties are less of a practical than of a philosophical order. The great principle that has been hovering over the debate is that of freedom of association. This was referred to by my hon. Friend the Member for Hertfordshire, West when he spoke about a moral issue. I think that he is right about that and that the hon. Member for Leeds, Central (Mr. Fatchett) fell below the level of the debate when he failed to recognise that important dimension of it.

The principle of freedom of association is complex. On one side, it imposes a requirement on an individual to be associated with a body whose activities are abhorrent to him. That was the case made by my hon. Friend the Member for Hertfordshire, West. The other side of the argument is that the principle of freedom of association defends the right of corporate associations to associate freely together, as, for example, a student union will affiliate to the National Union of Students. My hon. Friend the Member for Thurrock will acknowledge that he came upon that difficulty when he was framing subsections (3) and (4) of his draft clause, which could appear to permit a local union to purchase services, but would make it unlawful for a national student body or the National Union of Students to be paid to provide such services. That is a somewhat paradoxical limitation of the principle of free contract.

I have alluded to some of the difficulties with which this question is fraught, but I do not intend to stress only the difficulties. It is clear from the debate and from the early-day motion that there is a strong current of concern in the House that focuses particularly on two questions.

The first relates to safeguards for individual students who reject compulsory affiliation, especially to the National Union of Students. The Government must take note of the concern that has been expressed on that point. The second relates to the extent to which student unions, and especially the NUS, distinguish, or fail to distinguish,

between services that directly support the position of students as students and their overtly political campaigning. These campaigns are often on matters that are far removed from the interests and concerns, to use the words of my right hon. and learned Friend the Attorney-General, of "students as such" or of their "colleges as such." Hence the concern that has been expressed tonight by my hon. Friends.

There is a case to answer, and the National Union of Students must be allowed to answer it. How thereafter the matter should be taken forward remains to be seen. My right hon. Friend the Secretary of State for Education and Science is conscious of the strength of feeling in the House, as shown by the number of signatures that the early-day motion has attracted. He will therefore wish to make a statement at an appropriate moment. In the meantime, I know that he will want to pay careful attention to all that has been said during the debate.

1.6 am

Mr. Tim Janman (Thurrock): This subject has been well covered tonight. The basic principle is that each student should be able to decide whether he or she joins the National Union of Students above and beyond automatic membership of the local students' union. It is important to differentiate between the Socialist definition of choice, which is collectivist—that students should be bound by the decision of a student union general meeting—and our more correct definition of choice, which leaves the individual to decide.

The current means of arriving at NUS membership depends upon the taxpayer, by a very tortuous route, funding the organisation rather than those individuals who decide to join it. I shall concentrate on the NUS and set out a few of the views that are held by that organisation which the taxpayer is funding. Before doing so, it is worth pointing out that my early-day motion was signed by Conservative Members, by three Ulster Democratic Unionist party Members and by one Social Democratic party Member. There was also a supportive amendment to my early-day motion that was signed by six official Ulster Unionist party Members.

The NUS supports the African National Congress in South Africa and SWAPO. It supports the statement that South Africa should be made ungovernable and that its system should be made unworkable. On economic policy, the NUS supports positive discrimination for the working class, women, blacks, other ethnic groups, lesbians and gay men, the disabled, young people and those who are classed as too old to get a job. I am not quite sure who is left out. It supports non-privatised industry and the scrapping of all the Government's trade union laws.

In December 1984 the NUS voted to donate £1,000 to the striking miners. It is encouraging a campaign of civil disobedience against the community charge, a campaign that is to be funded by the taxpayer. The NUS intends to support and pay the legal fees of those students who will not pay the community charge. On defence, the NUS supports CND. On drugs, it supports legalising cannabis. An article in the national student magazine, which is funded to the tune of £24,000 a year by the NUS, gave instructions on how to make "crack"—a particularly virulent form of cocaine—describing the drug as "staggeringly pleasurable", and went on to say that it would

"get you as high as you are ever going to get".

On Ulster, the NUS has never condemned the action of the IRA, and supports British withdrawal and a united Ireland.

Hong Kong

1.10 am

Dr. John Marek (Wrexham): I am pleased to be able to open this short debate on an important topic, which concerns what happens to our largest remaining colony.

With Hong Kong, we have not been able to do what we have been able to do with many of the other countries which were colonies but which, through self-determination, achieved independence and were able subsequently to look after their own affairs. In 1997, Hong Kong will again become a part of China.

Governments of both parties in the United Kingdom have not sought to introduce any form of democracy in Hong Kong, certainly in this century. The reason is probably that it was not expedient to do so. The Administration were more capable, and had an easier time, governing the colony if there was no problem of democracy — because democracy always causes problems. It is not necessarily as efficient as a benevolent dictatorship, and in recent times it was not encouraged because of what might happen on the mainland of China. Whatever the reason, democracy was not the number one priority for the British Government.

All that has changed, or ought to have changed, in the past few years — not because we do not want Hong Kong to be transferred peacefully, properly, efficiently and optimally to China in 1997, but because we should recognise, belatedly, that we owe the people of Hong Kong some democracy. We should leave them with that legacy — a legacy that can be provided by the Basic Law that will be promulgated by the People's Republic of China in two years' time.

The Prime Minister went to China in the early 1980s with a flea in her ear. When she came back, following the new realism, she had realised what was necessary: diplomacy, negotiation and consultation. The result was the joint declaration, which everyone in the House probably agrees is a remarkable document, principally because of what China was prepared to allow. It is clear that, if China wanted Hong Kong back tomorrow, there would be no question but that the United Kingdom would say anything other than "Certainly. Give us three hours to leave." But China has not said that. China was able to negotiate with the present Government and produce a joint declaration. If the next nine years go the right way, that declaration ought to allow Hong Kong to be transferred in the best way possible to become a special autonomous region in China.

Many results flow from the joint declaration, but I want to deal principally with the constitution, the legislature and the elections in the first part of what I have to say. In the second part, I should like to deal with the draft Basic Law, of which I have a more or less up-to-date copy.

The White Paper produced by the Hong Kong Administration said that direct elections for the legislature were to be introduced not this year but in 1991. For the life of me, I cannot understand why that should be the case. On page 12 of the White Paper, it says:

"Nevertheless there is a strong argument against moving too quickly in this direction."

Then it talks about there not being enough official members in the Legislative Council but it really does not give a logical argument why there should not be direct elections introduced for some of the members of the Legislative Council in 1988.

One has to square that with what is in the joint declaration. Paragraph 3(2) said:

"The Hong Kong Special Administrative Region will be directly under the authority of the Central People's Government of the People's Republic of China. The Hong Kong Special Administrative Region will enjoy a high degree of autonomy, except in foreign and defence affairs which are the responsibilities of the Central People's Government."

That is absolutely right. I do not think that any hon. Member would dissent from that.

It goes on:

"The Hong Kong Special Administrative Region will be vested with executive, legislative and independent judicial power, including that of final adjudication."

I mention that now because it is an important part of the joint declaration. It talks about the Hong Kong special administrative region being vested with executive and legislative power. It can do that only if the legislature has some of that power.

Of course, there will be a chief executive who will propose, but there must be checks and balances. They may be there now but they must be seen to be there by the people of Hong Kong when the Basic Law is promulgated.

Paragraph 3(4) says:

"The Government of the Hong Kong Special Administrative Region will be composed of local inhabitants. The chief executive will be appointed by the Central People's Government on the basis of the results of elections or consultations to be held locally."

Annex 1, paragraph 3, says:

"The legislature of the Hong Kong Special Administrative Region shall be constituted by elections. The executive authorities shall abide by the law and shall be accountable to the legislature."

I hope that hon. Members will bear in mind that the chief executive and the other executive authorities, besides abiding by the law,

"shall be accountable to the legislature."

In particular, the previous sentence says:

"The legislature . . . shall be constituted by elections."

It does not specify how the elections will take place and what type of elections they will be, but it would be to misconstrue the meaning in the joint declaration if the definition is such that those elections will be constrained so that only a few people in Hong Kong will be able to partake in the election of the legislature or if those who elect the legislature require certain qualifications.

No system of representative democracy is perfect and it is a matter of seeking the optimum that can be achieved. That would be 100 per cent. direct elections based on the principle of one person, one vote. There should be no quarrel with that. It is amazing that the Government have shown such reticence about that, saying that 1988 was not the time but perhaps they might be achieved by 1991. Indeed, the White Paper says that in 1991, 10 directly elected members will be introduced into the Legislative Council.

There may be various reasons for that reticence. One could be that the Foreign Secretary wishes to hand over Hong Kong to Beijing as quietly as possible and at as easy a time as possible. If there was too much discussion about what elections should be held in Hong Kong and there became a desire in Hong Kong to have elections, that might create difficulties.

Another reason could be that the Foreign Secretary is afraid of what China will say. I accept that China has a say in this and that under the joint declaration the Basic Law is solely China's responsibility, but we can try to get the legislature of Hong Kong as close as is possible to the

ideal expressed in the joint declaration before 1997. There will be not any direct elections to LegCo this year, but having 10 elected members in 1991 is making haste slowly. That is not understood by many people in Hong Kong.

Even the Hong Kong chamber of commerce said in its submission to the survey office that 80 per cent. of the people who replied wanted some form of direct elections to the legislature. The White Paper suggests merely 10 members in 1991 and no more than that afterwards. Those 10 are in advance of what will be in the Basic Law. I hope that the Basic Law will say that many more directly elected members will be in LegCo in 1997.

I have another disappointment with the White Paper relating to the balance of power. Even in 1991 the number of appointed and official members in the Legislative Council will outweigh those members who are directly elected, or elected from functional constituencies. I know that democracy is inconvenient, but it is carrying it too far for the Government not to allow a majority membership in LegCo in 1997. The White Paper clearly says that it is not envisaged, but the balance will be 30 to 26. It will be at least 1994 before we have a majority of elected members who can speak because they are elected by a functional constituency, or elected directly.

At present the appointed members are not just toadies of the Governor, who put up their hands whenever the Governor suggests something. Of course, they know their own minds and speak independently, so it is no slight on appointed members, but democracy must be seen to exist, and it is not being seen to exist when there is a majority of appointed and official members in the Legislative Council of Hong Kong.

Why the timidity? I can only think that the Foreign Secretary either wants a quiet life and thinks Hong Kong is asleep, that the people who are questioning are very few and far between and, although they may make a lot of noise, most people in Hong Kong are not listening to him; or perhaps he is scared of what the People's Republic of China might say if he were bold and introduced too much democracy.

Dr. Jeremy Bray (Motherwell, South): As my hon. Friend has just returned from Hong Kong, and so has been there since the White Paper was published, I am sure that the House would be interested to hear his view of the reaction of people in Hong Kong to the White Paper.

Dr. Marek: It is difficult to gauge accurately on a short visit the feeling in Hong Kong, but one thing that came through was that the survey by A. G. B. McNair has been largely discredited. There is nothing intrinsically wrong with asking people, "Do you want direct elections?" and asking them to tick "yes" or "no". The second question is, "Do you want direct elections in 1991 or 1998?" and they are asked to tick "yes", "no" or "abstention". That would have been clear. However, I do not want to take up too much time as other hon. Members want to speak. The question was very convoluted and it was clear to me that opinion in Hong Kong was such that if the questions were phrased differently and were clear the chances are that a different result would have been achieved.

While I was in Hong Kong I also felt that there was a greater demand for direct elections. People were thinking and talking about that and the subject appeared more and more frequently in the Chinese press as well as in the English language papers. There were fewer objections to direct elections. In fact, I did not read any objections in the letters columns of the English language Hong Kong press recently. The people to whom I spoke were very receptive to a substantial measure of direct elections in Hong Kong.

I want to consider the Basic Law about which I have some concerns. First, I must repeat that the Basic Law is a matter for China to promulgate. What I have to say is in no way intended to detract from that. However, I am sure that the People's Republic of China will be interested to hear what hon. Members of the British Parliament and indeed, more importantly, what the British Government have to say about their view of the Basic Law, not because the Government or hon. Members want to tell China what to do or because they want to be destructive in their criticism, but simply because we want to help. After all, the British Government have many years' experience of administration in Hong Kong and should be able to help not just through discussions in the joint liaison group — that is perhaps not quite the place where the discussions should take place — but directly, openly and in front of the people of Hong Kong so that they know exactly what is happening. One of my criticisms at present is that the people of Hong Kong do not really know what discussions, if any, are going on between the British Government, the Hong Kong Government and the People's Republic of China.

I have a draft of the Basic Law. It is not an absolutely up-to-date draft. I believe that it is an English translation dated 5 January.

Sir Russell Johnston (Inverness, Nairn and Lochaber): Hon. Members may be slightly puzzled by the fact that copies of the Basic Law are floating round. We were all given to understand that it would not be available in any final draft to the public until May. Is this generally available, and, if so, why is it not available to the House?

Dr. Marek: I received the draft when I was in Hong Kong. I have no reason to believe that the draft is in any way secret. Perhaps the Minister can tell us about that when he replies. The title of the draft reads:

"Collection of draft articles of the various chapters prepared by the sub-groups of the Drafting Committee compiled by the secretariat of the Drafting Committee for the Basic Law, December 1987. Translated by the secretariat of the consultative committee for the Basic Law. 5 January 1988 draft."

I suspect that the draft is available if hon. Members require it. However, we will have to wait and see what the Minister says. The Minister is shaking his head. If it is not available, it should be because the draft affects the future of the people of Hong Kong. It vitally affects how they will be governed for 50 years after 1997. I am not saying that there is anything underhand here or that we are trying to interfere in the Basic Law whose promulgation is the responsibility of the People's Republic of China. We want to help the process so that we achieve as good a Basic Law as possible and ensure that the Basic Law drafting committee has the best possible advice.

I make a helpful criticism: I am not sure that the Basic Law drafting committee has the best advice. Are the British Government in a position to provide advice, which can be considered and, if necessary, cast aside? One cannot ask for more. The Basic Law drafting committee would probably welcome the British Government's advice and experience on administration in general and on Hong Kong in particular.

[Dr. Marek]

Article 64 has three options for the election of the legislature of the Hong Kong special administrative region. Option one provides for 50 per cent. to be elected by functional constituencies, 25 per cent. to be directly elected by geographical constituencies and 25 per cent. to be elected by a grand electoral college. That option does not satisfy my interpretation of the draft declaration. In some ways, the draft declaration is vague, but it is clear that the Hong Kong legislature will be composed by election. That must mean that all the people of Hong Kong must have a not too unbalanced say in its composition.

I do not believe that it satisfies the joint declaration to have 25 per cent. directly elected. Fifty per cent. have to be elected by functional constituencies. Such constituencies exist at the moment in Hong Kong. One million or 2 million people may have one seat in a functional constituency and a few hundred accountants or doctors another seat. That would not be accepted by the British people or by the people in any democracy in the world. There is no logic in saying that the people of Hong Kong are different and that their idea of democracy is not the same as ours.

The second option is better—50 per cent. elected by general and direct elections, 25 per cent. by functional constituency elections and 25 per cent. to be selected by regional authority elections, such as elections by the district boards, the urban council and the regional council. Subjectively, that would just about satisfy the joint declaration.

The third option—a dismal one—is for 30 per cent. to

"be selected by an advisory board from non-advisors, of whom at least one-third shall be principal officials while the rest shall be members of the Executive Assembly or members of the public; 40 per cent. shall be elected by functional constituencies; and 30 per cent. shall be directly elected by geographical constituencies."

I hope that the Basic Law drafting committee understands how other legislatures in democratic countries are elected. The joint declaration says that the Hong Kong special administrative region shall enjoy a high degree of autonomy. It can do that only if the people of Hong Kong have that autonomy and give it, through their democratic votes, to the legislature. Options one and three certainly do not do that and I have great reservations about whether option two is the best.

Article 69 refers to the powers of the president of the legislature of the HKSAR. The proposals are that the president shall either be elected by the legislature or shall be the chief executive. The chief executive will have a difficult job because he will have a duty to Beijing and to Hong Kong. Article 69, to which there is no option, gives to the president of the legislature, first, the power to preside over meetings of the legislature and, secondly, the power to decide and control the agendas of the meetings. What would hon. Members say if we gave you, Madam Deputy Speaker, the power to control and decide the agendas of our meetings? No hon. Member would accept that.

Thirdly, the president has the power to decide the times of suspension, adjournment and commencement of meetings. Many hon. Members will be flabbergasted to read this. Fourthly, he can call special meetings between sessions. There are no checks and balances. If the chief executive may also be the president of the legislature, the legislature will be unable to control the executive in any meaningful way.

Article 70 states that the Hong Kong special administrative region legislature shall examine and pass the budgets and final accounts as proposed by the executive authority. In most legislatures, it is not open to individual members to propose new legislation for increasing taxes. However, this House can alter and refuse to pass Budgets and final accounts as proposed by the Executive. But that is not what the draft Basic Law says. The legislature can approve taxation and public expenditure. It should say that the legislature should consider proposals for taxation and public expenditure and pass them if it agrees with them. It will receive the administrative reports of the executive authorities and debate them. It cannot ask for or require reports. It can simply receive them. What a toothless legislature so far.

The legislature can question the work of the executive authorities. That does not go far enough. Annex I of the joint declaration states clearly that the executive shall be accountable to the legislature, and I have yet to see any power that will give any accountability to the legislature. The sixth function is to debate any issue relating to the public interest—not to decide anything, but to debate. Anyone can debate, but in a democracy we must be able to decide at the end of the day. Finally, the legislature can assent to the appointment or removal of judges in the court of final appeal and the chief judge of the supreme court.

Article 71 deals with what the members of the Hong Kong special administrative region may do. It states that they

"may, in accordance with the provisions under this Law and legal procedures, separately or jointly present any bills, save for the following three areas which will require the prior written approval of the Chief Executive."

The first is

"Bills relating to taxation and goverment expenditure."

It is clear that the legislature will be toothless in relation to taxation and Government expenditure unless the chief executive has given written approval. The second category—this is a sweeping restraint on the legislature—is

"Bills relating to Government policies."

After 1997, the legislature will be unable to debate anything that relates to Government policy unless the chief executive has given his written consent. The third category is

"Bills relating to the structure and operation of the executive authorities."

I could mention many other matters, but I think that I have given the flavour of my serious worries, some of which I hope are shared by my hon. Friends and perhaps even by Conservative Members—although I know that there are not many Conservative Members on the Benches at the moment.

There is no doubt that in any democracy there must be an executive that is accountable, and at present the draft Basic Law does not allow for that. I hope that the Government will take on board and will talk to the People's Republic of China offering friendly criticism. Let me repeat this, as I do not wish it to be misunderstood in Hong Kong or in Beijing. Rather than being criticism and interference, I offer this as helpful comment upon the way in which democracies have worked in this country, which has been reflected in the way in which we have administered Hong Kong. Perhaps we have not

administered Hong Kong in quite the most democratic way when we should have done so, but the principle has been in place. I believe that the present Government of Hong Kong pay much attention to what goes on in the Legislative Council. However, it is not codified and written down in standing orders, and that needs to be done.

One of the problems is that the Basic Law drafting committee, which by and large comes from the People's Republic of China and from Hong Kong, does not perhaps have the breadth of wisdom and the experience that its members could have. Certainly, from the Hong Kong side, I suspect that many members have the experience of the Legislative Council in Hong Kong, but not that much more experience. Again, that is not a slight or a criticism of those members, because I am sure that they are doing their best. However, as a result of the meetings to draft the Basic Law, there are many problems with it, and one cannot help feeling that it has been drafted by a committee of 50 people.

I wish the people of Hong Kong well in the traumatic journey that they must undertake in the next nine years. I know that even now in Hong Kong there is a brain drain because people there do not have confidence that everything will go well. They are wrong, because things can and should go well. With the help of the British Government and the Government of the People's Republic of China, I have every confidence that things will go well, especially if the executive authorities of both countries take the people of Hong Kong into their confidence and discuss with them openly what should be done. They should sample public opinion, and that action should anticipate how public opinion will develop in Hong Kong in the next nine years. Above all, it is most important that there should not be a feeling in Hong Kong that the British Government do not care about the territory and that they want 1997 to come as quickly as possible. The British Government must do their best to stop this feeling from gaining ground.

I have every hope that things will go well. In the next two years there will be much discussion about the Basic Law, which is the most important aspect to be considered in the next nine years. It will govern what goes on in Hong Kong during the next 50 years. The discussions should take place openly. I hope that this debate will arouse inquisitiveness among more people in Hong Kong and will lead them to ask, "What exactly is in this Basic Law, and how does it affect me? Is there anything that I can put into it, or are there representations that I can make to the British authorities or to the Basic Law drafting committee?" If that happens, this debate will have served some purpose.

1.44 am

Dr. Jeremy Bray (Motherwell, South): The House is indebted to my hon. Friend the Member for Wrexham (Dr. Marek) for raising this matter again soon after our last debate. In the intervening period the White Paper has been published. Therefore, we can now debate the plans as set out for Hong Kong over the next three years. My hon. Friend has been helpful in setting out some of the proposals in the draft Basic Law.

A number of the basic assumptions that the Foreign Secretary made in our last debate need to be spelt out, clearly understood and largely agreed. The first proposition is that Hong Kong has prospered best when China and Britain have been in harmony, and that is undoubtedly true. The second proposition is that there has to be a degree of consistency in the Basic Law that will govern the future of Hong Kong after 1997.

It is true, as my hon. Friend said, that the Basic Law is a matter for the People's Republic of China. To judge from some of my hon. Friend's remarks, it appears that he was asked by some representatives from the People's Republic of China what on earth this House was doing debating the Basic Law when the matter was solely for China. Indeed, I was telephoned and asked that question. I said that it was a matter for China, but that the House — in common with other free, democratic assemblies — can debate what it likes. It is not dictated to, least of all by the Government, as to what it can or cannot debate.

We must reaffirm that the Basic Law is essentially a matter for China, and any comments that we make should be frank, friendly, I hope outspoken, and, as my hon. Friend said, a reflection of our domestic and constitutional experience here and elsewhere throughout the world. If the essential objectives of our Government and, more important, of the People's Republic and of the people of Hong Kong are to safeguard the future interests of Hong Kong, further thought must be given to the Basic Law. The White Paper proposals are extremely disappointing.

Hong Kong must be governed in a way that works in three essential respects. First, the integrity of the Government must be maintained and free from corruption. The Government must be vested with authority that is respected by the people of Hong Kong. Secondly, that Government must be socially responsible. They must care for the social well-being and welfare of the people. They have already demonstrated that care in a number of ways, and their housing policy, health policy and, to an extent, education policy are quite extraordinary. Thirdly, the Government must be efficient. They must deliver. When one visits the various departments of the Hong Kong Government, one cannot but be impressed with their efficiency. We would look with envy at certain efficiencies.

From our experience and the role of British people in the government of Hong Kong, it is clear that the maintenance of those three characteristics of integrity, social responsibility and efficiency requires constitutional developments of a nature that have not yet taken place. Those characteristics have been safeguarded by the long stop of the responsibility that our Government have had for many years for the government of Hong Kong, during which time Hong Kong has established itself as a community. We have had a democratic tradition that has been brought to bear in the appointment of the Governor, the terms within which he is expected to operate and the tradition that people from this country have gone out to govern Hong Kong.

It is right that that should be changed after 1997. The traditions will then stem from within China, and it is right that that should be so. The great strengths and resources in the history and tradition of China will give new strength to the Government of Hong Kong. Again, if one considers the history of government in China, there must be an awareness of the difficulty, in such a vast continent of peoples, of maintaining the relationships between the centre and the many provinces in a way that preserves the authority of the centre, but enables the special administrative regions, of which Hong Kong will be one, to function efficiently.

[Dr. Jeremy Bray]

Hong Kong is a unique animal which the People's Republic of China will be inheriting. It will have characteristics which, at present, other special administrative regions do not have. It will have overseas links. It will have vast financial and economic power, which will be vested in the hands of some very powerful and rich individuals, who will have a powerful incentive to seek to influence decisions, not only in Hong Kong, but stretching back to Beijing. In the past it has been easy for corruption to seep into the system. One asks the People's Republic of China what defence it has in Beijing to stop corruption from being generated in Hong Kong and spreading back into the Republic.

In our experience, incomparably the best safeguard against corruption in the long term is democracy and a law firmly rooted in the democratic procedures and support of the legislature. That needs to be established in a mode that can cope with the characteristics and complexities of Hong Kong society.

If one considers the behaviour of the stock exchange and of the enormous infrastructural developments that are going on in Hong Kong — for example, the huge contracts that are let — one sees that there is an administrative structure that needs to be monitored, kept in check, and watched by the proper political machinery. That is not yet in place in a way that can survive after 1997.

I say most seriously, not out of any particular respect for the Government or the House, but out of concern for the well-being and good government of China, that it is in the interests of the People's Republic of China to think carefully about how to safeguard its integrity by a proper democratic base within Hong Kong.

The other point that needs to be made, not only about Hong Kong, but about the People's Republic of China itself, is about the quite extraordinary pace of change in the Republic. The rate of change politically, economically and socially is huge. In parts of China it is at least as fast as it is in Hong Kong, and the China of 1997 will be very different from the China of 1988. If we find that Hong Kong is frozen in a mode because it is stuck with the Basic Law which represents a view which, perhaps, has been drawn more from the past of China than from China's future needs, China itself will not be well served.

There is considerable diversity within the present arrangements for the government of provinces and special administrative regions in China. They continue to develop. It is quite wrong to suppose that development will stop in 1997 in China or Hong Kong, or in the way in which China governs Hong Kong. But Britain and the House would not be fair to the people of Hong Kong or the People's Republic if we left things as they are now. We need, rather, to point a way ahead in which developments in Hong Kong and in its relations with China can continue, so that up to and beyond 1997 developments will continue in a way that will give Hong Kong a splendid future and bring China much more fully into touch with the rest of the world. That is something in which Hong Kong has a special role to play.

It would be helpful if the Minister could underline the point about continuing development. The 1997 proposals are by no means the last word on the direction in which things are moving or the distance that we shall travel in that direction. Probably the most important thing that the Government can give now is confidence in continued development.

1.51 am

Sir Russell Johnston (Inverness, Nairn and Lochaber): Like the hon. Member for Motherwell, South (Dr. Bray), I congratulate the hon. Member for Wrexham (Dr. Marek) on raising this debate, which we can view as an extension of that on 20 January. My hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) was in Hong Kong at the same time as the hon. Member for Wrexham, but, unfortunately, because of a long-standing previous constituency engagement he cannot be present tonight. Were it not for that appointment, I am sure that he would have been here, as is his natural wont, at 1.50 am, if only for the pleasure of observing how bright and bushy-tailed the Minister is. This is a natural hour at which to discuss anything.

My hon. Friend told me about his visit, and what he said confirmed me in the views that I expressed in the debate on 20 January. First, there is concern about the delay in securing an elected element in the legislature, as the hon. Member for Wrexham said. The Government have let the people of Hong Kong down in that respect. The shortness of the half-day debate on 20 January prevented a full exchange of views on the many issues involved, but some hon. Members on both sides of the House found the statement that the Foreign Secretary made at the end of the debate unsatisfactory and not entirely accurate. He said:

"We"—

by that he meant hon. Members on both sides—

"agree upon the proposition that in due course we need an element of direct elections — a modest proportion, but certainly not going all the way."

That would certainly not be the view of the hon. Member for Wrexham.

"Thus far there is agreement on both sides of the House."—[*Official Report*, 20 January 1988; Vol. 125, c. 1017.]

That is not quite accurate.

The hon. Member for Motherwell, South spoke of the need for the Government to work and be efficient, and of course that is true, but it might be read into the hon. Gentleman's remarks that he was, in a sophisticated way, further putting off the idea of elections. He said that it was absolutely right—an expression I always hesitate to use in any aspect of politics — that China should have a complete say in the Basic Law, but it is not absolutely right. This House and people in Hong Kong have a valid democratic entitlement to express views. I do not accept that because a power is great and powerful it is always absolutely right.

Secondly, there was always worry about the ambiguity that it is possible to derive from the word "elected". The hon. Member for Wrexham made this very clear. When I spoke in the debate on 20 January I quoted the Foreign Secretary's response to me on 25 October 1984 in an exchange on the draft Basic Law, when he said:

"The agreement provides for the Legislature of Hong Kong in the future to be on an elective basis and for the Executive to be accountable to that legislature."—[*Official Report*, 20 January 1988; Vol. 125, c. 991.]

There is little doubt that the use by the Foreign Secretary of the phrase

"in the future to be on an elective basis"

was presumed to mean, and was intended to convey, that it would be on a different basis from the present one; in

other words, that there would be direct rather than functional elections on the corporate state basis—sort of Mussolini lines—that already exists. There was no real suggestion of the related device of an electoral college.

Thirdly, I think that we are impeded, naturally enough, in this debate because we do not know what the Basic Law will contain. The production by the hon. Member for Wrexham, calmly as if out of a hat, of the draft copy of the Basic Law was something of a coup. I thought that it was under wraps until May, but the hon. Gentleman produced it with a sort of casual, ingenuous amiability, virtually expressing puzzlement that it was not available in the Vote Office.

Mr. George Robertson (Hamilton): Like the Liberal/SDP joint declaration.

Sir Russell Johnston: The hon. Gentleman is being flippant, which is not entirely unexpected at this hour.

What is the status of this document? Perhaps the Minister will tell us. He was making facial, if not verbal, comments during the hon. Gentleman's speech. The Government must know that there is a fear that there could be no directly elected element carry over from before to after 1997.

Fourthly, and lastly, there is already a drain of people from Hong Kong. The hon. Member for Wrexham spoke about that. There is probably nothing that one can do to halt that at this time, but assurances about elections and the protection of the legal people's system would prevent its increasing. I do not suppose that we can affect those who are set on leaving, but we seem to be placing obstacles in the way of their coming to the United Kingdom. That leads to many of them going to Canada, for example. Why should we place barriers in the way of people of talent and resource?

My hon. Friend the Member for Berwick-upon-Tweed told me that his general impression was of a community "anxious but not despairing." If we are to ease that anxiety and fulfil our enduring responsibility to the people of Hong Kong, we must make certain that there is a determining group in the legislature that is directly elected. It does not have to be 100 per cent., but it should be a determining group. The House should never forget its reponsibilities, and that must be reflected in the Minister's reply.

2.3 am

Mr. George Robertson (Hamilton): One piece of advice that could be unanimously offered to the future legislature in Hong Kong is that it must not have a Consolidated Fund Bill. I can think of no more perverse legacy to leave to the people of Hong Kong or to any other country than the prospect of debating matters of crucial importance to people in Hong Kong or elsewhere at 2 o'clock or 4 o'clock in the morning. The sooner we adopt civilised hours so that we can consider these matters at a more appropriate time of the day, the better it will be for all of us.

Sir Russell Johnston: Hear, hear.

Mr. Robertson: An air of unanimity has characterised this brief debate.

My hon. Friend the Member for Carrick, Cumnock and Doon Valley (Mr. Foulkes) is, of course, the Opposition spokesman who normally deals with these matters, but owing to the coincidence of this debate with the annual conference of the Scottish council of the Labour party, on whose executive committee he sits – I was once its chairman, but I have now been elevated to higher things—I have replaced him at short notice. But, of course, it is a nostalgic trip back for me, because for a very long time I was the Opposition spokesman on Hong Kong matters. Indeed, I was around at the time the joint declaration was signed.

I believe that that period was a model of bipartisanship. There was a common objective, which was that the steady negotiation towards the joint declaration should take place in secrecy and without party political points interfering with the process, and that occurred. When the joint declaration came forward, we quite rightly recognised the success that it represented for both China and the United Kingdom. I believe that the people of Hong Kong appreciated what happened. Those of us in this Parliament charged with responsibility for their future took that responsibility very seriously indeed.

It is therefore all the sadder that that bipartisanship has to some extent broken down, because I do not believe that it was necessary. My hon. Friend the Member for Wrexham (Dr. Marek), who obtained this debate in the lottery that goes along with the Consolidated Fund, has returned recently from Hong Kong and he underlines the concern at the delay in progress towards direct elections which was all too apparent in speeches in the debate on 20 January when we were predicting the contents of the White Paper, and indeed in the exchanges that took place in the Chamber on 10 February when the Foreign Secretary brought the White Paper to the House. Therefore, there is this breakdown in the bipartisanship between the Government, who move forward at a snail's pace, and many other people in the House, who believe that a bolder movement towards direct elections is more appropriate.

I recall only too well, at the time of the joint declaration, commenting on and endorsing the idea of a legislature that would be "constituted by elections". At that time, of course, a deliberate vagueness built into that expression because the people in Hong Kong, Beijing and London did not know precisely where the evolution of that discussion would take us. However, we all knew that eventually we would see a system of representative government in Hong Kong that reflected the intrinsic desire for democratic institutions that lies beneath the surface of all the debates that take place on stability and prosperity.

I believe very strongly that since then the timid approach adopted by the Hong Kong Government, as reflected in the White Paper, has not done much to revitalise Hong Kong or to underline the inherent self-confidence that has been the key to its success in the past. Perhaps that lack of boldness, that timidity, has been one of the reasons why the so-called brain drain, to which my hon. Friend the Member for Wrexham referred, has become a phenomenon.

After years of studying and visiting Hong Kong, I have concluded that this is not a permanent brain drain. People are hedging their bets. They are, rightly, taking out an insurance policy, as it were, against what will inevitably be an uncertain future. Because their talents are marketable and they are mobile in a way that many other people in the world are not, they are able to exploit the opportunities available of alternative citizenship in countries as visionary as Canada and Australia. But it is possible, indeed probable, that they will return and remain in Hong Kong so long as that insurance policy is available to them.

[Mr. Robertson]

The trouble is that a lack of confidence can be infectious and can arise from simple issues, including fears about the way matters are being handled. That is why these debates, at whatever bizarre time of the day they take place, are important. We may not be large in number. Indeed, the Minister is the only Conservative in the Chamber——

Mr. Tristan Garel-Jones (Watford): Really!

Mr. Robertson: —involved in this debate. I appreciate that the hon. Member for Watford (Mr. Garel-Jones)—perhaps I may call him the hon. Member for Madrid, Central — and the Parliamentary Secretary to the Minister of Agriculture, Fisheries and Food are present, but I question whether their attention was focused directly on the amazing document that my hon. Friend the Member for Wrexham produced earlier.

I do not draw any conclusions from this lack of interest by Conservative Members. Were we having this debate at a more appropriate hour, I am sure that the Government Benches would be as crowded as they were when this matter was raised on 20 January and 10 February. I am sure that the House will continue to take its responsibilities towards Hong Kong with great seriousness. But the pace of change in that country troubles hon. Members. Conservative Members tend to stand loyally by Ministers when they discuss these issues. But we know that privately many of them also feel that a bolder movement forward would be appropriate in the present circumstances.

I remind the House that, in the exchanges on the statement and on 20 January, the suggestions made by my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) were modest in the extreme. An additional two directly elected members to the Legislative Council is hardly a revolutionary idea, yet the Hong Kong Government seem unwilling to contemplate such a change; and as that Government is a function of Her Majesty's Government, we must look to the Minister here to defend that view, even if we are critical about it.

My hon. Friend the Member for Wrexham questioned whether we should be discussing the Basic Law. He produced what he said was a copy of the draft Basic Law. We look forward to seeing further copies being made available in the Library or the Vote Office. My hon. Friend did not reveal from where he obtained his copy or whether a supply of copies exists. Those who are charged with the responsibility of drawing up the Basic Law are also involved in the debate on direct elections, and that is the great dilemma. We are in the proverbial Catch 22 situation, for the Chinese Government can rightly say that the Basic Law is a matter for them, not for us. The Basic Law was always to be a matter for the People's Republic of China; under the joint declaration, that is their responsibility.

We know that the Chinese Government have a view about the pace of change, especially the proportion of direct election. They do not shirk from expressing that view in private through the people in Hong Kong who speak for them. Yet it is logical, if not politic, for those who say that the Government are responding to the views of Beijing on the pace of change during the period up to 1997 to suggest that, because of that, the Basic Law should be a matter for discussion by the organs of the existing set-up there.

I noticed that the right hon. Member for Blackpool, South (Sir P. Blaker), who is the chairman of the all-party Hong Kong group, was recently in Hong Kong and was criticised for what was perhaps an off-the-cuff suggestion that it might be possible for the Legislative Council to give consideration to the draft Basic Law, the document which my hon. Friend the Member for Wrexham has been discussing tonight.

We are caught on the horns of a dilemma, and as one former great Labour Member of Parliament said, "When you are on the horns of a dilemma, sometimes it is wise to stay there." The Government must take account of the paradox that is involved. There will be a natural inclination to debate, as my hon. Friend the Member for Motherwell, South (Dr. Bray) has this evening, what is gradually becoming known about the terms of the draft Basic Law even before May when it will be published, and even before the four-month consultation period that has been laid down. That is inevitable, and indeed is healthy. Although there will be a change of landlord in 1997, the people of Hong Kong remain the same.

What is being discussed in terms of the pace of change is minimalist. Those who articulate it in Hong Kong are sometimes regarded as agitators by an establishment that want as little change as possible, but by any standards in Britain they would never be described as revolutionary. The movement towards direct election—something that we take for granted in Britain — is modest by any standard. If it is seen to be bold and to break frontiers, that is only because it is judged against the timid pace proposed in the White Paper.

In considering a part of the world that is renowned for its experimentation, its commercial flair and for the fact that it is willing to take risks, we should be looking for a political system that reflects that. The experiment that is being embarked upon is fraught with risks—we know that, as do the Chinese and the people of Hong Kong—but it also has unique opportunities. If its works, for the Chinese perhaps there is the tantalising prospect of Taiwan coming back into mother China. There is the prospect of an example of peaceful coexistence being enshrined in the world as never before.

Risks are not new in Hong Kong. The whole commercial future of Hong Kong is built on risks of great wealth, which many people have, and risks of poverty and despair. The recent collapse of the stock market in Hong Kong made a few paupers out of the great millionaires.

The joint declaration is a blueprint for the future, and it would be well within the traditions of Hong Kong if the Government were to look closely at the way in which people in Hong Kong are talking, thinking and believing and reflected some of that challenging attitude in the political framework that they bequeath to the people of Hong Kong for the future. They have given themselves commercial freedom and a highly regulated infrastructure of housing and education, and we should bequeath to them a political system within which they can exercise democracy with the same flair and success as they deploy in other aspects of life. That is the challenge that faces them and the British Government.

2.20 am

The Parliamentary-Under Secretary of State for Foreign and Commonwealth Affairs (Mr. Tim Eggar): I join hon. Members in thanking the hon. Member for Wrexham (Dr. Marek) for giving the House the opportunity again to

debate Hong Kong. It is understandable that hon. Members should wish to refer to the Hong Kong constitution and the draft Basic Law.

Some hon. Members have asked about the version of the Basic Law to which the hon. Member for Wrexham referred. All versions of the Basic Law that are available to the hon. Gentleman and to others are best described as of uncertain authenticity. They are subject to further revision and elaboration. Versions have been published in the Chinese press in Hong Kong, but the only reliable version will be that which appears in early May, in accordance with the terms of the understanding.

The draft Basic Law is intended to implement the policies that are contained in the joint declaration that forms part of a solemn and internationally binding treaty between the People's Republic of China and the United Kingdom. That treaty was debated in the House. Therefore, it is right that the House should wish to give its views on the implementation of the treaty in the draft Basic Law.

The hon. Member for Wrexham will recall that the debate in this House on 20 January took place following the publication of the 1987 annual report on Hong Kong. It was, by common agreement, a very good debate. It demonstrated yet again that many hon. Members on both sides of the House continue to take an active and informed interest in the future of the territory.

The debate also aroused a good deal of interest in Hong Kong. On that occasion the debate was broadcast live in Hong Kong. Many people in the territory sat up until the early hours of the morning to hear what Westminster had to say about Hong Kong. They would be very pleased to know that it is now our turn to sit up until the early hours to discuss Hong Kong.

It is important to set the debate in the context of the progress that we are making with the Chinese in implementing the terms of the Sino-British joint declaration on Hong Kong. The joint declaration must be the starting point of any consideration of Hong Kong's future development. It is widely recognised that it provides the essential framework for the development of our policy and for our contacts with the Chinese over Hong Kong.

I make no apology for joining the hon. Member for Wrexham in reminding the House of what a remarkable document that joint declaration is. It represents a unique and historic achievement by the British and Chinese Governments. It also marks a degree of bipartisanship on a very important foreign policy issue, which is to the credit of both sides of the House.

The joint declaration represents the determination of both sides to resolve a problem that is deeply rooted in history by producing an agreement, ratified by both Governments and by this Parliament, that is lodged at the United Nations in New York and is internationally binding. It is an agreement that gives to the people of Hong Kong a realistic hope and, I venture to say, a realistic expectation of continuing stability and prosperity after 1997.

We are working now to realise that goal through the full and faithful implementation of all the provisions of the joint declaration. We are collectively undertaking a new and truly unprecedented task. This task requires a spirit of co-operation and good will between Britain and China. It requires a fair measure of flexibility and mutual understanding in overcoming specific problems as they arise, and—as the hon. Member for Motherwell, South (Dr. Bray) said—in responding to developments both in the People's Republic of China and in Hong Kong, and, indeed, in the United Kingdom. It also requires the proper involvement of the people of Hong Kong in the process, to ensure that their views are fully taken into account at all stages.

The Sino-British joint liaison group set up under the joint declaration is the forum in which our consultations with the Chinese take place. Its task is a daunting one. It has to cope with a plethora of technical and practical detail, all of which needs to be satisfactorily covered before 1997.

I am glad to report that the group has made substantial progress since it began to meet in 1985. We have reached agreement with the Chinese on a number of important matters: for example, on Hong Kong's membership of certain international organisations, such as GATT, on air services and on certain nationality matters. The group is currently holding its ninth plenary meeting in Hong Kong, and has again made useful progress.

From 1 July this year the joint liaison group will have Hong Kong as its principal base, although plenary meetings will continue to take place in rotation in Peking and London, in accordance with the provisions of the joint declaration. The move to Hong Kong will none the less be an important step forward and will signify further intensification of our working contacts with the Chinese on Hong Kong.

Another important step forward took place on 10 February, with the publication by the Hong Kong Government of their White Paper on the development of representative government, which has been referred to in the debate. The House had an opportunity to express its views on 11 February, and the Government have taken very careful note of those views. While some hon. Members took the view that the White Paper should have gone further, many others recognised the major importance of the decisions that it contained. I thought that the hon. Member for Hamilton (Mr. Robertson) exaggerated slightly the differences that that discussion revealed across the House.

The hon. Member for Wrexham referred, slightly dismissively, to the A.G.B. McNair survey. It must be repeated that that survey represents only one aspect of the review of opinion. The hon. Gentleman asked why direct elections were to be delayed until 1991, and said that the survey used the phrase "delay". Opinions on the timing of direct elections were sharply divided; we believe that the Hong Kong people's views suggested a preference for a continuous and gradual approach. We must remember that there was a major change to the LegCo as recently as 1985.

Sir Russell Johnston: Is the Minister saying that the decision was wholly determined by the estimate of the views of the people of Hong Kong, and was in no way influenced by any possible attitude of the People's Republic?

Mr. Eggar: Obviously, the decision and the publication of the White Paper had to take into account all the various factors. It would be extraordinary if that had not been the case. The people of Hong Kong had considerable opportunities to express their views. I do not want to go over the debate last month, but the reaction of people in Hong Kong to the evaluation of the views that led up to

[Mr. Eggar]

the publication of the White Paper was considerable in terms of the number of people who responded, the degree of the response and the opinion as revealed by opinion polls of one form or another.

It is also fair to say that the general reaction to the White Paper by people in Hong Kong has been most encouraging. There are, of course, some who are critical of it, just as there are some who think that it is right. If one were to try to make a judgment, it appears that the majority of people have welcomed the White Paper as a balanced response to the wide-ranging consultation process that went on.

The reaction in Hong Kong reinforces my view that the White Paper represents a balanced and reasonable response to the views of the community. The White Paper will serve to maintain an enhanced confidence in the future because it offers the clear prospect of continuity in the development of Hong Kong's system of government up to and beyond 1997.

Dr. Marek: That was not the view that I formed in Hong Kong. There was much more apprehension about the White Paper. People in Hong Kong are prepared to accept it, but there is a movement towards the introduction of direct elections. Next time the Minister visits Hong Kong, I hope that he will listen without prejudice. If he does, I think that he will come back with a feeling closer to that which I got when I was there.

Mr. Eggar: I respect the hon. Gentleman's view, but he himself said that it was difficult to form a judgment during a brief visit to Hong Kong.

One cannot for a moment pretend that anybody can make an entirely accurate prediction of exactly what the views are at any one point in time. After all, I suspect that on the night of the hon. Gentleman's count after the general election he would not have been able to make an accurate prediction of his majority, despite being a distinguished mathematician and statistician. In other words, there is bound to be an element of subjective judgment. None of us should be under any illusion about that. I have tried to make a fair and reasonable assessment, although I take account of what the hon. Gentleman said.

The next important date for Hong Kong will occur in early May. It is a date to which people in Hong Kong are looking forward with understandable interest, and which has, I suspect, prompted the hon. Gentleman's wish to raise this subject at this time.

In early May the Chinese Government will publish the first draft of the Basic Law of the Hong Kong special administrative region. The Basic Law is the legal instrument whereby the People's Republic of China will implement the policies for the Hong Kong special administrative region as set out in the declaration.

As such, it will enshrine the fundamental principles of the joint declaration — that Hong Kong's capitalist system and lifestyle will remain unchanged for 50 years, and that the special administrative region will enjoy a high degree of autonomy, including executive, legislative and independent judicial powers.

The method by which the Basic Law has been drafted reflects the concern of the Chinese Government to ensure that it meets the concerns of the Hong Kong people and for it to provide for a smooth transfer of government in 1997. The Basic Law, as is well known, is being drafted by a Basic Law drafting committee set up the Chinese Government. Almost half the members of the committee come from Hong Kong, which has ensured that the people of Hong Kong have been involved in the drafting process from the start. We have welcomed the extent to which their views have been scrupulously taken into account.

The first stage of the drafting committee's work is nearing completion. The committee will meet in plenary session in Beijing in April. Shortly afterwards, in early May, a first draft of the Basic Law will be published in Hong Kong. Thereafter there will be a period of five months for consultation, to give the people of Hong Kong an opportunity to comment on the first draft and to make their views known. The views will be collected by the Basic Law consultative committee, which has already been established in the territory.

The procedure will give the people of Hong Kong the means to influence the content of the second draft of the law, which will be published in the autumn, before the final version is promulgated in 1990. The House will agree that this demonstrates a meticulous regard for the views of Hong Kong people. I know that hon. Members will join me in welcoming the opportunities for repeated consultations provided by the Chinese Government.

Dr. Bray It would be helpful if the Minister would make it clear that the drafting is not the same as the consideration that would be given to legislation in a Committee of the House, with amendments voted on and agreed. The drafting is done by a secretariat and is then discussed and taken away, and it may or may not be changed, but it is difficult to say that it has the endorsement of a drafting committee.

Mr. Eggar: Almost half the members of the committee are from Hong Kong, and there are at least two clear stages on two different drafts where the Basic Law will go out for wide consultation. If the Basic Law bears a resemblance to what the hon. Gentleman claims it will bear a resemblance to, people in Hong Kong will make many points, some of which may or may not be similar to the points made by the hon. Gentleman.

At the end of the elaborate consultation process we will wish to see—and I am confident that we shall see—a Basic Law which fully implements the terms of the Sino-British joint declaration. The drafting of the Basic Law is the sovereign right of the Government of the People's Republic of China, but the implementation of the joint declaration through the Basic Law is a matter in which we and the House have a legitimate interest.

My right hon. and learned Friend the Foreign Secretary assured the House in the debate on 20 January that it was the solemn responsibility of the British Government to administer Hong Kong up to 30 June 1997 in the best interests of its people. We shall discharge the responsibility to the utmost of our ability. There is no question of Her Majesty's Government in any way letting Hong Kong down.

We shall also seek to ensure that the Sino-British joint declaration is fully and faithfully implemented, so as to preserve confidence in Hong Kong and to create a firm basis for Hong Kong's future stability and prosperity. Those are objectives to which the British and Chinese Governments are firmly committed. I am sure that the House will wish to join me in endorsing those objectives and the policies that we are pursuing in order to achieve them.

Rare Breeds

2.39 am

Mr. Colin Shepherd (Hereford): It is enormously pleasurable to see my hon. Friend the Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food in his place. He is a rare breed in the House. He is the only hon. Member with personal knowledge of the meat trade. No one can gainsay the importance of that. I am certain that he will share my feelings of nostalgia and heritage when listening to the roll call of cattle and pig breeds that are now threatened with extinction. The cattle breeds facing extinction include the Irish Moiled, the Kerry, the Gloucester, the Shetland, the white park, the British white, the longhorn, the beef shorthorn, the Dexter, the red poll and the Chillingham. The pig breeds facing extinction include the middle white, the large black, the Berkshire, the Tamworth, the British lop, the British saddleback and the Gloucester old spot. What marvellous names they are and how sad it would be if they were to disappear into the mists of antiquity.

The achievement of today's livestock producers in terms of food and sheer fecundity is quite remarkable. However, one regrets the homogenisation and rationalisation of the breeds, and I say that as a stalwart defender of the Hereford herd. I firmly believe that in terms of reliability, predictability and adaptability that breed has no equal as a pure bred beef animal and as a beef bull to put to a commercial dairy cow. The Hereford is not a rare breed today because the breeders have been able to respond to the market place as that has changed, although they can in no way become complacent about that as it is always under threat.

It is true to say that the beef animal market is highly competitive. Feed conversion to weight is carefully analysed. Growth rates, killing out ratios and fat to lean ratios are all carefully displayed with pride at shows such as Smithfield and the Royal Show as the figures surpass one another. That is all very competitive. Similarly, dairy cattle are judged by their ability to respond to feeding in respect of milk volume output. The changes brought about by quotas have served only to increase the fine tuning. Butter fat is no longer particularly wanted; the maximum output from the least number of cattle is the prize.

It was remarked to me the other day that it was sad to see on the Sunday night veterinary soap opera on the BBC that such great attention is paid to getting precisely aged calves as props, but that all the cattle were black and white and of the same breed. That was very disappointing. What of the various and varied breeds that were so prevalent at the time that the series sets out to portray? It is a sobering thought that between 1900 and 1973 at least 20 breeds of British farm livestock became extinct.

Mr. Tristan Garel-Jones (Watford): Good heavens.

Mr. Shepherd: My hon. Friend is absolutely right to say "Good heavens."

I am worried by the fact that there are two trends in the countryside. On the one hand, there is the ever-increasing pressure on developing breed uniformity. I have been guilty of advocating that in another context. To witness that we only have to look at the uniformity of shape of lambs displayed for show at Smithfield market—and the New Zealanders are particularly expert at that. One could take the rear or hind quarter of one lamb and shove it on to the front of another and they would match up precisely. There would be no way of telling whether they came from the same beast. That is inimical to the maintenance of a wide variety of breeds.

On the other hand, the countryside itself is changing as we try to come to grips with our excellent technical expertise and so get more out of less. There are two ways in which we can proceed. We can continue intensification of output, producing better and better yields from a narrowing base of breeding stock choices, or we can go back down the road to extensification. Too far down the former road, with no attention paid to maintaining a wide variety of breeds, and we would find ourselves in a blind alley and when we realised that the whole system could possibly be destressed by the use of breeds that are more tolerant of indifferent feed or calve more easily, the alternatives might not be there.

Surely the merit of so many of those threatened breeds is that they are the product of a peasant economy. When the breeds were evolved, they were evolved not with maximum output from maximum input in mind, but when economy of production was the yardstick. With the current reappraisal of farming practice, it is those presently rare breeds that will play a vital role when the emphasis of production changes.

When I look to see who is looking after this future, I see a dedicated band of enthusiasts — not wealthy or hobby farmers, but those who generally have small acreages and who are not particularly flush with cash. I hand it to them for their persistence and prescience. These are the very people of the countryside – country men — whose gut feeling is that proper insurance should be taken out now to be ready for the day when, or if, change is needed. The scale of their operations generally is such that in today's fiercely competitive scenario they will never make a profit from their activities in respect of rare breeds. They are not keeping rare breed animals to make a profit, and I do not believe that they ever want to, but they are playing an invaluable part in providing the means of developing a more balanced agriculture, as this shift in emphasis in the countryside progresses.

In recognising the credit due to these people, one recognises in full the dedicated work of the Rare Breeds Survival Trust. Its track record since inception in 1973 has been enviable and most encouraging. The way in which the owners of rare breed animals have been co-ordinated by this tightly run and effective organisation —

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Donald Thompson): Yes.

Mr. Shepherd: I am delighted that my hon. Friend agrees. That co-ordination must have kept in being many outposts of rare breeding which would otherwise have been lost. It is a first-class example showing how a small contribution from many people can be harnessed to good effect for the benefit of all.

I have remarked how rare breeders are not in the game for profit, and I hope that I have demonstrated what an invaluable insurance policy a spectrum of rare breeds makes in a changing agricultural environment. It is a pity, therefore, that the activities of these people and their contribution should have been accidentally blighted by the imposition of charges for the approval of bulls and boars under the Artificial Insemination (Cattle and Pigs) (Fees)

[Mr. Shepherd]

Regulations 1987, basically in consequence of the Agriculture Act 1986. I must shoulder a fair share of the blame. I participated in the Committee on that agriculture legislation and this dimension escaped my notice, as it did all the other Members of both Houses who were involved. That is not to say that this is set in stone. It is time to recognise that an error has been made. I should also like to think that it escaped the Government's awareness, too. I hope that my point will be viewed in that light.

The effect of the regulations is that these rare breed owners have to pay the full £204 for their bulls to be approved, just the same as the owner of a commercial dairy bull. The difference is that, although these charges are quite high, they take no account of the use that is to be made of the semen from the bull or the boar; thus the cost per straw is bound to be higher for organisations such as the Rare Breeds Survival Trust or for people who just breed rare animals whose sires are relatively little used and which are not normal commercial breeders.

The rare-breed bull may have as few as five straws sold and used each year compared with the more than 3,000 — I have heard figures of 5,000 quoted — from a commercial bull. That is a big difference in cost per straw. It is not surprising that a longhorn breeder, who, by the terms for breeding longhorns applying within the Council of Longhorn Breeders, is permitted to sell only 25 straws a year, can recover £25 a year against an outlay of £204.

In addition, recognising that the semen may not be capable of being frozen, the farmer may be prudent enough to ask the Milk Marketing Board to come in advance, at a cost of £50 plus travelling expenses—say, a total of £80—which means that he is investing £280 in the bull for a return of £25 a year. Although the semen may be sold for several years afterwards, it is not a big return, and he will never recoup his approval fees. The fact that the farmer continues to keep longhorn bulls shows that it is a labour of love and a recognition of the desirability of sustaining a breed against a time when it might be more useful in the countryside than today's breeds.

As part of the retention of rare breeds, and the work of the Rare Breeds Survival Trust, 50 per cent. of the semen drawn off bulls is retained by the Milk Marketing Board in its bank of genetic variation. That is a magnificent contribution to the cost of the insurance policy that I have described.

About 12 months ago, correspondence between the Ministry of Agriculture, Fisheries and Food and the Rare Breeds Survival Trust was terminated. It was terminated disappointingly and, I thought, less than satisfactorily. I have read it all, and it relates to the requests of the trust that special consideration be given to its specific needs in carrying out its work and incentivising—that horrible word—or making it reasonably attractive for the small rare breed owners to continue their invaluable work for posterity. The Ministry's attitude was inflexible and disappointing.

I know that it costs the same to approve every bull or boar regardless of the use that the owner makes of it, but the system is rough justice on rare breed owners and on the trust, which is trying to provide a genuine public service and which has no chance of passing the extra costs on to a relatively limited number of potential or actual users. I also appreciate that another problem for the trust in making its case is that, although there is a need for gene banks or pools such as those for some rare breeds, it could be said that with the ready availability of techniques such as genetic engineering, multiple ovulation and embryo transfer the need is not as great as it was. The trust could be described as a luxury in an environment generally hostile to such marginal activity. It is regrettable that cattle and pig breeds have become so homogenised. It is an inevitable and sad consequence of modern methods of livestock breeding and production.

The Ministry has been intransigent in its attitude to the trust's case on behalf of itself and its members. The trust believes that it has had no reasonable explanation of why the Ministry is so intransigent and why it does not recognise the rough justice.

I have looked through *Hansard* and I see no record of the statutory instrument which imposed the fees for artificial insemination being debated. It probably went through with a plethora of other statutory instruments when the attention of the House was concentrated more on the end of a Parliament.

The issues as they affect this case have not been publicly explored before. I cannot help but wonder how these charges are made up. There is considerable dissatisfaction and distrust within the livestock industry as to the way in which dairy inspection charges are made up. I am sure that my hon. Friend is aware of the controversy surrounding those charges, and I believe that the Minister intends to instigate a review of the charges to see whether the charges reflect an accurate recovery of the costs actually incurred in making the inspections. Certainly £204 and £145 for the second charge are very accurate pricings. All of the other charges on the schedule in the order are precisely annotated.

I hope that my hon. Friend will be able to say this evening how those charges are made up, or write to me later to explain how the figures are derived. I hope that my hon. Friend will press the Minister to look again at this problem as it affects rare breeds. The cost of ameliorating the charges in respect of the work of the Rare Breeds Survival Trust would be about £7,000. I venture to suggest that that is a mere bagatelle to the Ministry, although it is a fortune to the trust. If it is not deemed desirable to amend the order, which I do not believe would be difficult to do, perhaps thought can be given to how a grant could be made available from funds within the Ministry's budget.

There was at one stage a considerable element of research involved with the use of rare breeds, and I should like my hon. Friend to bear that factor in mind. There is a good case for supposing that a programme of research would enable these breeds to help to deal with nutritional problems in the Third world by providing livestock for use in environmentally hostile circumstances, bearing in mind the fact that many of these breeds were brought about by a peasant economy when there were not today's lush circumstances for harbouring livestock.

It is difficult for rare breed owners to understand the Ministry's reluctance to help. They point out to me that the Ministry is going to pay not inconsiderable sums to farmers to manage fallow land or perhaps to start alternative enterprises in the countryside. A grant of, say, £7,000 is just not enough to facilitate the continuance of an important initiative. I put it to my hon. Friend in this way. He might go along with the suggestion that each rare breed owner should register his agricultural holding with the planning authority as a rare breed park. In that case,

he might qualify for a grant under the rural diversification plans under the Agriculture Act 1986. I pressed for that provision, and I was delighted that it was eventually incorporated in the Act. I make the suggestion in jest, but many a true word is spoken in jest. Perhaps we can take it a little further.

Either way, I look to the day when we begin to de-homogenise our livestock—what a ghastly phrase that is—and then perhaps, in the words of a rare breed devotee, we can have from the Vale of Gloucester double Gloucester cheese from an old Gloucester cow. That is our heritage, and our rare breeds surely form part of our heritage every bit as much as Parliament or Hereford cathedral. I very much hope that my hon. Friend will have listened sympathetically to what I have said, and will be helpful.

2.59 am

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Donald Thompson): I listened sympathetically to my hon. Friend the Member for Hereford (Mr. Shepherd) and I am delighted that he was able to secure this debate. The time is irrelevant, because the breeds under discussion stretch back to before the 1800s.

As my hon. Friend said, the needs of the market cannot always be paramount. I am sure that my hon. Friend has read Surtees' "Hillingborough Hall" and all those marvellous tales of farming in the 1840s and 1850s; the same complaints were heard then as now. I am sure that my hon. Friend will remember the squire in "Hillingborough Hall" saying, "There is too much land taken up in corn, we ought to have more in trees." Indeed, only last week I heard my hon. Friend say that.

As my hon. Friend said, we cannot always have clone animals—peas in the pod. That is desirable for the supermarket shelf and may look pretty in some fields at some time. The other day I was lucky enough to see a man's Cambridge sheep. He was trying to develop a more prolific strain of sheep. The last thing on his list was to get those animals cloned—animals must be made efficient first.

My hon. Friend read a list of some rare breeds and there is no doubt that they were bred especially to fit exactly the area they came from. Exmoor ponies, Dales ponies, Clydesdale ponies and Cleveland bay ponies bear the name of their homes. Indeed, one only has to look at those areas to understand why those animals were bred.

Developments in modern agriculture coupled with the ease by which international transport of livestock, of semen and of embryos can be carried out has led, as my hon. Friend said, to a rapid decrease in the number of breeds of domestic livestock in commercial use throughout the world. The move towards uniformity inevitably results in the loss of genetic material that could be required for use in future farming systems here, in the Americas or in the Third world. An awareness of that problem led to the formation in this country of the Rare Breeds Survival Trust in 1973. The trust, which is a registered charity, carried out a census which identified those breeds most in need of assistance. Breeds were then arranged in groups and graded on a priority basis.

My hon. Friend said that he was unable to discover a previous debate on this subject. Therefore, I hope that the House will bear with me if I go into a little detail—not tedious detail—so that, in future, people can check the record of this debate.

Rare breeds are graded on a priority basis. Priority one means criticial; priority two means rare; priority three, vulnerable; priority four, below numerical guidelines; priority five, just above numerical guidelines; and priority six, feral—wild animals. All rare breeds are graded into those six sections.

By 1983 a census revealed a healthy increase in the population of the breeds on the trust's list suggesting that the trust has been successful in conserving rare breeds of British livestock. That position has held good up to the present day with the exception of the pig breeds, a number of which are still at risk due to the lack of profitability in the industry and the difficulty of keeping breeding pigs as a hobby. Not every pig is as lucky as the Tamworth pigs that are kept in the backyard of our ex-colleague, Lord Cranborne.

The argument that rare breeds contain genetic material which may be of value in the future cannot be denied, but perhaps it is less probable than is sometimes imagined. It is much more likely that the basis for future improvement will be the best material already available from modern breeds. Of course, genetic engineering techniques are being developed all the time, where a single gene can be cloned or inserted into another. The technology of gene transfer is already available on an experiemental basis and may soon be available as a routine practical procedure, but I do not wish to travel down that avenue tonight.

However, the technology of identifying suitable genes to be transferred lags far behind and geneticists are not at present able to identify any genes in a rare breed that have the merit to justify transfer into a modern breed, but, as genetics expand and improve, that may not be the case for ever.

The trust deals in a number of activities. It operates an approved centre scheme, covering both private breeding centres and farm parks open to the general public. All approved centres are regularly inspected by the trust's officers and must comply with detailed regulations governing registration, breeding policy, management and husbandry. There is a monthly magazine called *The Ark* published by the trust. It is intended to publicise the trust's activities and inform members about matters relevant to rare breeds. Circulation of *The Ark* is about 7,000 copies.

There is an annual rare breed show and sale which is held in September at the National Agricultural Centre and provides an organised event at which keepers of rare breeds can obtain fresh stock and newcomers can obtain foundation animals. That is now a successful event with an attendance of approximately 10,000 people over two days.

There is also an embryo storage study. If the concept of total breed conservation is to be meaningful, consideration must be given to the establishment of embryo banks in which freshly fertilised eggs are stored. That would enable whole breeds in all known lines to be preserved. A feasibility study is being undertaken, supported by a grant from Shell International Chemical Co. Ltd, to examine that area.

There is a breed structure analysis. With very small breeds, it is essential to avoid unnecessary inbreeding. To do that, it has been necessary to research relationships within breeds and to calculate how to make the best use of the existing blood lines in sound breeding strategies.

[Mr. Donald Thompson]

Computer technology has been used to produce essential and accurate guidance for many of the breeds on the trust's priority lists.

There is, of course, a semen bank. In any breed of cattle whose numbers are small and kept in widely separated herds, it is economically unrealistic for most owners to maintain their own bulls. The availability of a reliable artificial insemination service is vital to the continuation of such herds. It is the policy of the RBST to make available supplies of semen from numerically small breeds and the aim is to provide at all times a choice of sires within each breed. To that end, the trust arranges for selected bulls to be used for semen supply, 50 straws of semen from each being made available to breeders and a further 100 doses being deposited in the RBST semen bank for long-term storage. The possibility of extending the service to pigs, goats and sheep is kept constantly under review.

The trust maintains a flock of North Ronaldsay sheep in Orkney, performs a breed liaison function, runs demonstrations and workshops for members, registers congenital defects, gives grants to breed societies, provides registration facilities for breed societies and funds research and investigations.

The Ministry has been involved with and interested in the work of the RBST since its inception in 1973. It is most satisfying that considerable progress has been made in putting many of the rare sheep breeds on a more stable footing and many of the rare cattle breeds are now in a much safer position. We are aware that a number of pig breeds are threatened and the trust, supported by advice from ADAS, is making progress in this area.

It is self-evident that rare breeds contain genetic material which may be of value in the future, and the availability of genetic engineering techniques whereby a single gene can be taken from one animal and inserted into another brings closer the possibility of being able to use such material. The Ministry will continue to take an interest in such developments, to determine when and how they may benefit the industry, and what help and encouragement the trust needs to achieve its objectives.

The trust tells me, through my hon. Friend the Member for Hereford, that what it really needs is help with the £204 veterinary testing of bulls.

Mr. Colin Shepherd *rose*——

Mr. Thompson: I ask my hon. Friend not to intervene until I have finished—I can see that he thinks that I may have missed the point that he made, or that I may not come to that at all.

The charges were introduced in accordance with the Government's long-standing policy that costs of services should be recovered when there is clear benefit to the consumer. The principle that charges should be levied on all those using the service applies across all ADAS charges. Charges are kept to a minimum to ensure that animal health standards are maintained. My hon. Friend made his point about the £204 and £145 clearly. He also suggested a number of ways in which the Ministry might be able to help, although I do not propose to discuss dairy inspection tonight. He mentioned grants and research; I mentioned "adopt-a-bull".

I suggest that, as we have now made our respective positions on rare breeds clear for all to see, my hon. Friend should continue the debate with me in private, to look for ways in which to surmount this difficulty and discover how long it will continue. I appreciate what he said about a small cost to MAFF and a large cost to him, but the small costs line up outside my door, down the steps, around Whitehall, up past the Horse Guards and right back to Downing street every day. So we must select the best course of action.

I have listened carefully to my hon. Friend. I now suggest that he comes to my office as soon as he likes and we shall discuss his suggestions—and any that we may add—in more detail.

Poverty and Low Pay

3.14 am

Mr. John Battle (Leeds, West): I understand that there was some discussion about which would be the appropriate Minister to reply to my debate. It was not clear whether the topic was a matter for the Treasury or the Department of Health and Social Security. The difficulty seems to be that Britain's poor are not considered to be the concern of the Chancellor of the Exchequer who handles the large economic issues such as inflation trends, the exchange rate and the balance of payments. The Secretary of State for Social Services is primarily concerned with managing the Department of Health and Social Security budget with a brief to reduce that budget as a percentage of public expenditure.

It is precisely that dislocation of function which perpetuates the exclusion of Britain's poor from real consideration in the Budget discussion. In advance of next week's Budget, we ought at least to try to raise the question of the relationship of taxes to benefits. There is a connection this year between two dates. Obviously, the first date is 15 March which is Budget day. There is speculation that there will be large tax cuts. The other date is a few weeks after that, 11 April, when the poor in our society will have their budgets cut with the introduction of the social security reforms.

Mr. Malcolm Wicks, the author of the book "A future for all", makes a specific link when he says:

"consider, for a moment, the fate of two families . . . Family A comprises a married couple, with a single earner — a company executive on £30,000 a year, with fringe benefits and a substantial mortgage and pension contributions. Family B are an unemployed couple with two children, aged 4 and 6. Examples then from the two ends of two nations. Yet Family A receives each week from the 'welfare state' more than Family B — £103·41 as against £101·98. But whereas the poor family derive their income from the complex world of social security entitlement — supplementary and housing benefits, free school meals and welfare milk — Family A draws from a quite different pool of official beneficence — the privileged world of tax allowances and reliefs on mortgage, pension contributions and company cars."

The context of the relationship between those two families is wealthy Britain. The Chancellor of the Exchequer regularly comes to the Dispatch Box, as he did today, to tell the House that Britain's economy is booming. We are advised by the economic commentators that he has about £4 billion to £5 billion to spend.

On 15 December the Prime Minister announced to the House:

"These are the times of the highest standard of living that this country has ever known." — [*Official Report*, 15 December 1987; Vol. 124, c. 920.]

Recently it was proclaimed in the press that Britain has 20,000 millionaires. The difficulty with such announcements is their utilitarian exclusivity, because not everyone in Britain participates in these high standards of living or in the booming economy.

The greatest good of the greatest number takes no real account of the minority—substantial though it is—that is excluded and in the worst circumstances in our society. I should like to attempt to spell out something of the reality of the poverty in which a substantial number of our people live in modern Britain. This week when asked about the percentage of ethnic minority people living below the poverty line, the Under-Secretary of State for Health and Social Security replied:

"This Government, like previous Governments, do not accept that a poverty line can be drawn." — [*Official Report*, 7 March 1988; Vol. 129, c. 56.]

Perhaps it was that remark that spurred me to choose this topic for debate. His answer seemed to be that poverty was indefinable. But surely that is not a new argument from the Government in response to poverty in our society.

I recall that the Green Paper "The Reform of Social Security", which provided the basis for the Fowler reviews, stated:

"there is now no universally agreed standard of poverty."

Even earlier, just before Christmas day 1983, the Prime Minister told the House:

"There is no Government definition of poverty . . . the fact remains that people who are living in need are fully and properly provided for." — [*Official Report*, 22 December 1983; Vol. 51, c. 561.]

It is certainly not my experience as the Member for Leeds, West that people are all fully and properly provided for. That is demonstrated by the letters that I receive every day and the advice surgery sessions that I attend every weekend when I return home from the House.

I put it to the Minister that the Government cannot make poor people disappear by claiming to have rubbed out the poverty line. If a poverty line — I would argue that one was recognised by Governments in the past — is no longer to be acknowledged, I am forced to ask whether the measure of people's real needs will be based on what the state decides that it can afford at the time or will be according to what people need to live on in our society.

The difficulties of defining poverty are not denied and have been discussed at great length throughout the history of our country. But surely we owe it to the poor in our society at least to attempt to define it in our own times and circumstances. There have been helpful attempts. A report that provides as good a starting point as any for a definition of poverty is the "Faith in the City" report which says:

"Poverty is not only about shortage of money. It is about rights and relationships; about how people are treated and how they regard themselves; about powerlessness, exclusion and loss of dignity. Yet the lack of an adequate income is at its heart."

Indeed, the right hon. Member for Wallasey (Mrs. Chalker), who, I understand, is a former Minister at the Department of Health and Social Security, said in November 1979:

"it is not sufficient to assess poverty by absolute standards: nowadays it must be judged on relative criteria by comparison with the standard of living of other groups in the community . . . beneficiaries must have an income which enables them to participate in the life of the community." — [*Official Report*, 6 November 1979; Vol. 973, c. 167.]

I think that that phrase could do with underlining:

"enabled them to participate in the life of the community."

The findings of the London Weekend Television MORI poll published in the book "Poor Britain" suggested that there was general agreement in our society about what constitutes the minimum standard of living. Two out of three people questioned thought that the following items were necessities: self-contained damp-free accommodation with an indoor toilet and bath—but many in our society do not have that; a weekly joint for the family and three daily meals for each child — many have not got that; two pairs of all-weather shoes and a warm waterproof; sufficient money for public transport; adequate bedrooms and beds; heating and carpeting; refrigerator and washing machine; enough money for special occasions, such as birthdays and Christmas; and toys for the children.

[Mr. John Battle]

That almost sounds like a checklist for the people who come to my advice sessions and write to me.

There is one other comment that I want to put before the House. It was made by an unemployed worker, who said:

"People should be given enough money where they can actually live a life that's reasonably comfortable—that they can do things they enjoy. And not just survive—because everybody has a right to more than survive."

I believe that living on the breadline is not just doing without things—and perhaps that is an approach that some would say is in the Lenten tradition—but about experiencing poor health, isolation, stress, stigma and exclusion, when life in society ought to be about enjoying and participating. A quotation which defines that view comes from Peter Golding's booklet "Excluding the Poor":

"Poverty curtails freedom of choice. The freedom to eat as you wish, to go where and when you like, to seek the leisure pursuits or political activities which others accept; all are denied to those without the resources . . . poverty is most comprehensively understood as a state of partial citizenship."

It is the nature of that exclusion which needs addressing when considering the issues of poverty. The Government vaunt their commitment to freedom of choice as a kind of flagship phrase for their free market policies. Yet that freedom is denied to a substantial minority in our society.

Over 8 million people in Britain are living on supplementary benefit. In answer to a parliamentary question, the hon. Member for Kensington (Sir B. Rhys Williams) was told that between 15 million and 16 million people in Britain were dependent in one way or another on means-tested benefits. It is officially stated that between 5 million and 6 million people are eligible for those benefits but are not claiming them. It is estimated that 7 million people are in low-paid work, and that particularly concerns my constituents.

Following the publication of a striking report by the West Yorkshire Low Pay Unit on the extensions of low pay in our region, my hon. Friend the Member for Bradford, West (Mr. Madden) asked in a parliamentary question whether jobcentres are under instruction to display jobs the wages for which were covered by wages council orders. He was told that they should not be advertising jobs that were below the recommended minimum rates for that work. Yet the flouting of such minima is taking place in our region. What enforcement action do the Government propose?

It is clear from what is displayed, for example, in the Bramley jobcentre window that there is a shift in my constituency from traditional manufacturing industries such as printing, engineering and textiles to temporary, part-time and low-paid work in the service sector. People are asking for their living standards to be properly protected with a legal minimum wage so that they do not fall behind the rest of society.

For the 2·5 million who remain unemployed in Britain, the Government's response—to the effect that rising employment prospects will resolve any residual poverty—is calculatingly misleading. A recent report by Professor Brown of the University of Stirling entitled "Taxation and Family Labour Supply in Great Britain", which was commissioned by the Treasury, said that of those in work, four out of five were unable to work longer hours in their main jobs; that only 3 per cent. had a second job and that only a quarter of those could work longer hours in those second jobs; and that of the 97 per cent. without a second job, only 12 per cent. had the potential to take one on.

It was found that among non-workers, nearly half were unable to work under any circumstances, three out of five because of having dependants and one out of five because of poor health. Of those non-workers who were able to work, two thirds, or 63 per cent., could not find jobs.

I get the impression that in answering parliamentary questions Ministers try to create the impression that people are free to decide for themselves, without consulting their employers, whether to work overtime, whether to choose to enter the labour market or whether jobs are available for them. That is not the reality in Leeds, West.

In recent weeks we have received from the Government an extension of social security disqualification clauses. The time period was first changed from six weeks to 13 weeks and more recently to six months. That is the reality that faces those who are unemployed. Those are the facts of life that are more apparent in constituencies such as mine.

In political terms, the Government's strategy is to shift the poor in the direction of the low-wage economy. A Government report published in 1985 entitled "Employment: a challenge to the nation" included the sentence,

"Jobs will be provided to the extent that people are prepared to work at wages that employers can afford."

The markers were clear in the Green Paper on the reform of social security which provided the underlying intentions for the 11 April negative Budget for the poor.

The Green Paper included the proposal to

"increase the moral surveillance of the poor"

by sinking the poverty line to develop a low-wage economy which divides those who are in reasonably-paid, full-time work from those who are in temporary, part-time, low-paid work.

Last night the right hon. Member for Henley (Mr. Heseltine) addressed the Employment Institute and recommended once again that the American system of workfare, the pricing of people into work, be taken up in Britain. Underlying those proposals is the Government's refusal to acknowledge that individuals who are unable to work and save are full citizens in our society.

In the Green Paper, the cost of social security was defined as a

"millstone preventing general economic improvement."

For the poor in our society, life is truly a millstone. As the report "Poor Britain" made plain, the poor are those who run out of money most weeks in the year.

Recently, the Child Poverty Action Group published a report entitled "Single payments: the disappearing safety net". That report catalogued the impact of the cuts in the one-off grant for exceptional needs such as for furniture, chairs and tables, cookers, bedding, clothes, babies' cots, shoes and heaters. Those cuts were imposed by the Government in August last year.

I cite a graphic summary of its impact:

"This is Britain's welfare state today. A young girl is refused a grant for shoes—she has three pairs of socks and the DHSS official advises her parents that, worn together, they would make a suitable alternative to shoes. A young couple, the wife six months pregnant, move at last into a council flat, but they have no furniture; they have to sleep on the floor in a sleeping bag and eat out as they have no cooker. The official who refuses a grant says that they should obtain credit.

A young mother's pushchair and her baby's coat are stolen. An official refuses to replace them as she 'did not take reasonable care'. A man with no bedding is instructed to keep warm by sleeping with his dog."

A young man in my constituency was forced to make do with a dangerous second-hand gas cooker which blew up in his face.

Will the Minister comment on those cases and tell us his view of those people's circumstances, the approach of the officials and the difficulties that they face because of the cuts in the single payments?

We are entitled to ask what is the future prospect for the poor in Britain. In my constituency, the introduction of the social fund means a reduction in the projected budget of something like £500,000 in the incomes of the poorest.

Yet the Government's social security advisory committee, in an official report last July, spelt out that weekly rates of benefit

"leave little scope for saving towards major items."

In other words, the weekly income from benefit does not provide enough money to provide for those special items, yet the special items are being taken away by the changes in single payments.

The new Social Security Act will deepen and extend the poverty trap. Tax cuts will make little difference to those who are caught in the poverty trap. The new family credit and housing benefit that will come into force next April will result in benefits being withdrawn as net incomes rise. It will no longer be calculated on the basis of gross earnings. The Institute for Fiscal Studies estimates that about 2·5 million taxpayers on means-tested housing benefit or family credit — the pensioners and the low paid—will receive little or nothing.

In the case of a couple, only one of whom is employed, who are living on £100 a week, a 2p tax cut will give them exactly 2p. It will no longer be possible to end up worse off after earning additional money, but those on low incomes will find that the marginal rate of tax means that the number of people who are caught by the poverty trap doubles from 270,000 to about 545,000. The social security reforms will reduce the extremes of the poverty trap but they will suck more people into poverty. I anticipate that at my advice surgeries there will be queues of people after 11 April asking me to explain why their income has gone down.

There will also be increases in prescription charges. The Health and Medicines Bill will result in increased fees for dental treatment and eye tests. The price of electricity is expected to rise by 15 per cent. over the next two years. Child benefit is to be frozen. The breaking of the earnings link in 1980 has led to a reduction in pensions. The decision not to uprate child benefit will have the effect, as the hon. Member for Kensington pointed out, of putting another 40,000 people on to means-tested benefit. The introduction of the community charge may lead to an additional 2 million people being on means-tested benefit.

We have to tackle such potential poverty by means of the Budget. The Budget options ought to be looked at from the poverty perspective. It is not good enough for the Secretary of State for Social Services to dismiss those who are on benefit as sufferers from, as he put it,

"the sullen apathy of dependence."

The benefits system and the taxation system are interlinked. The difficulty is that the poor are funding the rich.

The poor regard the taxation changes since 1979 as an increase in the burden of taxation. They believe that the taxation burden is higher now, despite the fact that the Government claim that they have reduced taxation. People believe that they are paying more tax. The number of people in the classic poverty trap has trebled since 1979. Nearly 9 million households are paying more direct tax than they were in 1979. That includes 4 million single people who are earning between £65 and £150 a week. There are 3·4 million couples on joint incomes of between £137 and £370 a week, and 1·5 million couples with a single income of between £65 and £200 a week are worse off.

There has also been a shift from direct to indirect taxation. Again that is a move that hits hardest those who are poor. The very poorest one tenth of the population has seen its indirect tax burden rise from 22 to 23 per cent. The low-paid household pays substantially more in value-added tax, domesic rates and other indirect taxes. The poorest households pay almost one quarter — 23 per cent.—of their income in indirect taxes. That has to be contrasted with the richest households. They pay only 16 per cent. of their income in indirect taxation. The low paid have seen their income tax cuts eaten up by the increase in national insurance contributions.

The poor may well ask : why does a low-paid home help or nurse pay 27p in the pound, when a man earning £250,000 can avoid paying any tax at all? What the poor see in the Budget is the well off getting wealthier, because they know that most of the tax cuts have provided generous concessions to the highest income groups.

The poor may well ask how on earth a tax cut helps the 10 million married couples and single people who pay no tax, while the top fifth of the tax-paying population have enjoyed more than half the tax cuts that have taken place since 1979. The richest households have received a weekly tax cut larger than the weekly gross wage of most full-time wage earners.

Let me give a practical example. A family of four among the poorest one fifth of wage earners saw their net real income rise by just 2·9 per cent. between 1979 and 1986, yet a similar family whose wage earner was among the best-paid one fifth would have found their living standards improve by 21 per cent. over the same period. In other words, the direct effect of tax changes since 1979 has been to widen sharply the gap between the bottom and the top of the pay scale—between the poor and the rich.

How can it be, then, that the top taxpayers should be a priority in the coming Budget? It is the low paid who pay too much tax, and they should be tackled first. High income groups have enjoyed substantial increases in their net real incomes in recent years as a result of tax cuts and earnings increases. People on over £50,000 a year have already had income tax cuts worth £10,710 a year from successive Budgets. A two-earner married couple on five times the average earnings, £54,000, would gain three times more from a cut to 40 per cent. in tax than a single pensioner would receive in a year on income support.

The other point that the poor would see in the Budget is that the tax leakages go to the better of. The relief on private pensions and on mortgage interest payments, and the new tax loopholes such as the executive share option schemes, the business expansion plan and the personal equity plans, are narrowing the tax base. All those schemes provide a hidden welfare state — perhaps what is now being called the "fiscal" or "occupational" welfare state. That, too, shows that more than half the personal disposal

[Mr. John Battle]

income in our society is no longer even subject to tax. Tax relief and allowances are today worth billions of pounds. The Inland Revenue statistics for 1983-84 show that for directors earning £50,000 or above, tax fringe benefits alone were worth £3,430 a year.

As the rich now enjoy a much larger proportion of the nation's income, why is the view so scorned that they should expect their proportion of the tax burden to increase? What is behind the Chancellor's appeal to the "moral basis" for tax cuts? Speaking in January to the Centre for Policy Studies, the Chancellor said that he would introduce a lower burden of taxation as an "essential element in developing the enterprise culture". There was, he said, a new acceptance of the "basic human instinct of self-interest." He referred to that as the moral basis for tax cuts.

A point made in the *Financial Times* of 2 March cut against the grain of the Chancellor's advice:

"The principle that taxes should vary according to 'ability to pay' should be heeded: high earners can well afford to pay a larger share of their income in tax than those at the bottom of the pile. Any cuts in top rates should thus be balanced by restrictions in other benefits to the better off."

I hope that the Chancellor will take that advice.

As a new Member of the House, about to participate in my first Budget debate, I urge the Minister to work with the Chancellor to use the 1988 Budget as an opportunity to grasp the connection between benefits and taxation in our economy and to introduce measures to redistribute the common wealth of our society and deliver justice to the poor.

We know from the Institute for Fiscal Studies that the Government's receipts in the financial year 1988-89 will be some £9 billion higher than was forecast in 1987. The Treasury has already admitted that it seriously underestimated receipts in the current financial year. I know that there are £2 billion of national insurance receipts. I think that that was revealed in the Second Standing Committee on Statutory Instruments, &c.

In other words, the resources are there to introduce a Budget that would stimulate public investment to generate jobs, and our top priority should be to support and develop the National Health Service. The Budget resources could also be used to introduce justice into the taxation and benefit structure so that the Social Security Act 1986 is not a crude and negative instrument that takes more from the poor on 11 April to underwrite the tax cuts for the better off.

The Budget could be used to reduce the rate band for the low paid and to increase child benefit to take families out of poverty. A Budget could be introduced to broaden the tax base to ensure a fairer share of the tax burden.

In response to the Chancellor's moral claims for tax cuts, I seem to recall that even Adam Smith, the high priest of the free market, in his "Theory of Moral Sentiments," stressed that economic individualism had to be founded upon a theory of social obligation. As W. A. Coates summarised:

"Men could safely be trusted to pursue their own self interest without due harm to the community, not only because of the restrictions imposed by law, but also because they were subject to built in restraint derived from morals, religion, custom and education."

In other words, the pursuit of individual responsibility and self-reliance must not undermine the collective obligation and provision for those who have no choice or whose choices are at best forced ones. Nor can wealth creation be viewed in isolation from its just distribution.

The Budget could be used to introduce the positive integration of income tax and social security as a step towards the development of a fairer tax and budget structue in our economy.

To go for tax cuts to provide individual private reward will be socially divisive, ecnomically unjust and morally indefensible. Therefore, I appeal to the Minister to work with the Chancellor to use the Budget to deliver justice to the poor in our society and not to continue, through present policies, to drive them out into the margins of dehumanising poverty, leaving them with no bottom line while the well-off are publicly encouraged increasingly to enjoy the advantages of our common wealth.

3.49 am

Ms. Harriet Harman (Peckham): I thank my hon. Friend the Member for Leeds, West (Mr. Battle) for bringing the important topic of poverty before the House. It is an outrage that, although we are one of the wealthiest countries in the world, millions of people face a daily life of struggling with poverty. Of some 4 million children in poverty, about half are in families in low-paid work, families who earn their poverty—the working poor.

The Government concentrate their comments on help for the low paid and claim to be concentrating their resources on that group, in particular through family credit. However, for those families, as for all claimants, we must consider the net effect of the poverty package which will be introduced in April, to which my hon. Friend the Member for Leeds, West referred, quite apart from the effect of the Government's low-wage policy on employment. The Government claim they are putting in some £200 million extra for those families.

Family credit rates are obviously better than rates for family income supplement. Not only are there offsetting losses for some or all the family, but the Government arrive at such a high figure partly because they assume that the take-up of family credit will be at least 60 per cent., whereas take-up of family income supplement is only 50 per cent. Perhaps the Government could justify why they think there will be a 10 per cent. increase in family credit over family income supplement. When family income supplement was introduced, the then Secretary of State said that he expected a take-up rate of at least 80 per cent., which was obviously a misplaced hope.

In any case, families will lose the right to free school meals or welfare food. Although the Government have built into the family credit rate, compensation for those losses in many parts of the country—some one third of local authority areas — councils have had their own concessionary meal schemes for low-paid families who are not getting family income supplement. The Government have removed the council's right to operate the schemes, so families who get free meals but are not entitled to family income supplement and may not be entitled to family credit are straight losers. Perhaps the Government would justify the position for those families.

Child benefit is frozen this year. This is justified by saying that the Government needed to target help on the poorest families through family credit. The cuts made a couple of years ago, by failing to raise the benefit sufficiently to compensate for inflation, saved the Government £175 million per year, and the recent cuts

saved a further £120 million. Are the Government still saying that all the child benefit savings have gone to the poor, or have some of them gone back into the Chancellor's overflowing coffers for tax cuts?

Although rates for family credit are higher, the lowest paid gainers from higher family credit lose on the roundabout of housing benefit what they gain on the swing of family credit. They may gain £19 per week on family credit, only to lose it all on housing benefit. There will be other losers among the low paid, whether now in full-time or part-time work, apart from those caught in the specific net earnings trap. Full-time work will be defined as 24 hours per week, not 30 hours as at present, and the partner of a low-paid, full-time worker who works more than 30 hours may still be able to claim supplementary benefit, weekly additions and so on, if the household income is below the supplementary benefit entitlement. In future the partner of anyone working more than 24 hours will not be able to claim income support, no matter how far below the poverty line their income is.

For income support, housing benefit and family credit, common rules will apply in the treatment of savings. Benefit will be withdrawn on a sliding scale for savings above £3,000 and will be lost altogether on £6,000, so someone made redundant and later being lucky enough to find work, although low paid, could lose out.

Another common feature is that the benefits are based on earnings net of tax and national insurance, so tax cuts are of little worth, as my hon. Friend the Member for Leeds, West pointed out. As he said, the Low Pay Unit calculated that a tax cut worth a nominal 92p to a typical low-paid household will give a net income gain of just 4p per week, when all the benefit losses are worked out. The families in any case face high marginal tax rates.

The Government have scrapped the worst of the former poverty traps, where a wage increase could result in a lower income, when all the benefits have been recalculated. But some 500,000 more families will be affected by the new low-pay trap, where for every pound extra in wages they will lose 85p to 90p in benefit, with the worst affected losing 98p in every pound, which is the highest marginal tax rate, whereas the highest marginal tax rate for the highest paid is 60p in the pound. We suspect that that may be lower after Budget day next Tuesday.

As my hon. Friend the Member for Leeds, West said, the low paid also contribute quite disproportionately to national insurance. The lower poverty trap hits more people. All earned income over £41 a week is subject to the full rate of contribution deduction, and that is about 10 per cent. of earnings at this level. Someone earning £1,600 would pay the equivalent of 2·6 per cent. of earnings and someone earning £100,000 would pay the equivalent of about 0·5 per cent. That disproportion is bad enough at any time, but it is especially outrageous this year when we expect tax cuts for the rich in the Budget while the Government are manipulating the national insurance arrangements so that they will make a profit of £2,000 million, which is roughly equivalent to between 1p and 2p off income tax. That is substantially more than the Government claim that they are adding to social security payments.

Of course no contributions are paid on unearned income. Apart from the rates bill which everyone will now face, there are other costs that bear more harshly on the low paid. My hon. Friend the Member for Leeds, West mentioned the spread of VAT, and electricity costs are expected to rise by 15 per cent. in two years, with possibly similar increases in water charges. They will all hit low-paid families harder than families on average incomes because those charges will represent a larger share of their budgets.

We fear for the future for many families who receive low pay. The Government are apparently reeling from the outcry about the cuts in the National Health Service. We suspect that after April there will be a second front to that public outcry which will be centred on poverty in an increasingly unequal society.

3.56 am

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. Michael Portillo): I congratulate the hon. Member for Leeds, West (Mr. Battle) on obtaining this debate, albeit at this late hour. He began by saying that it was the duty of Ministers at the Department of Health and Social Security to reduce the proportion of public expenditure on social security. That is of course not true. It it were, it would be staggering how successive Secretaries of State for Social Security had failed in that respect.

Since the Government came to office, the proportion of public expenditure spent on social security has risen from about 26 per cent. to rather more than 31 per cent. today. The budget for social security for the coming year is £48 billion. If the hon. Gentleman is concerned about the "collective obligation of society", as he called it, I can think of no better demonstration of how that presently stands than that enormous budget of £48 billion for the coming year.

The hon. Member for Leeds, West and, to a lesser extent, the hon. Member for Peckham (Ms. Harman) dwelt for some time on the Budget about which I cannot say anything, not least because I do not know what it will contain. However, they both misunderstood the role of cutting taxation and what that can do to stimulate the economy.

Has it not been the case that time and again the Government have cut taxation and time and again the revenue from taxation has risen? There was a somewhat familiar strain of envy running through the hon. Gentleman's remarks. For instance, his reference to the number of millionaires in the country has nothing to do with the debate except that by lowering the higher rates of taxation we have encouraged people with enterprise, who are creative and who are good at creating jobs, to stay in this country to the benefit of the economy and to the benefit of many thousands of people who have gained employment. Those people have, in turn, become taxpayers and have contributed to the higher tax revenues.

The hon. Gentleman's speech and his remarks about the Budget were very much in terms of how much money my right hon. Friend the Chancellor of the Exchequer had to give away. The Budget has nothing to do with giving away; it is to do with raising the revenue that is required to finance the public expenditure decisions that have already been announced. The Budget is about taking away and removing in the form of taxation money that people have earned.

There was another misunderstanding when the hon. Gentleman referred to the need to increase child benefit to remove people from poverty. The point which I have been at pains to make is that increases in child benefit have no

[Mr. Michael Portillo]

effect on the incomes of the people who are on income-related benefits, because child benefit is taken into account. As the hon. Member for Peckham (Ms. Harman) pointed out, the Government have ensured that in the reforms more money goes into the benefits that are directed towards families with children.

The hon. Gentleman's remarks about taxation were all directed to the proposition that my right hon. Friend the Chancellor of the Exchequer will cut the rate of tax. I have no idea what my right hon. Friend has in mind for the future, but in the past thresholds have been increased well above inflation, by 22 per cent. during the Government's period in office, which means that 1·4 million people have been taken out of paying tax. Much of what the hon. Members for Leeds, West and for Peckham said concerned the undesirability of high marginal rates of tax combined with the withdrawal of benefit. I agree with that as a general proposition, but it is made up of two elements—the withdrawal of benefit as income rises, and taxation. For the hon. Gentleman not to mention the important factor that 1·4 million people have been taken out of paying tax showed a lack of balance.

The hon. Gentleman displayed a similar lack of balance when he failed to mention that the reduced rates of national insurance contribution introduced by the Government mean that employees on low incomes and their employers now pay £1·5 billion less than they would otherwise pay.

The hon. Gentleman made the point, which he rightly recorded had been made also in Standing Committee, that there is to be a surplus in the national insurance fund in the coming year. As I explained to the Standing Committee, that is an appropriate surplus given the number of uncertainties about the fund in the coming year, particularly relating to the new pension reforms. This means that the flows out of and into the fund are not quite as clear cut as usual.

I remind the hon. Gentleman of another point made in Standing Committee. Surpluses taken together year after year become a balance in the fund. The hon. Gentleman's colleagues have levelled considerable criticism at the Government because, they say, the balance is too high. For the coming year it will be about 33 per cent. Much larger balances were maintained by the Labour Government, in one year reaching 40 per cent. of the fund. Those figures are considerably above the minimum recommended for the fund, but no maximum is recommended and it must be for the Government of the day to decide what should be a prudent surplus and prudent balance in any year. The Government's view for the coming year is that a balance of 33 per cent. is not inappropriate. The Labour Government believed that in almost no year was a balance of less than 33 per cent. appropriate.

The hon. Member for Leeds, West spent some time wrestling with the question whether there should be a definition of poverty. In a throw-away line he said that he believed that previous Governments had recognised the poverty line. I am not aware that any previous Government have recognised the poverty line. If we establish poverty merely as a relative concept, no matter how much we increase the living standards of the population, there will always be a poorest 40 per cent. or a poorest 20 per cent., and it will be claimed that they are living in poverty. For instance, if we take the poverty level that is sometimes peddled, but to which I give no credence, of 140 per cent. of supplementary benefit, that would include an average family man with two children who was earning £167 a week. According to such a definition, when supplementary benefit increases, the number of people involved increases, too.

Mr. Battle: Is the Minister suggesting that poverty is so relative as not to exist, or is he suggesting that people can get by? Does he refute the evidence that people who are trying to survive on benefits do not have enough money on which to live most weeks of the year? Is he prepared to say that that is unacceptable and unnecessary?

Mr. Portillo: I am prepared to say that income-related benefits have tended to increase year by year. Supplementary benefit is now about twice what it was in 1948, in real terms, and while the Government have been in office supplementary benefit has increased in real terms. The hon. Gentleman is right to say that Governments take a view from year to year as to the appropriate level of benefit, but the tendency has been to increase benefit in real terms.

Another important indicator of poverty or of living standards is the real take-home pay of a family, and during the debate we have dwelt considerably on families in work. The real take-home pay for a family with two children on average earnings has increased by 23 per cent. under this Government, whereas under the previous Government it barely increased. Spending on benefits for the long-term sick and disabled has increased by about 80 per cent. in real terms under the Government. The supplementary benefit scale rates for children under five have increased by a quarter under the Government. The value of the scale rates has doubled since 1948 and increased by 6 per cent. since 1978.

In 1980, the changes that we made meant that extra help was available after one year rather than two years for lone parents and for the sick and disabled, and we estimate that the real value of support for children on benefit is more than £150 million higher than if we had maintained the 1978 value and structure. The improvements in the adult scale rate for unemployed couples with children on benefit are worth £75 million, and for lone parents about £50 million. By August 1986, the extra help for families with children in benefit was worth over £250 million annually.

The hon. Gentleman will be aware of the extent to which pensioners have benefited from the increase in living standards under the Conservative Government. Their average net incomes grew by 2·7 per cent. a year in real terms between 1979 and 1985—the most recent year for which we have figures. That is 18 per cent. over the period, compared with 0·6 per cent. a year between 1974 and 1979, or 3 per cent. over the period. Between 1979 and 1985, the rate of growth was twice as fast as for the population as a whole.

Labour Members always talk about pensioners purely in terms of the state retirement pension and how it relates to inflation. They ignore the high inflation during that period, and the effect of inflation on pensioners' savings. That is why, despite the Labour Government's efforts to increase pensions ahead of prices, the living standards of pensioners were hardly increasing at all because of the heavy toll of inflation on their savings. That demonstrates

the folly of viewing the battle against poverty as being only about the amount of benefit that one pays out. There are other features, too, many of which can be impoverishing, and there is no better example than what happened with inflation under the Labour Government.

Spending on the elderly in the United Kingdom is the third highest in the European Comunity as a share of GDP, at 9·6 per cent. in 1983. The partial figures that we have for 1984 show that United Kingdom spending was increasing in that year, whereas spending in some other states was going down. That basis of comparing the proportions of GDP that are spent on the elderly is the only measure of pensioner support that the European statistical bureau says that it can be happy with, and the accuracy of which it can confirm.

I should like to say something about the reforms that will come into effect in April, because the hon. Member for Leeds, West referred to them as a cut. Almost anybody who has had dealings with the social security system would admit that it is time for a change. The system is regarded as far too complex and it is difficult for customers and claimants to find out what they should be receiving. It is equally difficult for staff to provide the sort of dependable quality advice that we all want. These are deep-seated complexities that reflect many years of incremental refinement and adjustments.

It goes further than that and reflects an unwillingness to consider the structure of social security as a whole, with supplementary benefit, housing benefit and family income supplement, each of which has grown up separately and has its own detailed rules and procedures. Each benefit can be justified in its own terms, but the overall effect is inconsistency and complexity and a system that, despite the huge sums expended, cannot guarantee a proper level of help to all of those with real needs.

The combination of separate schemes creates paradoxical and perverse results that have the effect of locking people, often against their will, into protracted dependency on benefits. The combined effects of housing benefit and family income supplement rules produce the absurd position of a parent working on low pay being worse off than if he or she worked harder or for longer hours and received a pay increase and thus boosted gross earnings. The lack of proper alignment between the benefits available to people who are in and out of work creates the risk that some may find themselves worse off by taking a job than by staying on benefit. These problems will not be effectively tackled within the present structure. We need a new structure that is based on clear and straightforward principles and that looks at the provision of help for those in need in a more comprehensive and wide-ranging manner.

I was quite startled to hear the hon. Member for Peckham launching, as I understood it, an attack on basing benefits on net rather than gross incomes. The problem of using the measure of gross income has led to rates having a difference of well over 100 per cent. I think that we are united in the House in saying that we are very pleased to see the back of that sort of effect.

The new structure of income-related benefits that is being introduced in April will be a major step forward in tackling the problems. The new income support scheme, for instance, will be based on clear-cut and straightforward criteria that everyone can understand. In addition to the basic personal allowances, there will be a system of premiums that will focus special additional help on the priority groups whose needs are greatest, that is, pensioners families with children, the sick and the disabled, and single parents.

At present, some of those categories of people benefit from the supplementary benefit structure, based on long-term and short-term rates, and weekly additions for diet, heating, laundry, and so on. But the present rules are somewhat hit and miss. Families with children never receive the long-term scale rate, however long they are on benefit. Under the new structure, they will receive family premium from the moment that they start on income support. Similarly, additions to heating allowances have become a kind of extra surrogate blanket for pensioners. The new structure will continue to focus extra help on pensioners but in a more clear-cut and explicit fashion.

Despite all the criticisms that have been made, the new structure will be widely welcomed and will stand the test of time much better. We are also drawing a clearer distinction between the provisions for regular weekly income, particularly in the form of income support, and the special provisions that must always exist for exceptional one-off needs that the majority of income support families will face from time to time.

One of the absurdities of the present supplementary benefit scheme—and I do not know whether the hon. Member for Leeds, West defends the scheme to the hilt—is that such exceptional help can be provided only where the need falls clearly within the bureaucratic framework that is laid down by regulations.

In practice, although a small minority of supplementary beneficiaries have, in the past, done rather well out of single payments, the great majority have received nothing. By replacing this whole edifice with the social fund we will be able to respond rather more flexibly.

We are also overhauling the housing benefit scheme so that, for the first time, it is aligned with income support.

Ms. Clare Short (Birmingham, Ladywood): I cannot bear this.

Mr. Portillo: The hon. Lady has only just entered the Chamber.

For the first time the same level of help with housing costs will be provided for people on equivalent levels of income whether they are in or out of work. That is a major improvement.

Mr. Battle: It is clear that there is no allowance in the public expenditure White Paper for any increase in housing benefit as a consequence of rent increases arising from the Housing Bill, currently under discussion. In other words, there is no allowance in the budget for housing benefit for people's rents to be met when they increase as a result of the Bill. Therefore, there will be a further cut in housing benefit on top of the one contained in the public expenditure White Paper.

Mr. Portillo: I do not understand the hon. Gentleman's argument. One of the features of the new housing benefit system is that, for people on supplementary benefit—by then called income support—their housing benefit will include 100 per cent. of their rent. At present the starting point is 60 per cent. of the actual rent. Therefore, people who are on income support will be fully protected against increases in their rents. That is different from the present position, and I should have thought that the hon. Gentleman would welcome it as an improvement.

Ms. Short: Those on supplementary benefit get 100 per cent. housing benefit already.

Mr. Portillo: The hon. Lady is wrong. The present basis is that 60 per cent. of actual rent is taken into account in supplementary benefit. The new basis will be 100 per cent. actual rent. Therefore, there will be absolute protection against rent increases.

Let us consider how people will fare under the new income support system. The hon. Gentleman is not untypical of critics of the social security system in producing lists of people whom he believes will be worse off. Equally, there are many people who will be better off. I remind the hon. Gentleman that there is transitional protection for income support claimants so that their cash benefit will not go down in April. There are many striking increases that people will enjoy.

Ms. Short: The Minister will be aware that the Government are planning to introduce a scheme for the long-term unemployed in September that will pay them £10 on top of their benefit, although they will have to pay the first £5 of the cost of travelling to work. Will people who take a place on that scheme—we understand that it will, increasingly, become compulsory—maintain their transitional benefits or will they lose them? If the latter, they will be worse off when they leave the scheme.

Mr. Portillo: Obviously transitional protection is there for people who are current claimants. If, for any reason, a claim lapses, a person becomes a new claimant and transitional protection cannot be applied to a new claim. If someone continues to be a claimant, he continues to enjoy transitional protection until such time as inflation takes its effects.

Ms. Short: Will the Minister give way on that point?

Mr. Portillo: I cannot help the hon. Lady any further on that point at the moment.

Ms. Short: It is very important.

Mr. Portillo: I am sorry, but I cannot help any further at the moment.

Let us take the example of a rent-paying, lone parent with two children aged four and 11 claiming for a period of three months. The present supplementary benefit gives such a person £62·02, and the new system will give £70·10. Under the old system a lone parent with a mortgage and three children who had been claiming for six months and who received attendance allowance, heating and laundry additions for one child would receive £97·78. The new system will give that person £103·65.

Many people will benefit under the new system because, as the House will be aware, an extra £200 million will be put into family credit and an extra £100 million into help for families under income support.

The hon. Member for Peckham asked about take-up. It is reasonable to assume that the take-up of family credit will be higher than that of family income supplement. After all, we are talking about a benefit which, as she acknowledges, is more generous. If it is more generous, it will benefit people more and it will benefit more people. For the people who claim it, therefore, it will be more worthwhile to claim. It will be better known because more people will receive it. If more people receive it, more people will talk about it and, therefore, it is fair to assume that there will be a greater take-up.

The hon. Lady says that predictions of take-up in the past have been inaccurate. That was when family income supplement was being introduced as a new benefit with no experience of the past. We are introducing family credit which is based on family income supplement. We have a great deal of experience and, with a more generous benefit going to more people, it is fair to say that more people will claim.

The hon. Lady also referred to school meals under family credit. She will know that the combined effect of paying £2·55 per week in the family credit rates for school meals will mean that 100,000 more children will be receiving that cash benefit than at present receive the combination of school meals under family income supplement and local authority discretionary systems. The reason for abolishing the local authority discretionary systems is to avoid double provision for the same children because, obviously, if one builds in a cash benefit and gives children free school meals, ratepayers and taxpayers are providing twice for the same child and that does not appear to be appropriate.

The hon. Member for Peckham will know that, under family income supplement, only about 70 per cent. of the children who are entitled to free school meals were taking them. On the other hand, the £2·55 is automatic. It goes to anybody on family credit and, therefore, will be that much more adequately spread among those families.

The hon. Lady claims that gains in family credit will be mopped up by losses in housing benefit. She is taking a pretty unusual example because the proportion of family credit families who receive housing benefit help with both their rents and rates is only about 4 per cent., or about one family in 25. It is only in those circumstances that the maximum deduction occurs. That is because the family credit rates are sufficiently generous to lift most families out of housing benefit altogether so that only a small minority of family credit families receive any housing benefit. Among those, it is only a further minority who receive housing benefit, both through their rent and their rates. It is only the combination of rent and rate tapers which gives those high rates of withdrawal.

Equally, there has been a substantial misunderstanding about how family credit will affect families because of the nature of the distribution of tenure among family credit families. Among those on family credit, those with mortgages, outright home owners and non-householders will usually gain from the new structure. In some parliamentary questions that have been tabled, the concentration has been on selected hypothetical families who pay rent. That rather obscures the point that those people are not very common. Although rent payers are more likely to experience net income losses that non rent payers, about half of the rent payers eligible for the family credit stand to gain. In any case, those who have mortgages are in all respects similar to rent payers who have similar housing costs and they have the lowest pre-reform net spending power.

For example, at present, at £100 per week of gross earnings, the net spending power of someone with a mortgage and two children and a net mortgage payment of £18·87 is £11·21 lower than that of a similar rent payer with a weekly rent of £19·12. After reform, their respective net spending powers are £99·60 for the rent payers and £100·11 for the owner-occupiers. A similar equalisation occurs for the larger family with three children, so that,

after reform, even rent payers who lose are still in broadly the same financial circumstances as those with mortgages with comparable earnings and housing costs.

The pre-reform structure of marginal tax rates produced the bizarre result that the gross earnings, particularly of rent payers, could at least double, while their net spending power remained the same. They are therefore just as needy as people who, in gross earnings terms, are apparently a good deal worse off. People in the poverty trap, for example, on £120 a week are worse off than those earning £70 a week.

As part of our reforms, targeting more efficiently on need means targeting not only on those on the lowest earnings but on those with the lowest pre-reform spending power. That is an important point. The make-up of tenure within the family credit population is that those who are rent paying tenants are about half, those with mortgages are 38 per cent., outright owners are 8 per cent., and non-householders are 4 per cent. The data from the family expenditure survey shows that under the family credit system there will be more gainers under than losers. The concentration in certain parliamentary questions on those with rents and those receiving housing benefit is artificial because such people are a small minority of the population.

The hon. Members for Leeds, West and for Peckham referred to the social fund, but ignored past experience with single payments—except for the years 1985-86 and 1986-87. If they take the longer view of what was happening with single payments, they will realise that, had they been the party in government, they too would have been concerned about what was going on. Between 1979 and 1980, the amount spent on single payments was £40 million.

Ms. Short: The increase was due to unemployment.

Mr. Portillo: I shall come to that in a moment.

Revalued in 1986 prices, that is £67 million. By 1985-86 it had grown to £346 million in 1986 terms. The hon. Member for Ladywood says that that was due to the increase in unemployment, but the connection cannot be established.

Between 1980-81 and 1984-85 the costs of single payments increased by almost four times in real terms, and the number of payments by three times. Between 1983-84 and 1984-85 alone, costs increased by £75 million—by more than 40 per cent. But the total number of claimants receiving regular weekly help increased by less than three-fifths between August 1979 and August 1985, yet the number of single payments was more than three and a half times higher. The total number of unemployed was two and three-quarter times higher but the number of payments received was five and a half times higher. The number of other allowance cases nearly doubled, but the number of single payments more than trebled. What was particularly disturbing was that access to those payments was so uneven. Only one in five claimants on benefit at the end of 1984 had received a single payment. That is the background to establishing the social fund.

Mr. Battle: Will the Minister comment on the remarks made by the social security advisory committee, which said that people perhaps needed the single payments because the level of benefit neither provided for their needs nor enabled them to save to provide for them?

Mr. Portillo: I have already said that, whatever the level of benefit may be in real terms, it is twice what it was in 1948. It is 6 per cent. higher than it was in 1978, and the changes that have been made in benefit levels have been particularly concentrated on families with young children, especially children under five.

The hon. Member for Leeds, West and other Opposition Members consistently concentrate on a single year of single payments and then deduce that the social fund will cause cuts. That leaves out of the calculation the extra £200 million going into family credit and the extra £100 million going to help families under income support. If Opposition Members want to make comparisons, they must add those amounts to the equation. They know that the single payment expenditure has been much lower during the year that will end in April. The amount of money being provided for the social fund is very similar to the amount being spent on single payments during the current year. About £203 million has been put into the social fund. It is too early to give an exact figure for the amount spent on single payments this year, but it will be close to £200 million.

If we take, for example, the local offices in the Leeds area, we find that the amount spent on single payments from the beginning of April 1987 to the latest date that I have, 9 February 1988, was £767,000 in Leeds, North. That compares with a social fund allocation of £1,018,000. In Leeds, North-West the amount spent so far this year on single payments is £440,000. The amount being made available in the social fund budget is £497,000. In Leeds, West the amount of money spent so far this year is £412,000 and the amount being made available in the social fund is £469,000.

I do not think that the situation is as the Opposition claim, and I say that for two reasons. First, the sums being put in are much the same as the single payments, and, secondly, the amount of basic help being put into income support and family credit has been increased during the course of the reforms by the figures that I have mentioned.

There has been a great deal of debate about how the allocation was made between one office and another. We have taken some trouble to spell that out in a note that we have placed in the Library for hon. Members to consider. They will see that the basis of calculation has been that six sevenths of the money is distributed on the basis of the past single payments record, and that one seventh is distributed on the basis of the underlying need of the area. The underlying need has been defined in terms of the supplementary benefit case load and how that divides between elderly unemployed and other groups.

Far from there being political bias as alleged by the Opposition Front Bench, the result is rather striking. It is that the allocation per head of case load—the number of people on supplementary benefit in the local office area—is, for example, in Bathgate £51 per head; Glasgow, Provan £106; Coatbridge £99; and Glasgow Springburn £92. None of those is a notably strong Conservative area. In Bristol the allocation per head is £30 in Bristol, Central; £24 in Bristol, East; £30 in Bristol, Horfield; £36 in Bristol, South; and £21 in Bristol, West. In Bournemouth the allocation is £21 per head, and in Epsom it is £16.

Ms. Short: What about Birmingham, Ladywood?

Mr. Portillo: If I had known that the hon. Lady would be here for this debate, I can assure her that I would have

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had the figure. I shall be very pleased to supply it to her in due course. There is certainly no political bias, and I stress to the House that the figures that I have given are the amounts of social fund allocation per head of the population on supplementary benefit. They are not figures for the population as a whole. We are simply dividing the number of people on supplementary benefit into the social fund allocation. The House will appreciate that the allocation tends to be very much higher in Scottish cities and, as it happens, in Labour seats. The allegation that there has been any political bias in this matter is absolutely untrue.

We have had an interesting debate that has given us an opportunity to think about the reforms. I believe that the reforms achieve the Government's objective. They provide a much simpler system and one that it will be easier for claimants to understand. It is also a much fairer system. In the past, the additional requirements have been used as sorts of surrogates to help particular groups of people, and the system has depended on individual claimants then making a claim for a dietary, heating or laundry addition, or whatever it might be. In future they will be automatically entitled to the premium that is appropriate to their group. If they are disabled, they will automatically qualify for the disability premium; if they are severely disabled, they will automatically qualify for the severe disability premium. That, I believe, is a great step forward.

It must have been of concern not only to Government Members but to Opposition Members that the single payments regime meant that the way in which need was met was very patchy as between one part of the country and another and one sort of claimant and another, so that only a small minority of claimants were receiving single payments. Those single payments could, of course, be very large sums of money. That also raised a very important point of equity between those people who were on income-related benefits and those who were only a very short way above income-related benefits.

All of that has an effect on the unemployment trap, because the more such very large payments are made available to people on benefit, the more the incentive for people to be in work is removed and the greater the sense of inequity felt by people who are in work and having to make provision for that sort of payment from a budgeted income. One of the strengths of the social fund as it will be introduced is that it will provide greater equity between one sort of claimant and another without in any way removing the support from the most vulnerable groups of people, who will continue to qualify for community care grants, for which there is a budget of £60 million.

Unified Training for Employment

4.37 am

Mr. Ray Powell (Ogmore): It is significantly coincidental that this debate on the proposed unified training for employment programme follows the debate on poverty and low pay.

Recently in Wales I went to the jobcentre in Neath, looking not for a job but to see what jobs were available in the Neath area. There was on the notice board an advertisement for a person to undertake general labouring duties. It stated that he must be fit and active as the job would involve very heavy lifting, and it said that the job might attract a job-start allowance. The wage on offer for that was £50 per week. So when I listened to the previous debate I well understood why it was necessary for my hon. Friend the Member for Leeds, West (Mr. Battle) to ask for a debate on low pay and low income.

At 4.38 in the morning, Mr. Deputy Speaker, I only wish that I could come to the Chamber in as sprightly a fashion as you when you jumped into that Chair a few minutes ago. I do not know whether it is my age, but I am not as sprightly as you are at this unearthly hour in the morning.

I was very fortunate to draw a place in the ballot and I am pleased that this subject can receive the further consideration that is not only necessary but essential before the Government take steps on their proposals for a unified training for employment programme.

I wish at the outset to declare my interest, personal and otherwise, in this matter. I am chairman of CATO—Community Activities and Training in Ogwr. Ogwr is the borough which spreads across two constituencies, Ogmore and Bridgend, the two areas I represented until the boundary changes in 1983. CATO was formed jointly by the trade unions and other public bodies in 1981 to develop an acceptable scheme to combat extensive unemployment in the borough brought about by measures introduced by the Government in 1979.

In Wales in the last eight years the number of jobs in the steel industry has dropped from 52,000 to 18,000, and in the same period the number of miners has declined from 27,500 to 7,600. That means that we must create 54,000 jobs to put us back to the rate of employment opportunities that existed in Wales in 1979.

A group of people got together and established CATO in view of the unemployment situation and demanning in the steel industry at Port Talbot—which is only five miles from the Ogwr borough—where 7,000 of my constituents were made redundant. The closure of five pits in the valley areas in my constituency meant a further 3,500 being made redundant. Whereas the rate of unemployment at the time of the Tory Government being elected in 1979 was 3·7 per cent. in the Port Talbot travel-to-work area, within two and a half years that had escalated to 23 per cent.

We had to do something, faced with such a problem, so we started CATO under the MSC. I served as a member of the Select Committee on Employment at that time and persuaded a number of people in the constituency to establish the scheme. I was elected its chairman, a number of directors were appointed from the local community and we developed the scheme as a charity. No director is paid, all being volunteers. Gradually we built up the scheme to its present 525 places, with 425 now in employment. We

used to keep the number up to 500, but because of the Government's changed unemployment eligibility arrangements—from 12 months to six months—we cannot fill the 500 places that are available.

Despite all these problems, this week we had the 2,000th employee since the scheme began, and a plaque has been prepared to commemorate that achievement. The trouble is that the continual changes introduced by the Government make the planning of future programmes virtually impossible. When such new rules are introduced, it becomes extremely difficult to complete the object of the exercise, which is to get people into jobs.

The Government should listen to those with practical experience of running agencies such as ours, for the whole aim should be the provision of reasonable jobs, so helping the community and affording work experience for those who have been out of work for long periods or who have never worked at all. We also run a YTS scheme with 60 places and a staff of 10 and have been successful over the years, with a 95 per cent. placement rate into jobs for those completing their courses.

Over the years we have made a major capital investment to improve the quality of training. We have purchased an 80-acre farm to employ 40 people training in animal husbandry, forestry, horsemanship and agriculture generally. We have purchased large office accommodation and we have secretarial, computers, office management, architectural and many other skills working there, and people training alongside the skilled workers.

One of the dangers of the present proposals is that they put schemes such as the community programme scheme at great risk. Skilled workers will not be prepared to accept £10 on top of benefit to take up a job. Those whom we hope to train will achieve only a small measure of practical experience, whereas now we are able to provide both training and practical experience.

For the record I shall say something about CATO. We have a training centre, large lecture rooms and a printing and photographic department. We have a rehearsal studio for the leisure department and for actors and drama students. A recent presentation on crime prevention was highly proclaimed and recommended by the police authorities. The drama presented by the welfare section of CATO makes available to the elderly information about crime prevention in their homes. Another drama was produced for schools called "Don't talk to strangers" which received similar praise from the education authority.

We own the freehold of property and use it to the advantage of the scheme, the employees and the community in general. Recently, we acquired the lease of one of the hospitals that was closed by the area health authority and we are developing the grounds to provide a child clinic, a creche for working mothers—I am sure my hon. Friend the Member for Birmingham, Ladywood (Ms. Short) is pleased to hear about that—a respite scheme for the elderly, to allow carers to have holidays and a laundry for those who care for incontinent patients in their homes. There are also proposals for an international youth centre in the grounds. The hospital is situated in the most picturesque part of the Ogwr valley and is ideal for all those activities.

I have outlined these matters so that the Minister will understand the fears of those of us who during the past seven years have worked with the help of the Government and supported by the Manpower Services Commission. The board members, the chief executive of the scheme, the 12 full-time employees and all those who work for the CATO organisation are afraid that these new proposals will eventually mean the end of a most proficient and successful employment agency that has always aimed for high standards, has provided jobs with a purposeful end product, and has had the will to find full long-term employment when the possibility of doing that seemed hopeless and indeed is still profoundly difficult.

The Government should not treat such schemes with contempt. I ask the Minister to visit the scheme and listen to the views of those with experience before proceeding with his proposals.

The preface to the White Paper "Training for Employment" mentioned:

> "The most immediate is how to ensure that unemployed people, particularly the longer term unemployed, fill the job vacancies which are now available."

He talks further about providing training for some 600,000 people a year and he concludes:

> "we need nothing less than a revolution in attitudes to training and retraining: a revolution which engages the commitment of employers and employees alike. As a nation we need to accept training through life and make it a reality."

I share those opinions and I have tried to introduce them into the scheme. I warn the Government that their proposed scheme will not increase the number of people in employment; but it will substantially decrease the number of people who are now working.

I read the Secretary of State's statement on 16 February and the questions that he was asked and found that the questions of both Opposition and Conservative Members expressed the same alarm that I feel. If the Secretary of State is not prepared to listen to what Opposition Members say, he should read what was said by some of his hon. Friends, who declared an interest in the employment training schemes in their areas, and consider the matter further.

I know of your deep interest in the subject, Mr. Deputy Speaker, because of your past experience of such schemes. You have seen what has happened since you left office. You witnessed the development of MSC programmes. When I was a member of the Select Committee on Employment we visited the MSC frequently to discuss projects. During the debate on the White Paper the Secretary of State said that all the MSC members approved of the proposals, and that three members of the TUC shared his view. After my talks with members of the TUC it does not appear to me that the members of the general council of the TUC agree with the Secretary of State's proposals.

I wonder how the voluntary sector will respond to the Government's proposals. The Government want it to make a major contribution to the new programme. It will be interesting to see whether the various agencies will take up the proposals. The programme offers various kinds of training to the unemployed. There is to be practical training, either with employers or in projects, and directed training—presumably by a training agency, such as a college of further education. There is a guarantee that 40 per cent. of every trainee's time will be spent in directed training. The Government hope that employers will provide many more places on that programme than they did on the community programme and that they will also make a financial contribution.

The Government expect the voluntary sector to provide project-based training, designed particularly for those who

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have been unemployed for more than 12 months. Of the 300,000 places on the adult training programme, at least 170,000 are to be on such projects. We provided about 130,000 places for the community programme and the local authorities provided a further 100,000 places.

It seems most unlikely that the employers, especially in Wales, will come up with the required number of places, at least in the short term. The local authorities for their part, increasingly subject to severe financial constraints and with many of their functions about to be privatised under the new Local Government Bill, will probably lack the incentive to participate as much as they did under the community programme—especially in Labour-controlled areas — if the TUC does not endorse the new programme, as seems very likely. In that case, initially at least, the voluntary sector will be under great pressure to provide project-based places, of which far more than the minimum of 170,000 are likely to be required.

The details of how the programme will be administered are still unclear, even at the MSC's headquarters, but voluntary organisations have already identified a number of difficulties. The most important is whether the income that training managers will earn will meet their anticipate outgoings. Preliminary calculations made by the national task group, which are confirmed by the agencies in Wales, suggest that the funding will be very tight indeed, and that may well deter voluntary organisations at present involved in the community programme from participating.

Another practical issue is how far voluntary organisations will be able to determine who they accept on to their projects. That is an important matter, because at present agencies can be selective to a certain degree about the people whom they employ, but if the employees are to be directed by agencies some of the new training programme organisers and managers will not have the opportunity to determine whom they will accept. That could make quite a difference to some of the projects that we have developed in the Ogwr borough.

The cardinal issue, however, concerns the overriding question of principle that the programme should be voluntary. For the moment, that principle appears to have been safeguarded. The Secretary of State has stated that he has no plans to make the programme compulsory. "Training for Employment" also states that the Government have accepted in full the MSC's recommendations. That may well be, but the very strong endorsement that the MSC gave to the voluntary principle is nowhere echoed in the White Paper. There are grounds for scepticism about the Government's statement. Indeed, the TUC is already seeking a categorical assurance from the Secretary of State that the programme will remain voluntary, and will not be registered as an approved training scheme.

The cause of the anxiety that the TUC and many voluntary organisations feel is clause 25 of the Employment Bill now going through Parliament. Under that clause, the Minister can register any training scheme so that, if someone refused to take a place offered on it, he would be penalised by losing for 26 weeks any social security benefit to which he was entitled. If that ruling applied, many trainees would be coming on the programme under duress and as pressed men on to projects run by voluntary organisations.

As was stated in the petition that we presented to the Secretary of State for Wales in November, such compulsion would destroy the voluntary principle that it is essential for us to maintain, and would especially damage social welfare projects in which a personal commitment to the work is essential. This compulsion is more likely to be invoked if the financial inducements are not sufficient to persuade unemployed people to join the scheme voluntarily.

Trainees will receive a supplement of £10 over their weekly benefit, together with travelling expenses over £5 a week. For most participants that will mean working for £5 extra a week. There is some doubt whether that will induce long-term unemployed people in particular to join the programme in sufficient numbers. If they do not, whatever the Secretary of State may say now, the Government may seek to oblige them to do so by threatening to withdraw their benefits.

With all those anxieties and doubts, it is doubtful whether any of the voluntary organisations which have played such an important role in the community programme will be willing or even able to continue to do so in this new programme. The MSC will have to persuade voluntary organisations that such anxieties are unfounded if they are to participate as fully in the new programme as they did in the old programme.

In the minds of unemployed people, there will be a transition period between the wage-paid community programme and the much reduced benefit plus of the new training programme. The Government must safeguard against that and ensure full financial support to their agents during the transitional period.

The new scheme is based on filled places, whereas the community programme is based on approved places. The present scheme has budgeted for £440 per annum allowance per approved place. Therefore, provision must be made for a safety net. The MSC must guarantee a minimum number that it will fund. If that is not conceded, a number of well-established agencies will undoubtedly collapse.

I hope that the Minister will consider my remarks and respond with the reassurances that I have requested.

5.1 am

Ms. Clare Short (Birmingham, Ladywood): My hon. Friend the Member for Ogmore (Mr. Powell) makes his case for scepticism about the new adult training scheme, which is due to start in September, very well indeed.

The Minister has frequently heard my views and those of the Opposition during our consideration in Committee of the Employment Bill and I have no intention of repeating them. But the Minister should note that my hon. Friend's objections are stated from the perspective of someone who has struggled to work with existing Government programmes to seek to benefit the worryingly large number of unemployed people in his constituency, and came afresh to the new scheme hoping that it would be of benefit to those unemployed people.

My hon. Friend's objections complement those that we previously put to the Minister when we examined the scheme from a national perspective. That demonstrates that whatever way one looks at the Government's proposal, it is objectionable in principle, complicated and difficult to work in practice and will cause great trouble and difficulty to anyone who approaches it on either basis.

I remember well the replacement of the old community enterprise programme with the community programme which the Government are now seeking to abolish and to establish in its place the adult training programme. At that time I was the director of a pressure group called Youth Aid. We had not long before completed the study of the community enterprise programme, which provided mostly full-time places and paid a rate which, if it had been kept in line with inflation, would today be some £125 per week; much more than the Government are willing to offer today. Having completed the study, which was funded by the Manpower Services Commission, we called for an increase in training and more places on the programme, because of the high number of long-term unemployed and the relatively low number of places on the scheme.

Instead, the Government gave us the community programme, which increased the number of places but massively reduced the income payable to the long-term unemployed. The Government stood by the unbreakable commitment demanded by the trade unions and the TUC commissioners on the Manpower Services Commission that the rate for the job should be paid by deliberately providing a high proportion of part-time places and insisting that the average rate for the job would be £67 per week: a rate that has not been upgraded in line with inflation since the programme was introduced. If it had been, the rate today would be some £85 per week.

At that time there was enormous objection to the new scheme, because the income levels were so low and the Government had provided no facility for training, although it was pointed out that many long-term unemployed were unskilled workers and that training would give them a greater chance of getting into jobs. Since that time we have seen a continuing squeeze on funding for public sector jobs and a growth in the number of community programme placements, frequently replacing services that were provided by the public sector. Much of the work done through the community programme is valuable — caring for disabled and elderly people, providing nursery services for children, and other crucial services. Those services should be provided by workers employed permanently who are paid a decent rate for the job. Nevertheless, people have taken advantage of the community programme, as public sector and local government services have been squeezed, to try to provide services for the needy.

We are now seeing a further squeeze. The Government are telling us that it is desperately important that the long-term unemployed should be trained, which is what we said when the community programme was introduced, but the Government would not listen. The Government say that the long-term unemployed with dependants have no incentive to go on the community programme, because the average wage is so low, so it is better to pay a small amount on top of benefit to ensure that everyone has an incentive to go on the programme. We do not agree with that argument. It would be easy for the Government to provide an incentive for everyone to go on to the community programme by making available more full-time jobs. They deliberately produce a higher proportion of part-time jobs to keep average wage levels down.

The reason why there are such low incomes on the community programme and why such a high proportion of entrants are single and relatively young, long-term unemployed people without dependants is that the Government fixed the participants' income at a low level. Having reduced the level of income paid to the long-term unemployed on special programmes by deliberately changing from the community enterprise programme to the community programme, the Government are now trying to reduce those incomes still further because they are so obsessed with the need to restructure our economy and cut the pay levels of the lowest paid. The Government have taken a series of measures since they came to power in 1979 to cut the wages of the lowest earners in our society. Indeed, the Government have been very successful in that. Instead of 8 million low-paid workers in our economy, we now have 9 million. That means that one third of the people in work are working for very low incomes — lower than the decency threshold of the Council of Europe.

The Government now wish to move on from having a high concentration of low-paid work and from paying the rate for the job to paying the adult long-term unemployed £10 on top of their benefit. The long-term unemployed are not expected to work for £10 a week; they are expected to meet the first £5 of the costs of getting to work themselves. We are considering people who have been out of work for a considerable time and are being required to work for £5 a week on top of their benefits.

We are very worried about that, partly because the income offered to the long-term unemployed is simply inadequate and an insult to them. We are also very worried because the Government are proposing that the new scheme should be private sector employer led and not projects of benefit to the community as was the case under the old community programme. It will be a kind of adult youth opportunities programme. That means inevitably — as we experienced with the YTS and YOPS — that there will be a great deal of job substitution. If free workers are offered to employers, they will sometimes take them on and not recruit as many full-time and permanent workers as they did previously. The Minister will be aware that his Department publishes statistics to show that that practice still happens in considerable numbers under the YTS.

The new offer is insulting to the long-term unemployed because it offers them so little extra for working full-time than they would get on benefit. It will inevitably destroy some of the permanent jobs that the long-term unemployed might otherwise have aspired to. Inevitably —and I am sure that this was part of the Government's intention— it will act as a lever down on the wage levels that the long-term unemployed might expect to receive if they managed to get those jobs. If employers have free labour available, they will offer rather less to those they employ than they might otherwise have offered.

The Government pretend that they are concerned to offer more training for the long-term unemployed. That is impossible to believe when we consider the amount of money available for training in the new scheme. This is like an Orwellian farce in which the rhetoric of the need for more training in our economy for the long-term unemployed is used to camouflage a low-paid work experience scheme that is more about reducing yet again the unemployment figures and the income levels of the long-term unemployed.

Probably the greatest worry was that alluded to by my hon. Friend the Member of Ogmore. He said that the scheme will not be attractive to the long-term unemployed if they are left to volunteer for it freely. Therefore, it will work only if people are put under pressure to enter the

[Ms. Clare Short]

scheme. That is why there is the ugly prospect of long-term unemployed adults being compelled to go on a low-paid work experience scheme.

We understand that there will be two ways in which the scheme will be compulsory. There will be restart interviews. Those who have been out of work for six or more months will be called in for interview under the threat of losing benefit if they do not come in. They will then be subjected to a test of their availability for work. That test is constantly tightened, and will be tightened further, as we are told by a whole chapter in the White Paper. If the Government get away with their proposal, people will have no freedom of choice. The Government now threaten the unemployed with loss of benefit for not just six or even 13 weeks but for 26 weeks.

Under clause 26 of the Employment Bill the Government have taken certain powers in designating certain new schemes as approved training schemes. The Government make it clear that that does not mean that a scheme must provide adequate training. The Secretary of State could designate, whenever he wishes, a work experience scheme. Anyone who fails to apply for a place, who fails to take up an offered place or who leaves a place early can be deprived of benefit for up to six months. Supplementary benefit will be cut by 40 per cent. for six months. With supplementary benefit set at the minimum necessary to keep people alive, such cuts will make people's circumstances impossible.

A complicated set of falsehoods about clause 26 of the Employment Bill has been put before us. Employment Ministers know that there is enormous worry about schemes being designated, in additon to the worry about the restart interviews and the availability for work tests. In Committee and on Report questions were put to Employment Ministers to clarify the Government's intentions. I should like to put them again to the Under-Secretary of State. I know that the hour is late, but the issue is important. If there is one thing that I can say to the hon. Gentleman it is that he normally answers every question that is put to him.

The Parliamentary Under-Secretary of State for Employment (Mr. Patrick Nicholls): Satisfactorily?

Ms. Short: Not always, but the hon. Gentleman normally answers questions rather than evades them, which is the alternative adopted by some of his colleagues.

The Secretary of State has said that he accepts the recommendation of the Manpower Services Commission that the new adult training scheme should be voluntary. We put it to the right hon. Gentleman that he should withdraw clause 26 from the Employment Bill. He said that that was out of the question. We asked him for an undertaking that he had no intention that the adult training scheme should ever be designated under clause 26. He refused to give it and said something like, "Never is a very long time and one never knows what may arise."

When the Secretary of State made his statement following the publication of the White Paper, we asked him to give an undertaking that the adult training scheme would not be designated and thus be compulsory, with the threat of six months' withdrawal of benefit, in the lifetime of this Parliament. He refused to give that undertaking. He evaded the question and kept saying, "I have no intention of designating the scheme at the present time." I put it to the Under-Secretary of State tonight, as I put it to the Secretary of State then: the undertaking that the right hon. Gentleman has no intention of designating the scheme at the present time will last only for as long as we all understand the present time to last. It would be possible for the Secretary of State to designate the scheme tomorrow, or next week or in a few months' time.

Will the Under-Secretary of State be a little clearer about the undertaking? Will he go beyond the general assertion that the Secretary of State has no plans to designate the adult training scheme under clause 26 and give us an undertaking that the Government will not designate it during the lifetime of this Parliament? I shall listen with great interest to what he says.

The Minister will know that it is far from clear whether the general council of the TUC will endorse the scheme, and that groups of people in the voluntary sector, local government and the trade union movement are deeply worried by the scheme. Great arguments are raging throughout the country. Anything that he can tell us about undertakings that the Government may give will help some of those who are agonising about it.

I hope and wish that members of the trade union movement, people who have committed their lives to the voluntary sector and those who work in local government will unite to make the scheme unworkable. When I have said things like that before in noisier and more vigorous meetings of the House and in Committee, Conservative Members have criticised me and talked about my disgraceful attitude to the schemes. I say those things because I believe that this is an outrageously unfair offer to the long-term unemployed. The income that it offers is unacceptable, and freedom of choice is being removed. The scheme will inevitably reduce the income and the opportunities for work for those who are already in work or hope to obtain it. Something better could be offered to the long-term unemployed. We should offer them serious training.

In a healthy democracy, groups of people are entitled to come together and resist Government programmes if they genuinely believe that they do not offer something worthwhile to the people whom they are supposed to help. It would be an expression of healthy democracy — something that is on the decline in Britain — if that combination of people came together to make this Government employment scheme unworkable. A similar combination of forces made the Government's job training scheme unworkable. That originally included the proposal that the young long-term unemployed should work for nothing on top of their benefits. The Government returned with a slightly better offer of £10 a week on top of benefits.

I hope that all decent forces in Britain will combine to make the scheme unworkable. It is not a good enough offer. The Government will be forced to think again and come back with something better. I hope that we will then be able to combine and work for better opportunities for the long-term unemployed. The principle on which we can do that is that, whenever they are working in real jobs, they should be paid the rate for the job. When they are training, it is of course perfectly acceptable that they should be paid a training allowance.

I wish to end by congratulating my hon. Friend the Member for Ogmore on his success in the ballot and on caring as much as he obviously does about his local scheme and his unemployed. He is willing to stay up all these hours of the night to put the case to the Minister and to appeal

to him to give us some serious answers, especially on the specific points that I have put about clause 26 of the Employment Bill, in relation to the Government designating the new adult training scheme.

5.25 am

The Parliamentary Under-Secretary of State for Employment (Mr. Patrick Nicholls): First, I congratulate the hon. Member for Ogmore (Mr. Powell) on having chosen this subject for debate and on the way in which he has introduced it. If I do not entirely accept his analysis of labour market trends towards the end of the 1970s, I applaud at once the way in which he has been involved in addressing the consequences of long-term unemployment, however that has come about.

I wish that the debate he initiated and the way in which he introduced it had a wider audience. For preference, I should have been happy to yield my seven o'clock slot to the hon. Gentleman, to give him that platform. Unhappily, these things are not entirely in my gift, so we are debating the matter tonight, or perhaps it is this morning—I do not know whether we are up early or late. However, may I say in all seriousness, that it is a pity such a crucial debate, especially in view of the contributions that we have heard, has not had a wider audience. Perhaps there are people outside even now queueing for copies of *Hansard* to see what has been said!

It might help the House if I set out briefly the background to the implementation of the new training programme and go on to deal as specifically as I can with the points raised by the hon. Members for Ogmore and for Birmingham, Ladywood (Ms. Short).

At the time of the general election, there was a general feeling that more ought to be done to train the unemployed, especially the long-term unemployed. Underpinning that attitude was the recognition that the long-term unemployed in particular were not benefiting from the improvements coming to most people in this country as a result of the upturn in the economy. There was a perfectly proper desire to ensure that those members of our community could benefit as they had not done before.

The improved economic situation means that unemployment has fallen for 18 successive months. It has decreased by about 600,000 since July 1986, and there is no immediate prospect of that decline slowing. In terms of vacancies, recent surveys have shown that only about one third of job vacancies are reported to jobcentres, and in any given month there are about 700,000 vacancies in the country. It is interesting that many seem to think that all of the vacancies must be concentrated in the prosperous south-east, but two thirds of them are elsewhere.

The fall in unemployment figures, the increase in jobs created, and the number of vacancies together showed clearly that the time was right to put on a training programme to help those members of our community who had not yet had that opportunity, and to ensure that they could benefit from it. The model that has been essentially adopted is the community programme.

The hon. Gentleman painted a graphic picture of the work of CATO within his constituency. He referred not only to the benefits of the programme to the community but also to the benefits for those who take part.

One of the benefits of my job is not only being able to come to the Chamber at this time to reply to a debate, but to travel around the country looking at various types of scheme. I have not had the pleasure of seeing CATO, but I have seen other schemes that sound similar and those are better than average. It can be extremely humbling to see what people can and will do for themselves.

The hon. Gentleman's scheme, in common with schemes in my constituency, is not unilateral, imposed by one side or the other. It is not an employer or trade union scheme, but a scheme that has come about because both sides of the community have come together to create something that works.

In my constituency—I have bored the hon. Lady with this before and I am happy to do so again—YTS has been highly successful. Initially there was some scepticism—I will put it no more strongly than that—but the local trade union movement decided that the scheme could be helpful to the young people of the area. It became a success because of the way in which everyone rallied around.

It is easy to criticise the community programme for not providing training. However, the community programme, or more particularly the schemes from which it descended, were temporary work programmes—there is nothing wrong about that—but it is clear that they were not training schemes. Although the better type of community programme had a training element in it, it was almost coincidental to the main task. The essence of the new training programme is that the training element is no longer fortuitous or coincidental; it is crucial to it. That is the essential difference between the new training programme and the community programme.

What made YTS a success was the local commitment from the trade union movement and the local labour movement. Sadly that commitment was not universal. What could make the new training programme a success is the fact that it could receive the support of both sides of the community.

The programme that we are implementing was written by the Manpower Services Commission. It was aware of the budget within which it was working—about £1·4 billion. That is a huge amount of money even by Government standards. The MSC had the project of producing a quality scheme. It would have been open to the MSC to come back and say, "It cannot be done and that is it." It said that funding would be tight, as did the hon. Gentleman, and that is correct. However, the MSC made it clear that it had produced a programme that provided quality training for the unemployed.

The programme received the unanimous recommendation of the MSC commissioners and it therefore followed that it also received the recommendation of the trade union commissioners. I appreciate that, as the hon. Gentleman said, although those union commissioners voted in favour, that is not yet the view of the TUC. If the trade union commissioners on the MSC believe it is in the interests of the long-term unemployed for the programme to go ahead, it is a grave matter to say that they are wrong. If, at the end of the day, those commissioners have sold themselves out, what does that make them? Uncle Toms or people duped by the wicked Government? I do not believe that such comments are of any help. The reason why my right hon. Friend the Secretary of State was willing to accept, without qualification, the programme as written was that it was unanimous—the result of work done by both sides of the industrial community.

The hon. Gentleman referred to the YTS in his constituency that operates under the auspices of CATO.

[Mr. Patrick Nicholls]

He produced the remarkable figure that about 95 per cent. of those who go on CATO go into employment later. That is in fact well above the national average. The national average is 60 per cent. going into work and a further 14 per cent. going into some other form of training. The fact that YTS can produce such a result in the hon Gentleman's constituency is proof positive of what such schemes can do.

Many of the objections which are now being voiced about the new training programme were once made about the youth training scheme, which is now broadly accepted, even to some extent by the hon. Member for Ladywood. It is now accepted as a respected and respectable way for young people to start their working lives. I should like to think that, when people are considering how the new training programme may work out, they will consider the experience of YTS.

Ms. Short: The Minister must not describe what he thinks may be my view, if he does not want me to intervene. Labour Members take the view that the better parts of the youth training scheme provide very good training and tend to lead young people into permanent jobs. I join the Minister in paying tribute to the scheme in the constituency of my hon. Friend the Member for Ogmore (Mr. Powell) which has a 95 per cent. success rate. That is exceptional, especially in an area of such high unemployment.

Some parts of the scheme are very good, but others are not so good. We object deeply to the Government's recent move to abolish the right to supplementary benefit for 16 to 18-year-olds and thus make the scheme compulsory. We should prefer a scheme that guaranteed that the highest quality of training would be provided to all and that the income levels of young people placed with employers would be topped up to take account of the work that they do when they are on the employers' premises.

That is our view of the youth training scheme. We should like to see improvements, but we do not completely reject it. We reject the Government's move to remove the right to supplementary benefit and thus make the scheme compulsory.

Mr. Nicholls: I hope that we shall never hear again, in some of our more rowdy exchanges, Opposition Members complaining that the youth training scheme is only a skivvy scheme. Progress appears to have been made tonight and, if we do not hear such remarks again, we shall be all the better for it.

The hon. Lady is right to point out what is essentially obvious. There is nothing wrong in making the obvious point that any scheme will be made up of the better and the worse, the good and the bad, the great and the not quite so great. However, the youth training scheme has achieved a remarkable overall figure for getting young people into work. The MSC is also concerned about quality. The move towards approved training organisations is another means by which quality can be controlled. If the MSC is, broadly speaking, able to achieve its present degree of quality—obviously, the occasional bad scheme must be rooted out—and is even able to satisfy the hon. Member for Ladywood to some extent, there is no reason to think that such a scheme will not also work for the unemployed. I am grateful to the hon. Lady for the points that she has raised and I shall try to deal with them. I try to answer all questions, but, whereas answers are guaranteed, satisfaction is not.

The hon. Member for Ogmore said that there might be only a small amount of work experience in the new training programme. I can assure him that that will not be the case. We believe that common sense and experience show that a person who is trained in the context of the workplace with an employer stands a far better chance of finding a job than if he has been entirely project-trained. Remarks used to be made that YTS does not guarantee a job. Of course, it does not: there is no such thing as a guaranteed job. An employer will often take on a young person for whom he says he has no job but whom he says he will train. He gets to know the trainee because he is on the premises; loyalties are built up and in the end the employer finds that he can offer the trainee a job. Common sense and experience show that workplace training is more likely to lead to a job than training that is wholly project based. That is why the aim is that 60 per cent. should be employer-based and 40 per cent. directed training.

The hon. Member for Ogmore was concerned that the Government might be treating the community programmes with contempt. Absolutely not. Imitation is the sincerest form of flattery, and we are taking the best types of community programme and using them as a model on which to build the new scheme. The hon. Member for Ladywood reminded us that there are good and bad community programmes, but we are building on the best. I can assure the hon. Member for Ogmore that there is no question of the Government treating community programmes with contempt.

The hon. Gentleman—quite properly—talked about the voluntary nature of the scheme and sought assurances. He also mentioned the effect of section 20 of the Social Security Act 1975. I shall deal with that when I deal with the points raised by the hon. Lady. He also mentioned benefit-plus and pointed out that it had only a relatively small lead over benefits and that people would be refunded for their travel expenses only after the first £5. He went on to say that most people would be only £5 better off. It is the curse of politicians that we tend to generalise, especially if it suits our purposes to do so, but the hon. Gentleman may be generalising a bit in this regard. There will be cases to which that applies; to others it will not. Training allowances are as recommended unanimously by the MSC. I make no apologies for repeating this crucial point. The MSC's unanimous recommendations were accepted by my right hon. Friend. They amount to a benefit entitlement — depending on circumstances — of between £10 and £12 a week. Travel costs of more than £5 will be met and lodging costs will be paid when appropriate. Assistance with the necessary costs of tools and clothing will be provided and child-care costs of up to £50 a week per child will be met for lone parents. So those who undertake training will be better off than they would be if they were not training.

The hon. Lady spoke of her views and those of the Opposition. She went on to say that the scheme was objectionable in principle. I do not want to raise the temperature of the debate and I do not think I could, at this time of the morning, in any case. My exchanges with the hon. Lady, often late at night, show that we must get to grips with a paradox: I can work with the hon. Lady on the Employment Bill and be impressed by her industry

and intelligence and yet be staggered by some of the things she says. So I must now ask the rhetorical question: are the hon. Lady's views on the training scheme and those of the Opposition the same? Both of us were less tired than now and our last exchange, during the Report stage of the Employment Bill, was more heated than this one.

I keep a cuttings book on the hon. Lady, in which I find the following:

"My personal view—I stress that—is that the Secretary of State is now seeking to humiliate the trade union representatives on the MSC with the changes in the Bill. It is time for them to leave the commission to seek to represent the interests of the unemployed and those who seek training through traditional trade union measures. I stress that that is my view. It is my serious view".

This produced a certain amount of excitement on the Government Benches because we realised that it was possible to appear at the Dispatch Box without representing the Front Bench of one's party. The hon. Lady was pressed to say precisely for whom she was speaking, and she said:

"I have made it clear that in this matter, this is a personal view. Everything else that I shall say will reflect the position of the Labour party from the Front Bench. I said before that this was my personal view, and I am entitled to put forward that view . . .

On the question whether the trade union movement continues to have representatives on the commission, I said that that is a matter for the trade union movement."—[*Official Report*, 10 February 1988; Vol. 127, c. 433.]

If I have understood the position correctly, it is reasonably fair to assume that the trade union commissioners on the MSC are in favour of the scheme, and that the representations that had been unanimously made and accepted by the Secretary of State might mean that the Labour Front Bench would accept them as well. I suppose that in a sense that is a fair assumption, because the hon. Lady said that her views on that were different from those of the Labour party.

I am certainly not clear in my mind whether the Labour party is sceptical of this and wants to watch it very closely or perhaps wants more money to be spent on it. At the very least it is prepared to back the judgment of the TUC commissioners by giving them the benefit of the doubt.

I am not sure whether the hon. Lady, with her considerable industry and energy, has now been able to persuade the Labour party to ditch this scheme, with all the implications that that would presumably have for the standing of the trade union commissioners. I am not trying to provoke the hon. Lady, but perhaps she would like to intervene to say whether she is freewheeling on this issue or speaks with the authority of the Labour Front Bench. I shall be happy to give way to her, but will not press her if that is embarrassing.

Ms. Short: I was waiting for the Minister to finish his point before intervening. I thought that he was concentrating on part II of the Employment Bill. My hon. Friend the Member for Oldham, West (Mr. Meacher), our shadow Secretary of State, made absolutely clear our criticism of and opposition to the new adult training scheme. There was no difference in view on that and our view was repeated on many occasions from different perspectives.

What TUC representatives do on the Manpower Services Commission is a matter for them. The Minister will know that there are close links between the trade union movement and the Labour party, but the Labour party does not tell the trade union movement what it should do. Nor is it the case that representatives of the TUC tell the Opposition Front Bench what position to take on matters such as this. The matter of the acceptability of the adult training scheme must be judged independently by each trade union and by the Opposition Front Bench. The Minister must know that that process of judging and of each trade union taking a position is going on at the moment. On 6 April the general council of the TUC will take a decision about whether to endorse the action of its commissioners on the MSC.

The Opposition Front Bench view is that the scheme is unacceptable. The question whether the TUC commissioners continue to serve on the Manpower Services Commission is a matter for the trade union movement. My personal view is that the time has come for them to withdraw from the commission.

Mr. Nicholls: That sounds plausible enough as far as it goes, but if it is accurate there would have been no need for the hon. Lady, when talking about the training programme, to draw a distinction between her views and those of the Labour party. I suspect that the hon. Lady has had to set herself to squaring a circle. It sounds plausible, but certainly depressing. *[Interruption.]* I fully accept that and that is why I quoted the hon. Lady's words at length. I know what she said before, and I know what she says now. If what she says now represents a concise view of her attitude to these matters, it is good enough on the basis of this debate but does not explain why, when dealing with the Labour party's attitude to the new training programme, she drew a distinction between her own views and those of the Labour party. That was the point that I was making, and I think that everybody who takes an interest in these matters would have been interested to know about it.

The hon. Lady, having dealt with her objection in principle to this scheme, said that there was not sufficient training and that we should provide more jobs on the community programme. Again, I suppose this is a difference in philosophy between us. The hon. Lady obviously believes—and I accept that she believes this sincerely—that new, meaningful, real jobs can be created by the use of the public purse and that it would be possible to get rid of unemployment to a very large extent using the public purse to create worthwhile schemes. She can quite easily and properly construct a scenario in which worthwhile tasks are done. The difficulty, we say, is that it is not possible to get rid of the dole queue simply by the use of public money. She takes one view and we take another. That is the reason, for what it is worth, why we do not agree with the idea that the way to get rid of the dole queues is by vastly increasing placements in a community programme which concentrates not on training but on making jobs. We do not believe for one moment that that works.

Ms. Short *rose*—

Mr. Nicholls: The hon. Lady seems to want to intervene again. I give way. I suppose the exercise is good for both of us.

Ms. Short: The Minister must not misdescribe my position. We are not calling for an expansion of the community programme. The point that I made which I think he seeks to refer to—and I understand that the hour is late—is that many of the jobs done under the

[Ms. Short]

community programme should be full-time, properly organised jobs which people are trained to do on a permanent basis. That was the point that I was making when I referred to the needs of the disabled and some of the most vulnerable groups in our society. I am calling for the expansion not of the community programme but of the the provision of public services, where they are needed, and of permanent jobs.

Mr. Nicholls: The whole point about the new training programme is that essentially it is community programme plus training, and that is something which the hon. Lady is obviously keen on.

The hon. Lady referred to the problems of job substitution and, she said, to the Department's own figures. I suspect that she was referring to an article by Messrs. Deakin and Pratten which appeared in the *Employment Gazette*, and which by a happy coincidence I happen to have with me. The hon. Lady has in the past proved beyond all reasonable doubt that the devil can quote the Bible for his own purposes, because she has managed to read this article on a number of occasions to try to cast doubt on the validity of YTS. She used this article on one particular occasion to cast serious doubt on and to denigrate the effect that YTS has had in practice.

That report, quoted, as I have said, in favour of the proposition that YTS has caused a lot of job substitution and dead-weighting, starts with the proposition that YTS induces extra jobs, and then goes on to say that the survey found that YTS had increased the number of youths being trained and improved the quality of industrial training, and that these changes in training programmes increased the employment prospects of the young workers involved. It says that much of the training was of an impressively high standard and that YTS had been successful in creating positions for school leavers, placing more young people in training and improving the quality of training for those and other trainees. Yes, it has, and there is no reason to suppose that, given proper diligence on the part of all concerned, the new employment programme will not achieve the same.

The hon. Lady then turned to the question whether the scheme would be designated using the power under clause 26 of the Employment Bill, the effect of which is to change the provisions of section 20 of the Social Security Act 1975. I will say a word or two about that in a moment.

Coupled and linked with that was the thorny old question of availability for work. It may be worth spending a moment or two stressing the fact that there seems to be an idea being bruited, for reasons that I cannot imagine, that there is something new about the availability for work test and that it is some wicked new instrument which the satanic Tories have taken to flagellate the poor, miserable working classes back into work. There is nothing new about availability testing. The principal legislation which clause 26 amends is the Social Security Act 1975, which was passed in the period of a Labour Government. The hon. Member for Oldham, West (Mr. Meacher) was a Social Security Minister in that Government. That legislation dealt with availability for work and there was nothing new about it in 1975, for it underpinned the way in which the welfare state was created and it stemmed from Beveridge.

Anyone who doubts that it is an unreasonable proposition that, broadly speaking, those in receipt of benefit should be available for work need look no further than the proceedings on the Employment Bill and at the utterances of the hon. Member for Oldham, West—his remarks have a Right-wing feel about them, but they are none the worse for that—who said:

"No one objects to a measure of compulsion as a last resort for individuals who are blatantly malingering. That has been on the statute book for a long time and was probably put there in the first place by the Labour Government in the 1948 national insurance legislation. We have never objected to it . . . the principle is unchallengeable."

In case he had not got the point over, he went on:

"it is perfectly reasonable to deny benefit to people who patently and unreasonably refuse to avail themselves of a job or a training scheme. We are not in dispute about that."

Then he went on, because sometimes good points need to be stressed:

"there is no question whatever of people being able readily to malinger on benefit". — [*Official Report, Standing Committee F*, 21 January 1988; c. 633-36.]

The hon. Gentleman seemed to be saying there that he was content with the legislation which was passed by a Government in 1975 in which he was a Social Secuity Minister. So the idea that there is something devious, wicked and radical about availability testing is not on.

Ms. Short *rose*——

Mr. Nicholls: The hon. Lady may be rising to explain that yet again she wishes to dissociate herself from the views of her senior colleague. I give her the opportunity to do so.

Ms. Short: The Minister should not try to be clever at this late hour and he should not seek to mislead the House. We are aware that Beveridge established an availability for work test. The Government recently tightened up that test considerably and imposed new standards, three that I can remember offhand. One was about how far people were willing to travel for work. The second concerned the level of income they would seek and that they should not seek the level they had had before but should opt for the going rate in their local area. The third was a tightening up on whether people cared for children or other dependants during one day and were therefore available for work the following day. We have just been promised in the White Paper a further tightening up of the availability for work test. Let us be honest and agree that there has always been an availability for work test, but it has been tightened up and a further tightening up is promised. That is a shift. The Minister must accept that. Let us not play games at this late hour.

Mr. Nicholls: I am not trying to play games with the hon. Lady, although I suppose I could always be tempted. It is curious that I should be accused of misleading the House when I am only reminding the hon. Lady of the forthright comments of her hon. Friend the Member for Oldham, West about availability testing. He leads for the Opposition on these matters and he is in favour of availability testing.

The hon. Lady says we have tightened it up. We have done no such thing. We have simply ensured that availability testing is properly considered, and, if she is saying that we have changed the ground rules, the answer is that we have not. If somebody finds that his benefit is suspended because doubt has been cast on his availability, then whether or not at the end of the day that person was

available for work and should have that benefit restored will not be decided by a Minister. It will be decided by an appropriate appeal tribunal administering the law, as it has been since Beveridge and before that.

I shall use a nice, neutral word and say that it really is not helpful for the hon. Lady to say that there is something sinister about availability testing. There has always been availability testing and it is quite proper that it should be observed. If there is doubt in a particular case, if criteria have been used too restrictively, a person may have the usual recourse to the appellate procedure. The hon. Lady tempted me to speak about availability but we are really discussing the designation of the scheme.

The hon. Lady—I suspect to build me up before expressing her utter disappointment at my reply—said that, whatever else could be said about me, I tended to answer questions rather than simply to evade them. She then paraphrased the words of my right hon. Friend that there was no intention at present to designate the scheme. That is exactly the position. I do not regard that reply as evasive. It is as straightforward as I can possibly make it. My right hon. Friend made it absolutely clear that it has to be a voluntary scheme. The MSC made it absolutely clear that it considered that the scheme should be voluntary. My right hon. Friend accepted that and has taken every opportunity to say, as I say now, that that is the position.

The hon. Lady is going too far. She is going further than she would if she were standing on this side of the House in saying that I should give an assurance that the scheme will never be designated. Why is it such a good idea that I, as a Minister, should say that we shall never designate under legislation that was passed by a Labour Government? *[Interruption.]* The hon. Lady accuses me of lying. Perhaps she will withdraw that. I heard the hon. Lady quite distinctly. I was called a liar, and I invite her to withdraw that word.

Ms. Short: I did not call the Minister a liar. I said that it was a lie to suggest that clause 26 is no change from the legislation of a previous Labour Government. That is such a distortion of the facts that, in common parlance, it is a lie to describe it in that way. There is no way in which I am calling the Minister a liar. He knows that. This is really unnecessary.

Mr. Nicholls: The effect of clause 26 is to alter section 20 of the 1975 Act to ensure that the sanctions on a designated scheme would apply equally to refusal of work and approved training. The clause slightly alters a section of legislation passed by a Labour Government to rationalise it as much as anything else.

To say that it should never be used is tantamount to saying it should never have existed in the first place. If the hon. Lady is requiring me to say that never, for ever and a day, never this side of the millennium should this clause be used, then that section of a Labour statute is wrong and never should have existed in the first place, and the hon. Lady should have been working for its repeal before now and not simply producing the idea now.

I stress to the hon. Lady with as much verve, vigour and enthusiasm as I can that there is no question of the scheme being anything other than voluntary. I shall pick one point to take her by the hand, as it were, and get her to understand the proposition. She said that there was no intention to designate at the present time, but asked what was the present time, and said that it could be very soon indeed. It would be completely incompatible with all our intentions if the Government were suddenly to designate the scheme. If we were suddenly to designate the scheme, the hon. Lady would be leaping up and down in barely-disguised glee, saying, "I told you so. That is what they always intended to do. They designated it and it is not voluntary." If the Government want the scheme to succeed, it is hardly likely that they will designate it, but if the hon. Lady expects me to say that it will never be designated she should have been working before now for the repeal of the section.

Ms. Short: It is perfectly reasonable to ask the Government to give an undertaking that they will not designate the scheme during the lifetime of this Parliament.

Mr. Nicholls: I am not prepared to say that the scheme will never be designated during the lifetime of this Parliament, or during the next Parliament, or by the turn of the century. If the hon. Lady is taking that line, she should have been working for the repeal of this section and criticising her hon. Friends for having included it in the Act.

The hon. Lady ended her speech by saying that she hoped that all would unite to make the scheme unworkable. She said that it was outrageously unfair. It is not easy for hon. Members who have never been out of work—or who, if an election result went against them, would be able to walk straight into a job because of their academic and educational background—to understand what it must be like to be one of the long-term unemployed. Yesterday I went to a job club in Nottingham where I met somebody who had been a hotel porter. He loves portering in hotels. That is the job that he wants to——

In accordance with MR. SPEAKER'S *Ruling—[Official Report,* 31 January 1983; Vol. 36, c. 19]—*the debate was concluded.*

Economic Developments (Nottinghamshire)

6.6 am

Mr. Andrew Mitchell (Gedling): I am grateful for this opportunity to debate economic developments in Nottinghamshire. I apologise to my hon. Friend the Minister for having kept him up so late, especially as he has a heavy schedule ahead of him. I am grateful to him for agreeing to reply to the debate.

This subject is of particular interest to my constituents and to the people of Nottinghamshire. It is also of great interest to some of my hon. Friends, particularly my hon. Friends the Members for Nottingham, East (Mr. Knowles), for Nottingham, South (Mr. Brandon-Bravo), for Sherwood (Mr. Stewart), for Newark (Mr. Alexander) and for Broxtowe (Mr. Lester). All of them have expressed strong interest in this debate and have given me a number of ideas to include in it. Any ideas that are original and interesting come from them. They take no responsibility for anything that I say that does not come up to their high standard.

Despite the lateness of the hour, I hope that there is not too unreal a feeling in the Chamber. I often wonder how many hon. Members have dreamt that they were speaking in the House of Commons at 6 o'clock in the morning and have woken up to discover that they were. I shall use the time that is available to me to consider three questions: first, economic development in Nottinghamshire, and its landmarks; secondly, a number of specific and key aspects of economic development in Nottinghamshire; and, thirdly, a number of points that I hope my hon. Friend the Minister will note and then consider.

If Nottinghamshire were a stock exchange commodity, it would be severely under-valued. I have lived in Nottinghamshire for three years and have put down roots in the county, but I hope I still maintain a certain objectivity of view. In the past the county has hidden its light under a bushel. Its particular virtues and its appeal to those who wish to invest in the county have been very much undersold. The film that was made on Nottingham city during the latter part of 1987 by Mr. Dimbleby for independent television caused very deep distress. It was deeply insulting to many of the people who live in Nottingham and to many of my constituents. It focused attention on one aspect of Nottingham that is completely unrepresentative.

The inner urban deprivation that the film tried to portray was entirely atypical, and gave a very false impression. Many people—some of them business men who did not know Nottingham particularly well—experienced a reaction clearly chronicled in the local paper and by local radio stations: if they ever drove through Nottingham, they would make sure that the doors were locked and the windows shut. The film made by independent television directly led to that erroneous view of the city.

I should like to talk a bit about how my constituency, Gedling, fits into recent economic developments. There is not a great deal of heavy industry in Gedling; it has always been to some extent a dormitory town for Nottingham city. Nevertheless, we take a close interest in what happens in Nottingham, which we regard as the centre of the wheel, with Gedling as one of the spokes. We recognise that what happens today in Nottingham affects the wealth, the standard of living and the quality of life in Gedling tomorrow. We cannot stand immune from what happens over the border. I am grateful for the way in which the hon. Members who represent Nottingham accept that view, and for their understanding that we in Gedling have a part to play in the debate on how the inner city of Nottingham develops.

First, let me salute the work of the local council in Gedling—officers, management team and members—for the work that they do through the ecomomic development committee. In the finest traditions of Conservative politics, the council seeks to handle urban and economic development as manager and organiser, without becoming too much involved in the venture itself. The aim is to stimulate development, and act as a catalyst for it.

I can think of no better example than the new business centre to be opened in about three weeks' time in Arnold, which will make available 21 units, of which 14 are already let. The space measures between 160 and 600 sq ft, together with appropriate support facilities for the small businesses that will be setting up there. We have no doubt that, before the centre is open, virtually all those places will have been filled. I am delighted at the success of the project.

The council's aim has been to ensure that new starters can move in, but not stay there permanently. They are there to ensure that they make a good start, and then they can move on. It is also to put the small businesses that are taking advantage of the accommodation in touch with action resource centres and with Nottingham Business Venture, and to act as a go-between. That too is very important.

The business centre has a broadly neutral effect in financial terms. It is not expected to be an expense on the ratepayers of Gedling, and eventually, when suitable management is found, I have no doubt that the borough council will part with it to the private sector and allow it to be run by an appropriate body there. That is a good example of the way in which local government in Nottinghamshire, and in the borough that I represent, is able to stimulate the activities of small business men and the businesses of tomorrow.

Along with that, perhaps the major economic development—in Gedling—adjacent to the worst area of unemployment—has been the development at Victoria park at Colwick, through unstinting hard work by both the private sector and the borough council over a long period. An area of some 100 acres, part of which is now a derelict railway yard, and which has—to put it mildly—seen better times, is now being redeveloped. The first phase will provide for non-food retail, and most of it is already let. It will provide between 200 and 300 new jobs locally, in an area with a worrying level of unemployment—which, however, has come down from 20 per cent. to 16 per cent. in the past 18 months, and where, I am sure, that satisfactory trend will continue.

While dealing with economic developments close to my constituency in Nottinghamshire, I cannot fail to mention the importance that we attach to the road infrastructure there, and, in particular, the importance of the Gedling bypass, about which there is enormous concern in my constituency. The new developments that I have been outlining, particularly on Colwick sidings, will help to add to the enormous traffic congestion in that part of my constituency.

Indeed, a report by the county council officers stressed that nowhere in the whole of the county was traffic increasing so fast as in that area of Gedling. The road there has been talked about since the 1930s, so we have already been waiting over 50 years for some relief in that respect. The Government have also said that they will look favourably on transport support grant being made available for that important road.

I hope that the county council will reconsider its capital programme priorities. It is a matter of regret to many of my constituents that they have not seen fit to include it in the latest review of its capital programme. I hope that in time it will be possible, and preferably as quickly as possible, to ensure that that important new road comes about. The sort of economic developments that I have outlined underline the importance that that should, indeed, take place.

Let me move on to a wider perspective. I said earlier that Gedling is overshadowed by what happens in inner-city Nottingham. What happens in Nottingham today matters very much to the large numbr of my constituents who work there. I also mentioned that we have watched the debate about Nottingham's future with great interest. I should like to pay tribute to the work that has been done over a long period by the Nottingham *Evening Post*, a popular and powerful local paper. It has been a ceaseless and fearless campaigner for concentrating the minds of the local community and politicians on the importance of pulling together and getting on with the job of bringing inward investment to Nottingham and ensuring that those areas that require rejuvenation are rejuvenated.

We have also benefited greatly from the proximity of the constituency of my right hon. and learned Friend the Member for Rushcliffe (Mr. Clarke), the Chancellor of the Duchy of Lancaster, who takes such a close interest in what happens in Nottingham. That can only be to the city's great advantage.

In particular, Nottingham Development Enterprise has sprung up as a result of local concern and the initiative of local politicians. It is fortunate in having as its chairman David White. Last night, at a board meeting, the new board was confirmed, which included the chairman of Boots, the managing director of Plessey, the senior partner of Peat Marwick in the region and the regional director of NatWest. In addition, the appointment of NDE's new chief executive, Michael Neale, who has had so much experience in the London Docklands development corporation, has recently been announced. With that galaxy of talent and experience, I hope that NDE will now be able to get on with the difficult job that it has set itself.

It is important to stress the aim of an organisation that in many respects is effectively a private sector urban development corporation.

Ms. Clare Short (Birmingham, Ladywood): I thought that the local authority, as well as the private sector, had a place on the board, unlike the Government's urban development corporations, which cut out local authorities.

Mr. Mitchell: I am grateful to the hon. Lady for giving me the chance to make the point that NDE is specifically a private sector initiative and its main and central purpose is to bring private sector bite to the problems of rejuvenating those parts of Nottingham which need it. I should make it clear that it is, in a real sense, a radical departure from what has happened in the past. There is plenty of evidence to sustain my view that it is very much a private sector UDC, with certain differences.

There are in Nottingham a number of major derelict sites and that is one of the first objectives which the NDE must now tackle. Progress has been stalled in a number of respects by the hope of the owners of those sites for retail planning permission. Those areas of land are substantial. We must resolve whether to give retail planning permission to all the sites, in the hope that that will saturate the market and undermine the premiums, or whether we should use the compulsory purchase order procedure to bring the site back into economic development. That issue must now be resolved quickly.

The second aim of NDE is to ensure that we do more to market Nottinghamshire and Nottingham, to bring in further investment. NDE is right in having identified one of the problems of Nottingham and Nottinghamshire as lacking a coherent identity and a central theme. The country of Nottinghamshire, by tradition, has been very self-contained; I am sure that the hon. Member for Mansfield (Mr. Meale) will agree with that. One of the most important problems to be addressed by NDE is Nottingham's ability to go forward with a national and international identity.

When I recently visited the royal ordnance factory in Nottingham, which, because of relocation of other aspects of its business, is seeking to increase its work force from 1,100 to 2,000, I was told of the difficulty being experienced in encouraging people to transfer to Nottingham. I find that extraordinary. The area has a tremendously high quality of life and a good central position.

A major Nottingham-based company, which has branches and warehouses all over the country, recently sought to work out, using a sophisticated computer programme, where would be the most advantageous and central position to have its headquarters. It came up with an area within five miles of where it is in the centre of Nottingham.

Apart from the excellent quality of life, the leisure and shopping facilities are famed in the region. The local countryside is not sufficiently well known outside the county, but is among the most beautiful parts of England not yet discovered by the tourists.

Employment in Nottingham is broadly spread, which has enabled us to weather some of the more severe effects of recessions. The outstanding labour record and the good relationship with trade unions is another good point.

We benefit greatly from the low cost of housing. Every national housing survey shows that housing is low priced, which benefits people who are relocating or wishing to invest in the country. Housing is reasonably priced when compared with other parts of the country.

NDE should equally be concerned about infrastructure. We have the fourth largest airport in the country, which, until recently, was the fastest expanding. The county is fortunate in being served by the A1 and M1, but the A453, which leads into Nottingham, is an extremely dangerous road, so I hope that a way will be found to improve the link road. If one travels west from Nottinghamshire, it is difficult to get on to the M6 without going through Derby, Stoke and so on. As we move towards a unified Common Market in 1991, it will be

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important to sort out those problems, and I hope that the county and the Department of Transport will make some progress before that date.

Local attention must concentrate on the defects of the railway network. We on the eastern side of the county are fortunate to have the east coast service, which has been electrified. It is an excellent service, which can get to Grantham in under an hour. That is in contrast to the Midland line, which serves the city of Nottingham. The service there is very slow and we must speed it up if we are to get more inward investment to Nottingham and attract businessmen to the city. The chairman of NDE has been successful in persuading British Rail to put more trains on the Midland line and to cut the London journey time by six minutes, bringing the speed of the journey up to that of the average speed of the journey from London to Birmingham.

Despite the fact that I understand British Rail's position and accept that very heavy capital investment would be needed to improve that line substantially, I also believe that gradual improvement is absolutely essential. British Rail has spent about £25 million on improving signalling at Leicester and for us to get the benefit of that improvement on the Midland line there should be a strong commitment over a period—and I accept the financial necessity for that — for British Rail to improve continuously the quality of the service on the Midland line.

Those are challenges for Nottingham, and NDE is seeking to help. It is important to explain that the Government's approach to the inner cities and to Nottingham in particular has been very beneficial. I welcome the recognition that "inner city" is not a generic term. For example, differences exist between Liverpool, Sunderland — where I fought a seat in the general election in 1983 and was defeated — and Nottingham. We cannot use the same term to describe those three very different areas.

Nottingham is right to identify the need for a private sector initiative and that is a very important way forward. Reverting to what I said earlier in response to the intervention from the hon. Member for Birmingham, Ladywood (Ms. Short) about the relative merits of the NDE approach or the UDC to stimulate economic growth in Nottinghamshire, I want to stress that no Government money is being made available to the NDE. If my hon. Friend the Minister decided to set up a UDC in Nottingham it would cost between £100 million and £160 million. However, under the NDE initiative, which we hope will supplant the necessity of a UDC for Nottingham, no Government money is to be invested. The city council is putting up about £50,000 and £50,000 is being put up by the county. The chamber of commerce, with its range of private sector interests, has also offered its full support.

However, we must accept that, if the approach fails, and it is necessary to set up a UDC in the area, that will be much more expensive. I hope that my hon. Friend the Minister will consider that it is important that he and his colleagues find a way to help in that context.

I want to offer one idea for further thought about one of the most important aspects of the work of NDE. Local authorities in Nottingham have been successful in securing a number of the urban grants made available by the Government. I hope that the Government will decide to allow a secondee from Whitehall — either from the Department of the Environment or the Department of Trade and Industry—the DTI is the lead Ministry in those respects in Nottingham—to work in the city for a year to help guide and sort out the mish-mash of grants and other aspects relating to Whitehall.

To have such a secondee in the offices of NDE would be a great advantage and would be welcomed. I do not think that that will necessarily be a new idea for the Government, but I hope that they will consider it as a fruitful and constructive way of helping, and one that costs virtually nothing in comparison with the overall costs of a UDC.

One of the key characteristics of economic development in Nottinghamshire has been the dominance of the small firm. We have greatly benefited from the Government's measures in that respect. The encouragement of development, through enterprise and incentives has been very helpful. The chamber of commerce in Nottingham cites, as particular benefits provided by the Government to help small business men, the reduction in taxation, the simplifying of bureaucratic burdens on employers and the removal of some of the nervousness that it detected about business expansion and, also, more mundane matters such as moving to cash accounting for VAT.

There is widespread and vigorous support in the chamber of commerce for some of the measures affecting the taxation of small business men which were announced in the Government's community charge legislation. It has been suggested that the chambers of commerce are against that legislation. Certainly, in the Nottinghamshire chamber of commerce, one of the most powerful in the country and the second largest, there is strong support for those changes.

In the past few years, the textile and clothing industry, which used to be the linchpin in Nottinghamshire, has started booming again. There is no point in competing with labour-intensive, Third-world industries in that market. In many places, the industry has been re-equipped and re-machined. It employs many of my constituents, who are undergoing something of a renaissance, which is tied in with the fashion industry in Nottingham. I salute the achievements of companies such as Atlas House on the Colwick estate.

I recognise the contribution to economic development by Labour-controlled Nottinghamshire county council. One of the attractive aspects of the county council—I am afraid there are not many—is the fact that the council takes a pragmatic, common-sense and highly professional view on economic development. It is important to demonstrate that, in our approach to inner-city and economic development, we try to put party politics to one side and to concentrate on a unified approach to solving these difficult problems. I hope that that aspect of the way in which we conduct our local economic affairs appeals to central Government.

Having set economic developments in Nottinghamshire in a general context, I should like to consider two specific and important parts of its economy. The first and largely untapped one, which is growing steadily, is tourism. By contrast, the second is deeply rooted in Nottinghamshire, is among its oldest industries and is of fundamental importance to the area's prosperity — coal. The hon. Member for Mansfield (Mr. Meale) will wish to expand, although not necessarily agree with, some of my points about the coal industry.

Most outsiders who know Nottinghamshire know it as the home of Robin Hood, yet we have been remarkably slow to capitalise on the natural attraction and advantage that that gives us. Perhaps Nottinghamshire is known also for Holme Pierrepoint, the national water sports centre.

There has been a radical change in the local approach to stimulating tourist and leisure activity—private sector led—in tourism. It has been recognised that there is a major chance of winning new jobs for the county. This is reflected in the high quality and high occupancy rates of the local hotels. It is interesting that three quarters of the people who come to the area are business men rather than tourists. Although the area is attractive to tourists from north Europe, who like the shops, restaurants and nightlife which are offered, this has not penetrated so deeply into the minds of some of our fellow countrymen. It is very much a part of that strategy to tempt those people who are coming from the north to break their journey in the midlands and to see some of Nottinghamshire's advantages. That strategy has enormous potential.

In support of that, I draw attention to the activities in the county of Centre Parcs, a Dutch company. In a recent £40 million investment, it built its first British holiday village—a new concept—in Sherwood forest. It opened last spring and has been fully booked ever since. At first there was some anxiety that it would appeal only to the Dutch and to those familiar with the concept, but local people have taken to it with relish. This new concept in luxury rural living has provided 400 new jobs; another expansion has recently been announced, and there are more jobs coming. It is a great step forward.

The area now abounds with new ideas for stimulating tourism as an aid to economic development and capitalising on some of the county's natural assets. We now have the possibility of a Pilgrim Fathers heritage trail in Bassetlaw, which is where they started from. There is an idea for a museum of the Civil War in Newark. You will recall, Mr. Deputy Speaker, that the county was on the wrong side in the Civil War, but the area is steeped in history from that period.

Ms. Short: Which was the wrong side?

Mr. Mitchell: The hon. Lady need hardly ask me that in this place.

The area has huge potential. In the last 10 days the Robin Hood centre, another new concept for Nottinghamshire, went public to raise £2·5 million to open a "Tales of Robin Hood" centre. That is a further example of capitalising on this important aspect of our history—albeit late in the day.

Other new thoughts include setting up an international football history museum and soccer centre, which would be a world first for Nottingham. In Notts County, we have the oldest football league club in the world and in Nottingham Forest the most successful, although I pay due deference to my hon. Friend the Member for Welwyn Hatfield (Mr. Evans) in that respect. Perhaps having immortalised Robin Hood, we are now about to do the same for Brian Clough. A worldwide soccer centre could be a major attraction for European soccer enthusiasts.

I shall move on to the more contentious subject of the coal industry in Nottinghamshire. My constituency is very much a coalfield community. Next door, I have my hon. Friend the Member for Sherwood (Mr. Stewart) who so admirably represents the seat with the most collieries in the country. We are steeped in the lore of the coal industry. Gedling colliery in my constituency, which last year lost some £5·7 million, is this year hoping to approach break-even. The colliery has a very proud tradition, although most of those who work there come from outside my constituency. It is proud of its reputation and by local tradition supplies the Queen with her coal at Sandringham.

Gedling is one of the few Conservative local authorities that is a member of the Coalfield Communities Campaign, and one of our Conservative councillors is a member. He has spent his life in the coal industry and is a former colliery member. I do not think that it is an exaggeration to say that the CCC benefits from having a man of his stature as a member. I hope that the time will not come when Gedling feels that it should withdraw from the CCC because it is too party-political. That trend has been identified and it would be regrettable, and a great loss to the CCC, if that happened.

The importance of the Nottinghamshire mining industry is demonstrated by the fact that last year British Coal drew half its operating profit from the county. In spite of the National Association of Colliery Overmen, Deputies and Shotfirers strike, productivity has increased by 13 per cent. in the past year, and progress is being made. The board of British Coal should seriously consider moving its headquarters to Nottingham. It seems absurd that the headquarters of a business should not be in the area where that business principally operates. I hope that British Coal will consider that seriously.

British Coal's commitment to Nottinghamshire is underlined by the fact that in each of the next five years it will be investing £100 million in the industry. I need hardly mention the promotion of the plans for Asfordby as showing British Coal's commitment to the Nottingham coalfield. What is so encouraging—we sometimes lose sight of this factor in debates on coal—is that productivity and competitiveness are increasing all the time.

The hon. Member for Mansfield speaks on these issues with great concern. I must tell him that the future of British coal must depend upon greater competitiveness and productivity. I accept that, in the past few days, we have heard further sad news about closures. They are a fact of life in the mining world. That was recognised when the Labour party was in government, as well as today. There is often quite simply nothing that we can do when a pit is exhausted, or extraction is uneconomic. But if we continue to concentrate on productivity and competitiveness as the linchpin of the industry, it has a great future.

Two thousand people have been recruited into the industry in Nottinghamshire in the past year, of whom 120 are shool leavers. The industry is now the lowest-cost producer in western Europe. These are important steps forward.

I believe that the Nottinghamshire area will accept the six-day working plan. Although the leader of the NUM tells us that miners fought for a five-day working week, he does not tell us that the five-day week came in because in many cases the men were working only a three or three-and-a-half-day week before the war and the five-day working week agreement was to guarantee and secure five days of work and wages. A six-day working week is not to be feared. It would allow for flexible working and the possibility of, say, three weeks working for six days, followed by a week off. Whatever arrangement was

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undertaken no more days would be worked in a year than are worked now. This is the way for the industry to have more productivity, employment and success.

An important factor in this matter is that the Government's proposals for privatisation of the electricity industry represent a great chance both for the Nottinghamshire economy and for the miners.

I am fortunate to have the headquarters of the East Midlands electricity board in my constituency, I visited it last Friday to meet the board and the chairman, Mr. John Harris, to talk about what they regard as the opportunities for the area arising from the Government's proposals on electricity generation. I was struck by the enthusiasm with which they greet the proposals. They recognise that, while distribution is a natural monopoly, generation of electricity is not. They say that there are already queues of people seeking to enter the generation industry. I believe, subject only to the Nottinghamshire miners continuing to increase productivity and competitiveness, that there is a great future for the coal industry. Nottinghamshire can be the power house for coal-fired generation. EMEB is already talking to the miners about how they can bring that great advantage to the Nottinghamshire economy, to the miners who live and work in the county, and to the development of the industry.

I am very grateful to my hon. Friend for listening to the debate and I look forward to his reply. I hope that he detects in Nottinghamshire the determination to face these challenges. I am pleased to be joined by the hon. Member for Mansfield (Mr. Meale) who regularly expresses interest in many of these matters. I hope that my hon. Friend will recognise the keenness to build on the success that has already been achieved in the economic development of the county, and in those areas that I have signposted to him, he and his ministerial colleagues will give us a constructive and welcome fair wind.

6.43 am

Mr. Alan Meale (Mansfield): I congratulate the hon. Member for Gedling (Mr. Mitchell), but I must take an opposing view to some of his remarks, particularly his references to the textile industry and to British Coal. Contrary to what he has implied, British Coal's management does not give great hope for Nottinghamshire. The Government are causing problems in that respect. Perhaps 2,000 workers have been recruited by British Coal into the industry in the past two years, but since 1979 when the Conservative Government came to power, the overall manpower in the coalfield has decreased from 34,000 to 19,000. Yesterday's announcement of the closure of Crowny pit at Mansfield colliery in my constituency, makes the situation even worse. It is a terrible decision for my community and it will do no good for the economic development of Nottinghamshire.

The hon. Member for Gedling has said that it would be nice if British Coal shifted its headquarters to Nottingham city. For my constituents,those headquarters might as well be in Timbuktu because they receive little or no beneficial responses from them.

The pit closure at Crowny will have devastating effects on the community. Only yesterday British Coal said that there will be no compulsory redundancies at the pit. That is complete nonsense. A short time ago Linby colliery was closed and 50 former employees have yet to find work. Some of that number were supposed to turn up next Monday at Mansfield colliery to start work. Thus there is little hope for the workers—between 950 and 1,000—at Crowny pit.

The decline of the coal industry in Nottinghamshire is not because coal is running out. In 1983 Crowny was found to contain more than 12 million tonnes of resource reservable coal. Less than 2 million tonnes has been withdrawn from that pit. The industry is not subsidised by the Government and, as a result of a fall in the price of coal, jobs and coal must go. That does not make economic sense. The Government, instead of investing in the coal industry, as other countries do, have gone for profitability and cheap, imported coal.

The hon. Gentleman and his hon. Friends will be aware that millions of tonnes of cheap, second-rate coal are lying on the Continent at Ghent, Rotterdam and elsewhere. I am told that more than 20 million tonnes of such coal exists. It is sold at £13 a tonne, plus £8 carriage costs—a total of £21 a tonne. That is two thirds of the production cost of British coal. We cannot compete with those prices.

The hon. Gentleman should be aware that imported coal is blood coal. It has been mined in South Africa by miners earning £20 a week, many of whom die in the process as a result of bad working conditions. No Government should stand back and rely on cheap, imported coal.

It cannot be argued that the workers at the Crowny pit were uneconomic. In the past four months the workers have broken two world records for coal cutting at the face. A short time ago local magazine and newspaper articles were describing how wonderful the workers at Mansfield were for knocking out such large amounts of coal. Those miners were not involved in the 1984-85 miners' strike. They worked throughout that strike in support of the coal board and the Government. Sadly they have been let down and have been told, without any warning, that the pit is to close.

In the past there have always been negotiations and discussions with workers at the highest level within the industry. Those discussions were for the purpose of informing the miners of forthcoming problems. The Crowny pit closure has illustrated another fundamental problem with British Coal. No such discussions took place. The other day members of the mining community were called in and told that the pit was to close. A story is going about that the Government have said that British Coal can have £24 million to invest in the mining industry in Nottinghamshire, but that a pit had to close. Everyone thought that it would be Calverton and not Mansfield. Mansfield is a secure bastion for the Government. It worked hard when the Government needed it so much, but now the Government and the coal board have walked away.

There are other problems in the Mansfield community, apart from those relating to mining. Textiles are also a bastion of reliable employment in the Nottinghamshire area. Recently, the Viyella factory, which was based in my constituency and represented 250 years of textile manufacturing of the highest grade products in Nottinghamshire, closed down. I was interested to see recently in *Vogue* magazine that the company was still trading with the Mansfield logo and saying that all the products were produced in a homely Nottinghamshire

factory based in Pleasley in Mansfield. That is nonsense, as all the workers have been sacked and the factory has closed down and moved to Lancashire.

British Coal is already bargaining and bidding for the Pleasley Vale area because there is an opportunity to explore the large area of opencast seam coal and strip it clean. That valley used to produce the highest quality goods which were sold in New York, Paris, Hong Kong and London. Viyella products are a trademark of Harrods, which Conservative Members will know so well.

The Government are not making great economic strides. As a result of their policies, industry is losing out and is about to lose out even more if they persist in their reactionary and backward economic policies.

The hon. Member for Gedling criticised the lack of help for the small business community in Nottinghamshire. Like him, I dread to think what will happen unless some kind of sense can be derived from the Government's strategy on the poll tax. We need help to ensure that those businesses do not go to the wall. Many thousands of bankruptcies have occurred in Nottinghamshire in recent years and we must ensure that they do not continue as a result of the introduction of the poll tax.

The situation in north Nottinghamshire is grave. The setting up of a founding fathers' trail in Bassetlaw will not solve the problems of my hon. Friend the Member for Bassetlaw (Mr. Ashton) regarding economic development in the area. Much more is needed.

Mr. Andrew Mitchell: I accept the hon. Gentleman's point, but we must continue to stimulate local economic development. Tourism in the county can play a role in that. I hope that the hon. Gentleman will not pooh-pooh one of the two or three initiatives which are currently under consideration and which, together, constitute a great deal more than one independent and isolated idea.

Mr. Meale: I am not pooh-poohing everything that the hon. Gentleman said; in fact, he spoke quite a lot of sense. However, tourism will not save Bassetlaw, Sherwood—with its Centre Parcs — or Mansfield. I welcome the large companies that are coming into the Mansfield area and trying to develop tourism. But tourism will not solve our problems. It will only scratch the surface of the major problems in the community.

I ask the hon. Gentleman to remember what has been said in recent days about putting up money for the inner cities. I have grave doubts about Government policy in that respect. I ask the Government to consider seriously such areas as Mansfield. According to a recent study by Nottinghamshire county council, Mansfield is, in parts, the second most deprived area in the county. It is not only the inner cities that need help, but such areas as Mansfield with pockets of extreme deprivation.

We also need help for the small business community, which is failing to survive. Today I got from the Library the figures for unemployment in Mansfield. Since 1979, when the Consevative Government were elected, unemployment has more than doubled in my constituency. As of yesterday, 3,760 men and 1,260 women were unemployed there, 32 per cent. of whom were under the age of 25, and more then 40 per cent. of whom were long-term unemployed — more than 2,000 people. The decision to close Crown Farm, Mansfield's colliery, will add 1,000 people to the dole queues in my constituency and surrounding constituencies. That places a heavy burden on future developments.

My district council is trying hard to get involved in economic development. It has just hired a senior economic adviser and is producing booklets and brochures. It has started a campaign—I know that the hon. Member for Gedling supports it — to try to get a rail link from Nottingham to Mansfield, which is the largest town without a rail link in Britain.

Conservative Members and the Government must realise that we need central Government help. Our major industries — textiles, mining and others — need some bolstering by the Government. We do not want to keep open uneconomic pits and pits whose coal is inaccessible, but there were 9 million tonnes in the pit that closed yesterday. We need support from the Government to get that out. The local authority needs money to invest in a range of industries.

It is no good saying that everything in the picture is rosy, so let us go forward together. We need action, not only in cities, but in areas such as Mansfield.

6.57 am

The Parliamentary Under-Secretary of State for Industry and Consumer Affairs (Mr. John Butcher): I congratulate my hon. Friend the Member for Gedling (Mr. Mitchell) on his success in the ballot and on the manner in which he deployed his arguments. He spoke eloquently of the advantages of Nottinghamshire from all points of view — as a place in which to work and to which others should come to work and to visit if they have surplus cash to spend in their leisure time. The themes in his speech were so good that they should, perhaps, be incorporated in, and constitute the frontispiece of, whatever information the county council next publishes.

To an outsider, it appears true that Nottinghamshire has tended to hide its light under a bushel, although it is being more assertive now. It was interesting to hear that Nottinghamshire has joined Mr. Dimbleby's casualty list, which appears to be growing. Perhaps the people there have seen vividly the pitfalls that may appear when television reporting of that sort is foisted on a local community.

I also join my hon. Friend in congratulating the new business centre in Arnold, which he told the House had already let 14 of its 21 units. That is an excellent rate of progress. My hon. Friend also talked about the Victoria park at Colwick, where 100 acres of derelict land are being developed and which should generate 200 to 300 local jobs. My hon. Friend made a very important point about the road infrastructure and I shall return to that theme in a moment.

Ms. Short: We have heard about retail development on one of the derelict sites. I understand that it was the view of both local councils that planning permission for retail development should not have been granted, but that that was overturned by the Secretary of State for the Environment. There are now grave local problems about developing other derelict sites because there is great competition for planning permission for retail development. Big financial houses are competing to come into Nottinghamshire and they would provide a considerable amount of jobs. I hope that the Minister will note that the Government's intervention, their overturning of local decisions and the granting of planning permission for retail development seems to be creating a block on the development of other derelict land and that that block could be disadvantageous to the local area.

Mr. Andrew Mitchell *rose*—

Mr. Butcher: I think that I had better answer that point, and then I should welcome an intervention by my hon. Friend. I hope that the hon. Lady has noticed some very recent announcements — in parliamentary terms in the early part of today — from my hon. Friend the Under-Secretary of State for Employment. If I remember correctly the contents of his press release, grants of about £8 million have been allocated to the east midlands. He made that announcement in Nottingham and a major element of the grants will be for derelict land.

This vexed question of how one chooses which kind of development should go ahead in what sort of area applies not just to Nottinghamshire but nationally. We should agree first that anything that can restore derelict land to productive use so that jobs can be created is to be welcomed.

The second question is about the balance of employment available in a locality. We have to trust our planning and the appeals procedures that go with the planning methodology to produce a balanced conclusion. I would not hazard a guess about which type of employment would be most agreeable to the residents in a particular location.

Mr. Andrew Mitchell: I am extremely grateful to my hon. Friend for giving way. The hon. Member for Birmingham, Ladywood (Ms. Short) raised an important matter, but, unfortunately, she has been furnished with only half the facts. One of the principal aspects of the debate on this development was whether permission should be granted for housing to be constructed in the area. The borough council fully accepts that there should be some retail space, and there has been much debate about that as well. The point made by the hon. Lady gave only a partial view of the debate in respect of that application.

Mr. Butcher: My hon. Friend the Member for Gedling reminded the House that his constituents have been waiting for the Gedling bypass for 50 years. The decisions about whether transport support grant applications should be invited and whether the capital programme should be reconsidered are matters for the county council. I am sure that my hon. Friend the Secretary of State for Transport will be most interested in my hon. Friend's comments and will examine *Hansard* to see whether any of my hon. Friend's observations apply to him.

The Nottinham Development Enterprise is an excellent effort. It has been private sector instigated and, from my contacts with the industrial and commercial community in Nottinghamshire, and especially with the chamber of commerce, I can say that there are some very vigorous and imaginative people in the county and the city. I am sure that the NDE methodology will maximise chances of success. The question raised in this context relates to the secondee. I shall look carefully at what my hon. Friend has said — perhaps I should do that in a more rested condition — to see whether either the Department of Employment or the Department of Trade and Industry can come up with a response that my hon. Friend will welcome.

Tourism is another topic which occasionally excites the House. Some say that tourism is not a sufficiently macho form of employment and see employment to be welcomed only in the manufacturing sector or mining — in the traditional industries, as they have been called. As long as the United Kingdom is generating from all sources of employment sufficient wealth to sustain the quality of life which hon. Members would welcome, we can be more or less neutral on how individuals earn their living. I have said many times in the House that it is predominantly the manufacturing sector that generates most efficiently cash income for the United Kingdom, in that 80 per cent. of its output is internationally tradable. But that is not to say that the service and non-manufacturing sectors have not made a useful contribution. They have made a magnificent contribution in terms of job creation and have generated hundreds of thousands of jobs, some of them in the teeth of the 1981-82 recession. So we can be genuinely open-minded on where employment should come.

I wonder whether Nottinghamshire has recently understated the role of Robin Hood in its previous history.

Ms. Short: It is saying that he never met Maid Marian.

Mr. Butcher: Nottingham, as the hon. Lady quite rightly says, is desperately trying to assert that he never met Maid Marian. As someone who was born in a mining community in Yorkshire, I prefer the Invanhoe legend; and as someone who went to school in Huntingdonshire, I can confirm that Robin Hood definitely did not have a lapsed title there. He was none the less an interesting man, an enigma and very much a Saxon in his attitude to those who were trying to rule us in a rather anachistic and feudal manner. He represented the rights of freeborn Englishmen, perhaps in a mythological sense and in a way which the English have liked to reassert in the ensuing centuries.

My hon. Friend the Member for Gedling spoke generously about the coalfield communities campaign and said, quite rightly, that efforts should be made to keep it on an objective, all-party basis. Like him, I hope that it does not develop into a lobbying operation for a particular political stance.

The suggestion that the National Coal Board headquarters should move to Nottingham was interesting. If that is the growing centre of gravity in the mining industry, that is something for the board to consider. I would expect my hon. Friend to make a strong point in that regard, and my right hon. Friend the Secretary of State for Energy may care to take a look at it, although I suspect that he is pretty busy at the moment on broader issues. I believe that across the public sector there should be far more decentralisation and that we should continuously examine the location of jobs either in Whitehall Departments or in public utilities which report to them.

My hon. Friend concluded by saying that increasing productivity has to be the continuing way forward for the coal industry, and it is, I believe, the correct conclusion for Nottingham and for his constituency that we should examine the ingredients for success and build on them.

The hon. Member for Mansfield (Mr. Meale), understandably in the light of very recent news, spoke passionately about the impact of the colliery closure in his constituency. I fully understand why hon. Members have to, and always will, I hope, speak up when such events occur. I know that efforts are necessary to do our best to replace the jobs that have been lost.

I hope that when the hon. Gentleman deals with his local authority and when that authority puts forward

development programmes, he will say that it is not enough to appoint economic advisers or issue leaflets. More important is the type of home and welcome that Mansfield gives to people who, of their own volition, wish to bring work to, or start work in, the location.

While this may not apply to Mansfield, there have been cases of cities appointing economic advisers and development units but insisting on slapping on rate increases that are far too high to create a welcoming environment for the job providers.

I welcome the observations that my hon. Friend made and I appreciate the reasons for the observations of the hon. Member for Mansfield. I shall not detain the House for long. In Nottinghamshire there are signs that the recovery has strength, that the traditional industries are finding a new way forward, that new industries are coming forward, that the enterprise culture is alive and kicking in the city and county and that the days when Nottinghamshire may have been underestimated may now, with the help of its MPs, be coming to an end. By that I mean that, because of those efforts, the underestimation will come to an end.

Ms. Short: Will the Minister repeat that?

Mr. Butcher: One must be extremely careful in the early—or should I say late?—hours of a parliamentary day. The hon. Lady will know that on occasions such as this, one loose adjective can cause the most disproportionate amount of trouble. I am doing my best, at this hour, to control my adjectives and to speak slowly, clearly and in a considered manner, and though I have not even begun to read the speech that has been prepared for me, I hope that I have passed the test, certainly from the point of view of the usual channels, in responding as positively as I am able to the points that have been made.

Capper Pass Factory (Polonium Emissions)

7.12 am

Mr. James Cran (Beverley): I am grateful for this opportunity to address the House this morning. I suppose that I should really call it this evening for, unlike most others in the House, I have had the benefit of a good night's sleep.

At business questions yesterday I raised the subject of cancer clusters. My constituents and I are worried not only about the substance of the facts but about the manner in which the issue was publicised. It came as a surprise to many people last Friday evening to turn on their TV sets to view Channel 4 and see what many fair-minded people would regard as a sensational programme. The problem with such programmes is that, while they focus the mind, they also worry many people quite unnecessarily.

As a consequence of that programme, I have received many letters from constituents asking whether the matters stated in that programme were correct. That is why I raised the matter in the House yesterday, and I am fortunate to be able to raise it now.

What is the substance of the problem? I have no doubt about the fact, having checked it, that there is a higher than average incidence of cancers among children in a particular part of my constituency, one might say in the direction of the prevailing wind from the factory in question, which is called Capper Pass and is part of the Rio Tinto-Zinc organisation.

Since 1977, there have been eleven cases of cancers in children. That may not seem a lot in relation to the total population of my constituency, or indeed of the area within it that we are discussing, but when that disease strikes, the effect on the families involved is 100 per cent. When considering the national average of what one would expect in terms of the incidence of cancer, I discovered that for seven types of cancer, the observed rate in my constituency is above, and in some cases considerably above, the United Kingdom average, albeit the actual numbers involved are, I repeat, extremely low.

I wish to get that message across to my constituents so that they do not believe the newspaper reports which talk about "cancer villages". That gives the impression that anybody and everybody is liable to succumb to cancer, and that is not the case because, as I say, the numbers involved are very low. None the less, the disease is distressing when it occurs. That distress is reflected in the letters that I receive from constituents with young families who worry about what may happen during the next few years of their children's lives. That is why I as a Member of Parliament, and the Government, have to take the matter extremely seriously.

I have to pay tribute to my hon. Friend the Under-Secretary of State for the Environment, the Member for Lewisham, East (Mr. Moynihan). Yesterday, I beat him to his Department, today he beat me to the House of Commons, and I must pay tribute to the readiness with which he was prepared to see me. I know that he has had a very busy schedule this week, and I believe that he was in Malta yesterday, but that did not prevent him from seeing me. It will give my constituents confidence to know that the Minister was prepared at very short notice to hear representations from a Member of Parliament, and in this case a very new Member of Parliament.

[Mr. James Cran]

I also put it on record that my hon. Friend's Department is not the only one with responsibility for this matter. The Department of the Environment is involved in the pollution control and the identification of the pollution, but if there is a medical problem after that, it then becomes the responsibility of the Department of Health and Social Security. Again I should like to place it on record that the responsible Minister there, who I understand is Lord Skelmersdale, will readily meet me to discuss the matter, and I hope to see him early next week.

What is the problem with which we are all faced? As I have said, the company involved is Capper Pass and I must place it on record that it is an extremely responsible company. When I was newly elected, I did not have to ask the company whether I could investigate what it did or whether I could look around that installation. The managing director made sure that, within a week or two, he had invited me to see his operation because he knows as well as I do that there are environmental considerations arising out of that plant, particularly the smokestack. He went to considerable lengths to show me what is done in the factory to ensure that all types of emissions from the chimney are controlled and monitored.

Immediate action is taken if emission levels are higher than those allowed. An extremely sophisticated control mechanism is operated by that plant to monitor polonium 210 and other emissions, such as lead and arsenic. I stress, however, that the level of all emissions into the atmosphere is below allowed limits, which my hon. Friend the Minister will, I am sure, affirm.

Capper Pass is the biggest tin smelting company in Europe. It discovered in 1984 that one of its by-products was emitting alpha radiation. After very sophisticated laboratory tests, it was found to be polonium 210. The National Radiological Protection Board was quick to lend its aid to the company to analyse the substance.

Polonium is of natural origin. Tin deposits are often to be found in granite rocks and it is not, therefore, surprising that there are emissions of alpha radiation from tin, which then get into the production chain. That is exactly what occurred in this case. However, for this very reason, I must ask why the inspectorate did not take the initiative before 1984 and go to Capper Pass and to similar companies that handle products that might emit radiation to conduct tests in the manner I have just described? Again I stress that the amount of radiation being emitted by the tin did not, in the event, justify such action; it was well below the level that has been permitted since 1984.

The problem having been identified, there was a detailed study of the smelting processes at Capper Pass. Polonium was found to be concentrated in three areas in that factory, which were then classified as "controlled areas". That underlines the action that the company took, when it discovered that there was a problem, to contain and control it. It then proceeded to develop processes to separate the polonium into what I believe is called intermetallic dross, which is then stored until the activity decays. Polonium 210 has a very short half-life, and decays very quickly; the procedure can therefore contain most of it.

Inevitably, in this process small amounts of polonium will find its way in the form of gases, through the cleaning plants, resulting in an emission into the atmosphere by way of Capper Pass's large chimney stack. My constituents see the emissions every day as they go about their business, and they can be forgiven for thinking that radiation — alpha particles, polonium 210 or whatever we are to call it — is being showered upon them.

To date, I question whether many of the commentators have been very responsible in this regard since I have discovered that the authorisation granted with the licence by the radiochemical inspectorate in 1985-86 was for up to 592 megabecquerels, or 16 millicuries, of polonium per week. Having obtained from the company the list of results of the tests undertaken since then, almost on a weekly basis — in some cases, more often — I discover that the emission of polonium has been well inside the limit authorised in the certificate in 1984-85.

It is extremely important for the record that the House, my constituents and, more particularly, commentators who may be sitting with their pencils ready for the next sensational and censorious headline, note these facts. Looking at a list of the test results since 1985 in a random way, I discover 6 per cent. of the authorised emission, 3 per cent., 4 per cent., 5 per cent. and 2 per cent. In other words, very low levels are being emitted from the chimney. Although the levels are low, however, the House will remember what I said at the beginning of my speech: cancers are none the less occurring around the factory at double the national rate, or more. There is a question to be answered: why does that rate of cancers occur in my constituency?

Prima facie, it appears — if we are to believe the National Radiological Protection Board, the pollution inspectorate and, no doubt, a bevy of other organisations under the aegis of the Department of the Environment — those cancers are not occurring as a result of the small amounts of radiation being emitted from the chimney. I do not know. None the less, there is undoubtedly some form of problem. My aim — I am determined to see that I achieve it — is that we get to the bottom of why that is occurring.

It is important to say that, after and during the time the certificate was being authorised, the company went to great lengths, as I have seen on the ground having visited the factory, to install sophisticated air cleaners, and other pollution control equipment. It has six high-volume air samplers which are positioned around the works, and those are examined weekly. Therefore my constituents should understand that if a problem did occur that equipment would quickly show it.

The letter that accompanied the certificate of authorisation that was sent to the local authorities — Beverley district council and Humberside county council — said:

"Low level solid, liquid or gaseous waste within the limits set out in this authorisation may be safely discharged to the environment and no special measures need to be taken by your authority."

The local authorities in question have taken their responsibilities extremely seriously, and since the certificate was granted they have considered responsibly the question of emissions. Indeed, the borough of Beverley has a sophisticated programme to check the emission of arsenic and other base metals such as lead.

So far as I can see, all that could possibly have been done seems to have been done in this case. I can only conclude that if these control measures are undertaken at this factory, the constituents of other Members of Parliament can have confidence that it is happening in

their constituencies too where such factories are located, and there is no doubt that they occur widely throughout the United Kingdom.

It is also important to put on the record a letter from Her Majesty's inspectorate of pollution, dated 2 March 1988. It says:

"Reported discharges"

from the chimney of Capper Pass

"have been considerably lower, at less than 10 per cent. of the authorised limit, and any consequential radiation exposure has been correspondingly reduced. Radiation exposures as low as these are significantly below the natural background radiation exposure—2mSv per year"—

No doubt the Minister will tell me what that means; but the important thing is that radiation coming from that chimney is well below the natural background radiation exposure—

"and well within recorded regional variations and may therefore be considered to be radiologically insignificant."

Those are strong words from careful civil servants, who are not known for being extravagant. That is a strong statement, and I repeat it: the emissions from the chimney can be

"considered to be radiologically insignificant."

I am pleased to read that, and I wish that those who initiated the television programme had taken the opportunity to gain access to the information that I have been able to find so easily. It has been suggested that much information is kept secret and that it is difficult for Members of Parliament and researchers of television programmes to gain access to information, but I have not found that to be the case. The company was only too prepared to open its doors to me and to tell me everything I wanted to know, and the same can be said for the local authorities, the pollution inspectorate and, of course, the Minister.

The figure of 592 megabecquerels per week maximum that could be emitted from the chimney was not plucked out of the air, but was calculated on the basis of scientific assessment. I would like to know how it was arrived at, and if the Minister, cannot tell me, I shall table the appropriate parliamentary question to elicit the information.

In calculating this limit Her Majesty's pollution inspectorate went to great lengths to take advice from its own experts and from the International Commission on Radiological Protection. That advice was in turn endorsed by the United Kingdom National Radiological Protection Board, and the figure was arrived at after considerable investigation by all responsible bodies, which take their duties very seriously.

Neither I nor the Minister and his officials are complacent about the rate at which the cancers are occurring. We must get to the bottom of the problem. The HMIP should, as I have already said, have been aware that radiation was probably in the tin being smelted, because the tin often comes from granite rocks. We must ask ourselves why that situation was allowed to occur whereby HMIP did not know. The inspectorate must in future take the initiative in cases such as these.

All this having occurred, I have no reason to believe that it will not be followed by other television programmes and statements, and the Government have a responsibility to investigate the matter thoroughly. I hope that the Minister will consider favourably my request that the pollution inspectorate should go into the factory at Capper Pass and make a detailed investigation. I do not know what the HMIP does, but my constituents and I want a thorough "going over", because only that will assuage the feeling of people who, when they look at their children, worry that they are being covered in radiation. When I look at my eight-year-old daughter Alexandra, who is the apple of my eye, I would not want to think that about her. Of course she is not, and nor are my constituents, but that is why the HMIP must conduct a thorough investigation.

The HMIP conducted a routine investigation in 1986. I believe that under present circumstances, it behoves an organisation such as that to go into sensitive plants at least annually, to establish in the public interest whether the factory is complying with the Certificate of Authorisation.

That point raises another question and I have already tabled a written question to elicit the information in greater detail. What exactly is the mechanism of control for polonium 210 in this factory and in factories like it? I am led to believe that the company takes samples from the smokestack and from various other parts of the plant. Is that in the public interest? I do not mean to imply that the company is not undertaking the testing in a responsible way. I believe that it is. However, it is not fair on the company or the community around the factory for the company to play a very large part in ultimately monitoring itelf. That canno' be right.

In addition, Mr. John Urquhart, whom I understand is a statistician, took part in the television programme to which I have already referred. He made various allegations based on statistical information. Mr. Urquhart did not allow me to see the statistical data, nor did he, as I understand it, allow the local authority to see the data. Therefore, perhaps the Minister will tell me whether he and his officials have seen the data.

I believe that the matter would have been dealt with responsibly if all parties had been given the information in question so that we could raise the issue with the Minister. If I or any organisation had failed to do that, we would have been rightly and roundly condemned. No doubt my electorate would have told me what they thought about that at the next election.

I repeat that I was not told about that statistical information. I deprecate that, in view of some of the very sad letters that I have received from frightened constituents.

There also seems to be "something rotten in the state of Denmark" when a collection of television producers, researchers and the rest can put together a programme like the one that I and others saw, which then has the effect on ordinary people that this programme has had. That aspect will, I believe, need investigation.

After the really important issues have been dealt with, such as the investigation to which I hope that the Minister will tell me he can agree, I will see Lord Skelmersdale to discuss this question: if the problem is not occurring because of polonium being emitted from the chimney, why is it occurring? If it is occurring as has been suggested because of a random cluster of cancers it behoves the DHSS and the Government to tell my constituents why random cancer clusters occur.

I will expect to hear answers on those points from Lord Skelmersdale's officials and his scientific and medical advisers next week. If we do not fully understand why those clusters occur, I will press the Government very hard to devote such resources as are necessary to discover the truth of the matter. We cannot sit back and say, "It is not

[Mr. James Cran]

coming out of the chimney. That is not causing the problem. The problem is geological or geographical." That is not enough of an answer. I will want very full answers from the Government and I hope that I am about to receive the first tranche of the answers from my hon. Friend the Minister.

7.44 am

The Parliamentary Under-Secretary of State for the Environment (Mr. Colin Moynihan): My hon. Friend the Member for Beverley (Mr. Cran) has a reputation for being a very hard-working constituency Member, placing his constituents' interests at the top of his priorities. I congratulate him on a comprehensive analysis of an important issue which he has considered in detail.

My hon. Friend rightly pointed out that he came to see me well before most meetings normally start, in the early hours of yesterday morning. He raised the matter on the Floor of the House yesterday afternoon and wisely spent a good number of the hours of the night preparing for his speech this morning. He gave a first-class exposition of a difficult and highly technical problem, which combines a requirement to understand the scientific background with a requirement to understand the sensitivities of the local electorate, who are obviously worried, especially when scientific expertise is not necessarily widespread. I appreciate the way in which my hon. Friend has brought this subject to the attention of the House.

I shall make in about 10 minutes an initial reply. My hon. Friend has raised a number of important issues which I should like to pursue through other channels. This gives the House an opportunity to hear from the hon. Member for Burnley (Mr. Pike), who has been up many hours preparing and waiting to bring his important subject to the attention of the House. It is right that he should have five minutes before the Adjournment of the House to do so. If my speech is somewhat curtailed, it will be for that reason and because of the hour.

Clearly there is concern over the reported leukaemia clusters among children on Humberside. There is no evidence to suggest that the alleged incidence of leukaemia on Humberside is related to the discharge of polonium from Capper Pass, but local variations in the incidence of disease and the concern that has been expressed by my hon. Friend are sufficient for this matter to be studied in full. For that reason, I understand that the DHSS will receive a report from the small area health statistics unit at the London School of Hygiene, which is concentrating on this issue. I am sure that my hon. Friend and colleagues in the Department of Health and Social Security will make sure, when he receives the statistics, that a comprehensive report is provided to my hon. Friend the Member for Beverley, but that is, no doubt, a subject to discuss when they meet.

Capper Pass processes metal ores and residues to extract tin, lead, other metals and alloys. Some of those raw materials can contain naturally occurring radionuclides which can become separated due to extraction and processing. The levels of radioactivity in these raw materials are usually such that they fall outside the scope of the Radioactive Substances Act 1960. That is true in the case of Capper Pass where the raw materials generally are not radioactive within the meaning of the Act. In 1984-85, after the discovery of residual activity in bismuth alloy supplied to a German company, Capper Pass undertook, at the instigation of the regulatory bodies, a systematic investigation of the behaviour of polonium-210 in its plant. It was discovered that the extensive and rigorous processing causes polonium-210, which exhibits complex physico-chemical properties, to volatilise at high temperatures and then condense and plate-out on colder plant surfaces. Consequently, over 95 per cent. of the polonium-210 is not discharged; it is retained within the plant while it decays away with a half-life of 138 days to form stable lead. It is assumed that discharges of polonium-210 were occurring before this discovery but, because of its relatively short half-life, no build-up in the environment can have taken place.

During its inspection programme, HMIP reviews all sites authorised to discharge radioactive wastes. Authorisations are reviewed periodically to determine whether changes are appropriate resulting from changed circumstances, improved technology and scientific advances. It is the intention to complete a further assessment of Capper Pass before the end of this year. However, the inspectorate will also co-operate with any other formally established inquiry. The onus for demonstrating compliance with the requirements of an authorisation granted under the Radioactive Substances Act 1960 rests with the operator. In the case of Capper Pass, samples of stack discharges and samples from environmental monitoring stations are collected by the company. Stack samples are analysed by the company and environmental samples by the National Radiological Protection board. Stack samples are taken and analysed weekly and a request for the results should be made to the company. HMIP carries out independent analysis of spot samples as a check on the operator returns.

My hon. Friend rightly pointed out that statistical data on the incidence of disease are for consideration by the Department of Health and Social Security, which is supporting the study by the small area health statistics unit at the London School of Hygiene, to which I referred. An independent assessment carried out by the NRPB concluded that any radiation exposure from discharges at the permitted level would be insignificant at about 0·02 microSieverts per year. Radiation levels as low as that are well below the natural background radiation exposure of between 1,000 and 2,000 microSieverts per year, and well within recorded regional variations.

Advice on the criteria for setting limits of exposure for the public are published by the International Commission on Radiological Protection in its report No. 26 dated 1977 and by NRPB in its report GS9 dated 1987. I shall obtain details of those reports and make them available to my hon. Friend.

The provision of the information is extremely important in alleviating local worries and concerns. I echo my hon. Friend's point about the retention of information for use for public consumption. If information is necessary to allay public fears, it is very wrong that it should not be made available as comprehensively as possible. On that point, I shall ensure that we provide my hon. Friend with as much help and information as he needs on the detailed points that he has brought to the attention of the House.

Average emissions of polonium-210 have been well below the authorised limit. Some fluctuation occurs from one week to another and depends on throughput, among other factors. Authorised limits are set to take these

factors into account. Control over the use of radioactive substances and disposal of radioactive wastes is a central Government responsibility. There is a requirement under the Radioactive Substances Act for HMIP to consult and inform local public bodies of such uses and disposals. In the case of Capper Pass, copies of the authorisation certificate were sent out in accordance with normal procedures to Humberside county council and Beverley borough council in October 1985. The authorisation was discussed at a meeting of the north Humber bank pollution liaison committee during October 1985, prior to its coming into force.

Section 13 of the Radioactive Substances Act prevents the disclosure by HMIP of information about the use of radioactive materials in the course of a commercial activity except when the permission of the user has been granted. We must pay due attention to that, as it is the expressed will of Parliament. Monitoring of the environmental behaviour of polonium-210 can be a difficult and costly exercise, as my hon. Friend knows. However, I emphasise that, if local authorities wish to undertake it, HMIP will be pleased to give advice and assistance where appropriate. In view of the concern expressed by my hon. Friend, I am willing to go further than that in asking HMIP to provide a comprehensive report on the subject and to ensure that all the points that he has drawn to my attention are adequately answered, and I ask my hon. Friend to come back to me if he has any specific anxieties. He has vigorously pursued this matter on behalf of his constituents and it is absolutely right that the Government should respond comprehensively and with equal vigour to his questions.

That is a brief resumé of the position. I have made a background-setting speech with due consideration given to a number of the specific questions brought to the attention of the House, but I emphasise that I regard this as a first step in helping my hon Friend. We shall of course answer the additional points that he brings to our attention in another form—whether at Question Time or by letter. I shall make sure that all the necessary resources are put behind giving him the opportunity to continue to serve his constituents with the vigour, ability, knowhow, and desire for detail that he has shown on this issue to date.

North-East Lancashire (Enterprise Zone)

7.55 am

Mr. Peter L. Pike (Burnley): First, I thank the Minister for allowing me a few minutes in which to make an important case on behalf of my constituents in Burnley and north-east Lancashire. My questions are brief and simple. I urge the Minister to ask his right hon. Friend the Secretary of State to consider carefully the application for an extension of the north-east Lancashire enterprise zone that was submitted last month, and to meet a delegation from the area that wishes to put the case for that extension.

But for the fact that the Secretary of State announced on 17 December 1987 that he did not consider that the experimental zone should be continued, I would not be pursuing the matter now. Being aware that the Government have said that they do not want to move in that direction, I urge that the scheme should be given most careful consideration.

I also point out to the Minister that my case has the support of the hon. Member for Hyndburn (Mr. Hargreaves) and of the hon. Member for Pendle (Mr. Lee), who is a Minister and very supportive of the case. I am not trying to be difficult with the Under-Secretary of State for the Environment, the hon. Member for Rossendale and Darwen (Mr. Trippier). I recognise that he is in a difficult position, and I cannot ask him to state his views on an enterprise zone that covers his own constituency, in view of the conflict with his ministerial position. I do not in any way malign him, as I understand that he is not in a position to say openly what he feels about the situation.

I was closely connected with the enterprise zone before I came to the House. It covers the four constituencies of Burnley, Hyndburn, Pendle, and Rossendale and Darwen. It is somewhat different from the normal enterprise zone. Most of the developments are on greenfield sites rather than derelict land. Since the enterprise zone was declared, it has proved to be an example of what the Government have always advocated—a combination of national and local government and the private sector working together to improve a particular area. It must be said that, in the short time that the enterprise zone has been in existence, the sites are almost full in all the constituencies. It looks like a mini boom-town, which is in stark contrast to many other parts of those four constituencies.

Not only has benefit been felt within those areas but, because of the emphasis that the council has put on showing firms what we can provide, there has been a carry-over effect into the rest of north-east Lancashire. Some people have come to look initially at the enterprise zone, and have then gone to other parts of the area.

The particular problems of north-east Lancashire are related to obsolete industrial premises and a narrow economic base. Forty per cent. of the jobs in Burnley are in manufacturing industry. In north-east Lancashire as a whole, two thirds of industrial premises were built before 1930. These are important points. Pendle has even more jobs in the manufacturing sector than Burnley.

It is clear that, of the second generation of enterprise zones declared by the Government, Burnley has been extremely successful. Indeed, we would welcome any Minister to come to view this success. We believe that our case has the full support of the four borough councils in the area. I hope that the Secretary of State will consider

[Mr. Peter L. Pike]

the matter, that a delegation will be welcomed, and that the Secretary of State will recognise the success that the enterprise zone has achieved for the area.

7.59 am

The Parliamentary Under-Secretary of State for the Environment (Mr. Colin Moynihan): The hon. Member for Burnley (Mr. Pike) has made a number of important points especially about the representations that have been made and the effect that they would have on any decision about a ministerial visit. I shall discuss those matters with my colleagues at the Department and ensure that we write to him about that.

The hon. Gentleman also asked about the application to extend the enterprise zone. Obviously there are many factors that must be considered, not least the success to date of the existing zone. We shall write to the hon. Gentleman in reply to the specific points that he has drawn to the attention of the House.

It being Eight o'clock, the motion for the Adjournment of the House lapsed, without Question put.

Western European Union

Motion made, and Question proposed, That this House do now adjourn.—[Mr. Neubert.]

8 am

Mr. James Hill (Southampton, Test): I raise this issue simply because I have been Whip to the Western European Union delegation since 1980. Indeed, as it is the 40th anniversary of WEU this year and it is considered to be the European pillar of NATO, it is time to wash away some of the myths that surround WEU.

I venture to suggest to my hon. and learned Friend the Minister of State that if we stopped 100 people this morning in the street in London I do not think more than one or two would have heard of WEU, let alone know its purpose. With that in mind I must go back in time.

In 1984 there was a meeting of the Council of Ministers. At that time the chairman was Herr Genscher and he introduced a paper, entitled, "The reactivation of WEU." He made some telling points and one of the most significant was:

> "It is important that public opinion be involved in the debate about defence and security, principally through an improved dialogue between the W.E.U. Council and the Assembly and by raising the profile of the activities of those bodies."

That did not happen. The reactivation that was supposed to take place was rather dampened by a zero budget. It casts doubt on the Council of Ministers of that time when one considers that they seriously wanted a significant move in the WEU's relationship with NATO.

I want to discuss the reactivation of the institution, its enlargement—there are other countries that may wish to join—and a resolution that was introduced in the Hague on 27 October 1987. In addition, I wish to discuss the overall effects of harmonisation of an arms policy for our industries in Europe and the harmonisation, in this technological age, of the computers and so on in the vehicles of war.

The reactivation of the institution has not started. I understand that there is a Council of Ministers meeting in the Hague again in April when some of these matters will be discussed. I must say — even against some of my European colleagues — that one generally gets a sea of platitudes rather than moves forward in such meetings. Occasionally, a platitude is almost as useful in the European forum as a strident statement is in this House.

Throughout the European scene my hon. and learned Friend must radiate that the WEU is presently the only European organisation, empowered by a treaty, to discuss defence and security matters. The institutional structure of the WEU is well developed and it has a small Council of Ministers, always useful, and a small parliamentary assembly. Some of my friends and colleagues in the European Parliament would desperately like to take over the defence and security of Europe, but I do not think that, with all credibility, that should even be contemplated.

We have discussed relocation. The British delegation went to the administration offices of the WEU, which are situated in London, to discuss that matter. Obviously, it makes nonsense to have the administration offices in London, the political forum in Paris and our closest NATO contacts in Brussels. Consequently, whatever one says — we all realise that the French may be a little difficult about this — Brussels would be the most sensible location for the WEU in the future.

We must also have a new image. When we relocate, we must have a new logo, like the Department of Trade and Industry. We must cut out the mystique. The WEU is almost like a secret society. I become a little annoyed when I have to explain what the WEU is. Every time I say "WEU", people say, "Oh, what's that?" and I have to go through a ritual. WEU sounds like a European collection of ladies making jam or producing woolly goods. It is not a sensible title for a very important structure concerned with European defence. A new name would be appropriate, with a new location.

In addition, public relations must be beefed up. How often does one read about the WEU in the national newspapers? One may read twice a year that we met in plenary session in Paris. A few international journalists who are particularly committed to defence matters may be present and one may see WEU in print, but, if one goes to the House of Commons Library and reads the national newspapers here, one would read about NATO 1,000 times, but would only see WEU once. That situation must change.

Enlargement is a sensitive and delicate matter for the Council of Ministers. Spain and Portugal have been most pressing in wanting to be considered to join WEU. I have also heard, as most parliamentarians hear such things, that Greece and Turkey would also be quite receptive to joining WEU. That is another matter that we must sort out. If there is to be a genuine Western European defence commitment, those countries must be included in it.

There may be problems in the future, if, for example, the United States defence budget is cut for social reasons and the Americans cut back in Europe. We cannot suddenly, overnight, raise our sleepy heads and say, "My god, we haven't spent enough on conventional weapons. We haven't got our act in order. We are still issuing instructions in seven languages." We must have harmonisation, and this year we must resolve whether to allow other countries to join the WEU.

The Council of Ministers brought out the platform, as it is called in European circles, on 27 October 1987, so it is a relatively recent resolution.

One of the things that brought to my notice how far the WEU could go was part of the resolution, which states:

"It remains our primary objective to prevent any kind of war. It is our purpose to preserve our security by maintaining defence readiness and military capabilities adequate to deter aggression and intimidation without seeking military superiority".

I have already discussed that with my hon. and learned Friend and we have congratulated one another on it. The minesweepers and naval ships that went to the Gulf represented a collaboration by the WEU. No one knows that outside the House. They think that a friendly little gathering sent a couple of ships to the Gulf. I have even heard that Luxembourg, which has no navy, but is one of the seven, paid a large amount of cash to support the operation. So there is a will to contribute.

I and my hon. and learned Friend have discussed, and he has probably discussed with our right hon. Friend the Secretary of State, the fact that we see the future of the WEU as an emergency force to help — not to be an aggressor towards — countries outside the NATO circle that want the support of European countries in defence matters.

The Gulf war could be the first of a number of occasions when we use the platform and start to do what we have always done in the past — to be an emergency humane force for good.

Harmonisation has been a long story. In the battlefield, when all is smoke, mud and goodness knows what, one cannot have European nations, all using different equipment. A gun made in Italy cannot have German bullets. There must be harmonisation of hardware.

On Monday, at a colloquy just across the road at the Queen Elizabeth II centre, the secretary general of the WEU recalled the words of President Von Hassel in October 1979 on the subject of European armaments policy. My hon. and learned Friend will recognise the words:

"The more the countries of Europe are divided, the more they will depend on the United States."

—so much is obvious—

"It is up to Europeans to decide whether they want relations within the Alliance between the United States and Europe to take the form of a North American protection or genuine co-operation. The contribution of our transatlantic allies—essential though it is"

we cannot cock a snoot at President Reagan's wonderful efforts on behalf of European defence—

"and long may it remain — can no longer be the alibi for doing less."

He meant that several countries were getting European defence cover without paying for it. Many of them, when the United States wanted to place rocketry on their lands, were the very people who made the greatest possible fuss. So those who were not paying the piper were calling the tune. When the Council of Ministers encourages the enlargement of the Western European Union, they will be able to control that. Following the signing of the INF agreement, there is now a definite move in Europe towards wanting an agreement on conventional and chemical weapons, with verifiable examinations of stockpiles.

That takes me to another point that I am sure has been discussed in the Council of Ministers. I have another quote from the secretary general of the WEU. He urges:

"equipment research effort enabling us, for example, to exercise control over the transport of heavy weapons, access to material storage centres and the manufacture of certain chemicals."

More important than all that, if we are not to be completely reliant on the Americans for our surveillance for verification processes, is that Europeans must pool their research resources on inspection satellites and, more generally, on airborne verification techniques.

The heavy financial burden that is inherent in this type of research calls for co-ordination that could be entrusted to a specialised body. When the secretary general of the WEU talks about a specialised body, he means his own institution. It is ideally suited and has been carrying out verification procedures since the end of the last world war. It has a very small staff and works on a skinflint budget.

The countries of Europe are not willing to pour money into an organisation that was a few years ago, to their eyes, quite moribund. With the changing times, the budgets of the WEU have to be re-examined. We must recruit highly qualified verification staff and must start to think about other equipment that will make the verification process much easier. We cannot sit around and hope that all these things will happen before something else does.

A presidential election campaign is in progress in the United States and I am pleased to see Mr. Bush doing so well. In politics, one must look a bit further ahead than the

[Mr. James Hill]

next four years and cast one's mind forward to the position in 12 years. At that time there might be a President of the United States who is not as willing as the current President to accept the burden of European defence. He may not even know where the centre of Europe is. Many American politicians do not know.

About six months ago I talked in Washington to Senator Gore. His knowledge of European defence would fit into a cigarette packet. American politicians go forward with great schemes for their continent of 250 million people and do not realise that more than 400 million people in Europe want secure defence.

I should like to say a few words about the work of the WEU. I know that the Minister is looking at the clock because 30 minutes is scarcely enough for a complex debate of this nature. I recommend anyone who is interested in European defence to examine some of the papers issued by the WEU. In the last plenary session in January there was an excellent paper on European armaments co-operation. That paper contained an outstanding resolution. Another paper was on recent developments in Soviet external policy. That is the nub of the problem and we need to know how that Soviet policy will change in the next few years. Another excellent paper was produced on the INF treaty and on disarmament in general. For people who are interested in technology, there is a wonderful paper on the military use of computers. Finally, because the WEU is a political body and has the usual tug of war, we had an extremely good paper on the activities of the Council.

Having said all that, I ask my hon. and learned Friend to make sure that in the sea of platitudes which he, of course, encounters from time to time, he cuts through and really does put a realistic European view on defence matters.

The Minister of State, Foreign and Commonwealth Office (Mr. David Mellor): I am very grateful to my hon. Friend the Member for Southampton, Test (Mr. Hill)—I do not say that as a platitude; I know that it is always said, but I really mean it—for coming in this morning and speaking with such good humour and good sense. I very much enjoyed his speech and thought that he hit the centre of the target on most of the issues that he raised. That is not surprising, because he has enormous experience in this field. As he said, he has been associated with WEU for nearly 10 years, and his partnership with my hon. Friend the Member for Hampstead and Highgate (Sir G. Finsberg), the new leader of the Conservative group in WEU, bodes well for the future. It is clear that the attempts that we are all making to give WEU a more central role can succeed only if all parts of WEU are able to carry the strain of upgrading their efforts.

My hon. Friend has very properly made some points that the Council of Ministers will have to think about, and plainly we in the United Kingdom in particular will have to think about when we assume the presidency of WEU, as we shall be doing in the next few months.

It is equally necessary that the parliamentary arm of WEU should be vigorous. I was extremely impressed when I went out to speak to one of the last parliamentary sessions by how good the attendance was and, in particular, by the enthusiasm of the British Members from all parties. They attended the plenary meetings in strength, but there was also an almost 100 per cent. turnout for the briefings afterwards. I thought that the enthusiasm that people brought to bear there boded very well for the future, as did the willingness of all concerned to listen to speeches that were intended to be challenging—certainly my own contribution was—because, plainly, if WEU is to be relevant, we shall have to talk frankly about a number of quite difficult issues and one or two people's sacred cows might have to have a knife put into them. But more of that later.

My hon. Friend made a good point when he talked about the vital nature of the relationship between the United States and Europe. In no sense is WEU intended to displace the United States contribution in Europe. It is intended to be a forum within which the European pillar of NATO can discuss sensibly and coherently what we need to do to ensure that we are living up to our commitments. When one looks at the population of Europe as against the population of the United States, and the increasing narrowing of the gap in gross domestic product between Europe and the United States, it is not hard to understand why there are voices in the Congress and elsewhere calling on Europeans to accept a greater share of the burden of common defence. If we are to maintain a strong Alliance, as my hon. Friend made clear, we must heed those voices and respond to their call. That is the challenge to us and we are ready to accept it.

We are all the more ready to accept it after a highly successful NATO summit, for which, of course, we have to pay the warmest tribute to my right hon. Friend the Prime Minister, whose idea it was and whose role in ensuring that the statement that came out at the end was firm and principled was, as everyone acknowledged, paramount.

We must not just talk about political solidarity; we must take practical steps to do more. We can do so against the background of an already considerable contribution within Europe to Europe's defence. My hon. Friend exposed facts that he said were not well enough known, and it can never be repeated too often that of NATO's forces in Europe we provide from Europe 90 per cent. of the total manpower, 85 per cent. of the tanks, 95 per cent. of the artillery, 80 per cent. of the combat aircraft and 70 per cent. of the fighting ships in the eastern Atlantic and the Channel. Although my hon. Friend is right to say that not every country takes pride in the size of its defence budget, overall we in Europe spend about $110 billion a year on defence, which is 30 per cent. more in real terms than our spending in 1971.

Not only need we spend money—because we must not fall into the trap of thinking that the answer to any point is to say how much money one spends—for we as a party, and I hope all the Governments of Western Europe, are not interested in just signing a cheque. We want value for money. We must see what we are getting out of it. That is where the expertise about which my hon. Friend spoke is crucial, for it is necessary for us to have, for instance, more collaborative ventures between armament industries in our different countries. We must reduce duplication, produce new equipment more cost-effectively, and the commonality of equipment must be increased for all the reasons my hon. Friend gave.

Twenty collaborative programmes have been instituted by the Independent European Programme Group since 1984. We are currently involved in 12 of those equipment projects, and at the same time the members of NATO's

integrated military structure have been co-operating in implementing the conventional defence improvements initiative, which is intended to increase the operating effectiveness of our forces by improving, for example, their communications systems, air defence, ammunition and fuel stocks, airlift capacity and so on. Also, we are much involved in the tail-to-teeth movement. Since 1979, 20,000 men have been transferred from the support area to the front line and the reserves have been increased by 50,000.

We also want to encourage the two members of NATO which remain outside the integrated military structure—France and Spain—to extend their forces in support of the Alliance. We have put a number of suggestions to the French in recent months for ways in which we might all work together.

I do not want my hon. Friend to become restive because I appreciate that he was talking about WEU and I have spent a lot of time talking about NATO. But we must set the work of WEU in a framework, and the essential framework is in a complementary role to NATO but with specific tasks that it can do and perhaps NATO cannot. That is why the decision was taken a few years ago to breathe life back into WEU, a decision which, as my hon. Friend said, has promise but is an agenda and not an achievement so far, though there are achievements. I accept the stimulus he is putting on us to try to ensure that during our presidency we make progress.

What, then, is the role of WEU? Political solidarity is vital in all this because a Europe which can get its own ideas straight and speak with one voice must be a more rewarding partner for the United States and a more effective alliance in general. So the European pillar must have a way in which it can determine these issues, not so as to exclude the United States but to allow us to respond constructively to the challenge that, as I say, is properly thrown out from time to time by Congress. There are ways, which have already been found, in which political solidarity can be developed, and the WEU platform provides a yardstick by which all members can measure their development in security and judge their own interests and requirements.

WEU can also provide a forum in which its members can discuss how to confront together threats posed to their shared interests outside the North Atlantic treaty area. My hon. Friend drew attention to the co-operation by WEU in the Gulf. I need not add to that. I endorse what he said. It is encouraging evidence of what can be achieved within WEU and which, to be frank, could not have been achieved if WEU had not existed because it provided vital cover for some of our European friends to get involved. If that cover had not been available, they might not have done so. Thus, WEU can excel as a forum in which members can concert their views on vital issues and as a focus for the discussion of practical defence co-operation, for this must not be pie in the sky; these must be practical issues, as my hon. Friend pointed out.

I conclude by dealing with the two points my hon. Friend said we had to try to resolve in the coming months —colocation and enlargement. On colocation, all the members are agreed that if the organisation is to fulfil its active new role, the elements in London and Paris must be brought together. I am afraid that it has not yet been conclusively decided where. It remains our view that the best place for this would be Brussels because of the proximity of NATO and the EEC.

On enlargement, Ministers agreed in October that they would examine with a favourable predisposition the possibility of accession to WEU by Spain and Portugal. This remains the case, and that matter will be resumed at our meeting next month. Obviously I cannot say how it will turn out, but I have taken on board the points that my hon. Friend has made.

This is a timely debate. We are about to embark on our presidency, and I can assure my hon. Friend that his ideas will be taken fully into account as we plan our agenda for the next 12 months.

Question put and agreed to.

Adjourned accordingly at half-past Eight o'clock.

House of Commons

Friday 11 March 1988

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PETITION

Rating Reform

9.36 am

Mr. John McFall (Dumbarton): I am grateful for the opportunity to present a petition on Scottish poll tax legislation on behalf of 2,000 constituents in my area. The petition was gathered over a period of three or four Saturday mornings. The number of signatures demonstrates the intensity of feeling of my constituents about the legislation. It is my duty to ask the House to take cognisance of that feeling and repeal the Scottish poll tax legislation.

To lie upon the Table.

Engineering

9.37 am

Mr. Patrick Thompson (Norwich, North): I beg to move;

That this House urges that consideration be given to the steps now required to build on recent success in United Kingdom engineering industries and to develop engineering performance up to and above the standards of leading industries overseas.

I welcome the opportunity to open the debate. I am pleased to have the support of hon. Members and of the all-party group for engineering development. It is particularly good to see the chairman of that group, my hon. Friend the Member for Harwich (Sir J. Ridsdale) in his place. He will say more about the aims and work of the Committee.

This is the first full-scale debate on engineering since 4 December 1980. Therefore, it is not surprising that I have been inundated with a mass of helpful advice and information from organisations and institutions, many of which I shall not have time to refer to. I shall address two main points: first, the crisis in the supply of professional engineers; and, secondly, the need for industry to train its employees more effectively. Other hon. Members will talk about the exciting challenge and opportunity provided from 1992 by the European single market. I shall also briefly illustrate some points by referring to the engineering industry in Norwich, and in particular in my constituency of Norwich, North. I shall be assisted by the publication of a recent report prepared by Peter Townroe and his team from the University of East Anglia. Some of the points in that report are directly relevant to the debate and to the engineering industry.

In the motion we are asked to recognise the impressive progress of United Kingdom industries in terms of productivity and profitability. It is a measure of the success of Government policy since 1979 that the debate is held against a bright background. That is in sharp contrast to the dark mood that prevailed during the debate in 1980. It is intriguing to note that the spokesman for the Government in that debate was my hon. Friend the Member for Hampshire, North-West (Mr. Mitchell) who is now Minister for Public Transport. In his reply he referred to the need to control inflation, the need for realism and the need to get rid of the "them and us" attitude from the workplace. It is good to be able to feel that since 1980 real advances have been made towards those objectives.

The economic performace of the engineering sector since 1980 has been remarkable. Although the overall size of the work force fell by almost one third between 1978 and 1985, output was higher at the end of that period than in 1980 and has continued to rise since then. Productivity per head rose by 31 per cent. between 1980 and 1985. The most spectacular gains were in electronics and office and data equipment, where the volume of production rose by over 80 per cent. in the years between 1978 and 1985. Significantly, the percentage of professional engineers, scientists and technologists employed in the engineering sector more than doubled over that same period.

Too many of the shortcomings described in the 1980 debate are still with us today. That is why the motion calls for steps

"to develop engineering performance up to and above the standards of leading industries overseas."

[Mr. Patrick Thompson]

The need is urgent because as the income from North sea oil continues to decline, so we have to become more successful as an exporter of engineering products.

I should like to quote from a speech which says:

"It is internationally acknowledged that Britain is a country rich in inventiveness and creative talent. Yet, with some eminent exceptions, these inventive talents have not been harnessed effectively by manufacturing industry because, compared with Continental Europe and the large part of the world which has followed its lead, there have been neither the cultural nor the pecuniary rewards in this country to attract sufficient of the brightest national talents into engineering in industry."

Mr. Peter Thurnham (Bolton, North-East): Has my hon. Friend had an opportunity to look at the list of the 200 wealthiest people in the country which was published by *Money Magazine* the other day? I believe that it was significant for the people it left out as much as for the people it included. I looked at that last night and was pleased to see that at least 12 people listed were engineers.

Mr. Thompson: I am as grateful to my hon. Friend for that intervention and I support the sense of what he said. I was in the process of quoting from a speech and I shall say where it comes from in a moment. The speech goes on:

"Great prestige is attached to science, medicine and the creative arts, so that to be associated with their activities is to share in that esteem, but there is no cultural equivalent in Britain, and hence no basis for according similar esteem, to the European concepts conveyed in German by 'Technik'."
—[*Official Report*, 4 December 1980; Vol. 995, c. 461.]

That quotation came from part of a speech made by my hon. Friend the Member for Eastleigh (Sir D. Price) during the 1980 debate. He was quoting from a well known report — it is still well known — put together by Sir Monty Finniston and his colleagues. It is true to say that we have made little progress on that front. I believe that the Finniston report failed to be implemented partly because it advocated over-bureaucratic solutions and there were far too many recommendations. I have read all those recommendations. I have forgotten the number because it is such a long list. Many of the recommendations were excellent but I think that my analysis of why we have not made much progress since then is fair. I hope that other hon. Members will take up that point later.

The Engineering Council, to which I am grateful for much of the information provided for this debate, owes its existence to the Finniston report and its follow-up.

The historical background to all this has been expressed very well by Correlli Barnett in the first of three lectures, initiated by the education for capability group, which was delivered in 1978. He compared the history of technical education in this country with that on the Continent and he described how the pattern of low productivity in the early years after the war together with an unskilled work force and poor technical education has been our legacy from the past. Although that analysis is correct — I think that Correlli Barnett was right to draw attention to it — we have made a great deal of progress since then. However, we have not gone far enough or moved fast enough for the good of the engineering industry and the country.

Dr. Michael Clark (Rochford): Does my hon. Friend agree that within the education world and among academics, scientists and engineers are often scoffed at as being ignorant, whereas people who have a knowledge of medieval history or who know something of the pentameter of poetry about ancient Greek vases are considered to be educated?

Mr. Thompson: I am grateful to my hon. Friend. I would not go quite as far as that. I have found that quite often scientists and engineers are admired for their knowledge and expertise but perhaps do not always receive the support that they need to further their objectives. Otherwise, I agree with the sense of what my hon. Friend said.

This morning I have received, from the organisers of the Norfolk and Norwich Koblenz Friendship Association, newspaper clippings from West Germany describing its attitudes to technology and the skilled crafts. It would be impossible to find anything quite like that in this country. Therefore, we have a long way to go and we have to follow Correlli Barnett and say that our background and technical education is not as good as that on the Continent.

It is not surprising that the Engineering Council aims to increase public awareness, improve the supply of qualified engineers and technologists and maintain standards. Nor is it surprising that the Fellowship of Engineers adds to that list the need for investment in skilled training and the improvement of our design capability. I am pleased that my hon. Friend the Under-Secretary of State is listening to the debate because I am aware, as we all are, of his special interest in design in industry.

The Engineering Council, the Fellowship of Engineers and other bodies interested in engineering are coming up with a whole range of exciting and relevant initiatives and ideas which there will not be time to talk about. Research done by the Engineering Industry Training Board suggests that the number of professionally qualified engineers being recruited by industry exceeds the supply of graduates from British polytechnics and universities. Those extra engineers are being attracted from the public sector, higher education, other occupations and from overseas. However, that process cannot go on indefinitely. After all, employers already face problems arising from the contraction in the number of entrants to first degree engineering courses in the early 1980s. However, it is true that overall numbers have risen since then and that more of those graduates are entering permanent employment in the United Kingdom. Much of that growth has been in electrical or electronic engineering rather than mechanical engineering. Even so, the fact that more firms are competing for such a limited supply creates difficulties.

The fall in the birth rate and the consequent fall in the number of children reaching 16 are just beginning to affect the labour market and that will continue until the mid-1990s. It means that the problem of making engineering a more attractive career and increasing the number of engineering graduates will become much more acute over the next year or so. Therefore, the urgent need to attract more young people into engineering is clear. Although this is not the moment to debate education in detail, there is no doubt that radical reform is necessary and the Government are right to be tackling education in a radical way at present.

Mr. Dennis Skinner (Bolsover): What would the hon. Gentleman say to my hon. Friend the Member for

Hemsworth (Mr. Buckley) about the appalling announcement that we heard yesterday, that South Kirkby Riddings pit is to be closed? That means that upwards of 2,000 people will be losing their jobs, with all the after effects that that will have on the engineering industry in the area. What would be the chances for graduates and others who are anxious to take up an engineering occupation in that area or in the Mansfield area, where another pit closure has been announced? Does the hon. Gentleman take these matters into account when talking about glorious opportunities that obtain in the engineering industry? We know that the wreckage of the infrastructure of pits will have a massive effect on young men and women who want engineering jobs.

Mr. Thompson: The hon. Member for Hemsworth (Mr. Buckley) has an opportunity to address those points and raise his constituency interests during the debate. If the hon. Member for Bolsover (Mr. Skinner) takes the trouble to listen to my speech and those of my hon. Friends he will discover that the main theme that I shall raise at the conclusion of my speech is how relevant progress in engineering will lead to the creation of new jobs in this country. I am glad that the question of employment has been raised because the final paragraph of my speech will address how we can improve productivity and performance in engineering and thereby create many new jobs.

Mr. Roger King (Birmingham, Northfield): In response to a question that I asked, my hon. Friend the Parliamentary Under-Secretary of State for Energy said that the Government are giving the coal industry £900 million for investment. That investment is being spent in the engineering industry to create jobs. There is no doubt that the Government are supporting the coal industry and, indirectly, the engineering industry.

Mr. Thompson: New jobs have been created faster in this country than in the whole of the European Economic Community. I resist the temptation to dwell on this matter because I shall refer to it later in my speech. I hope that the hon. Member for Bolsover will stay long enough to hear that part of my speech.

Mr. Spencer Batiste (Elmet): My hon. Friend has already said that attitudes are particularly important. Does my hon. Friend agree that it is the attitudes that the hon. Member for Bolsover enunciates so often in the House and outside that are at the root of the problems in the coal industry, and in others?

Mr. Thompson: It is good to see my hon. Friend taking a positive approach to this debate and I am delighted that so many of my hon. Friends are present to support this motion. Like my hon. Friend, I was surprised by the negative nature of the intervention of the hon. Member for Bolsover.

I should like to refer briefly to Government policy on education reform. The reforms that are being introduced by the core curriculum—testing at 7, 11, 14 and 16—are relevant to education for young people who wish to enter the engineering profession. The idea of the city technology colleges is also relevant. They will give a broadly based secondary education with a strong technological element, will provide a wider choice of secondary school and a sure preparation for adult and working life.

I recently met the project director for the new city technology college in Solihull. The excitement and enthusiasm that that new school has engendered in the area must be seen to be fully understood. During my holidays in Italy I visited a new technical school. The contrast between the Continental approach and ours is stark.

As someone who has worked in education, I am as conscious as anyone of the need for a broad education that is more than just training for a job. When one sees the enthusiasm of well-motivated children who feel that studies are relevant, up to date and exciting, and if one contrasts that with some of the half-baked trendy rubbish that passes for education in some of our schools—which is often intellectually undemanding and of little practical value — one sees why it is a good idea that the Government are promoting other types of schools to introduce more variety and to improve standards.

In that connection, some industrialists have told me that they are not sure about city technology colleges. I have heard the phrase "The jury is still out on this subject". With respect to those industrial leaders, who are thinking long and hard about this matter, it is about time that the jury returned its verdict. We should have more open support for the concept of city technology colleges because at the very least they shall achieve more variety in our education system, and that must be right.

I should like to refer briefly to skill shortages, particularly among craftsmen and technicians. The decline in the number of craftsmen and technicians undergoing training in the engineering industry must be of concern. In 1977-78, almost 13 per cent. of technicians and just under 14 per cent. of craftsmen in the industry were receiving training. Seven years later, the percentage had fallen to only 8 per cent. for technicians and under 7 per cent. for craftsmen. Although recent evidence shows that it is the shortage of new and experienced graduates in electronic engineering and computer science that is affecting employers, in certain parts of the country — that is certainly true in my constituency — there is no doubt that the shortage of craft and technical skills is very serious indeed.

The University of East Anglia Townroe report states that local firms are experiencing difficulty in recruiting manual, mechanical and engineering skills, especially toolmakers and technicians with knowledge of engineering and electronics.

My constituency is fortunate to have many good firms with engineering bases. United Closures and Plastics has a long tradition of skills, particularly toolmaking skills, and it has now been taken over by Metal Box. Defence Equipment and Systems manufactures guns for the Royal Navy. Other examples are Heatrae Sadia, Datron, Diamond H Controls and Beaver Machine Tools, which is a go-ahead firm about which my hon. Friend the Minister and I have spoken before. That firm has resisted the downward slide in the machine tool industry and has developed computer-controlled machining centres very successfully.

In discussion with those firms and the Machine Tool Trades Association, many of the points that I have already made in my speech have arisen. There is no doubt that the shortage of skilled personnel has caused wide concern. At the suggestion of the chairman of Beaver Machine Tools, Mr. Victor Balding, I attended a meeting with representatives of the Department of enterprise, the Manpower Services Commission, local employers and educationists. It was a good opportunity to describe the

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many initiatives that exist to help employers to face up to skill shortages. It was a little discouraging to discover that such meetings are very rare and that all too many employers are attempting to deal with the problems in isolation. Matters discussed at the meeting included ways of encouraging schoolchildren into engineering and links between schools and industry. According to Sir Geoffrey Chandler, since Industry Year, 1986, there has been a dramatic increase of 90 per cent. in the links between schools and industry, and that must be a step in the right direction.

At the meeting we referred to the work of the East Anglian group industrial training centre at the Norwich airport industrial estate, where much has been done to meet the development of training needs of all manpower categories. The centre is approved annually by the Engineering Industry Training Board and runs standards-based courses in all engineering disciplines required by local industry. Recently, the acquisition of new hi-tech equipment has enabled courses to be updated.

There has been much good news on the local front in Norwich, but there is still a long way to go if we are to get to grips with the problem of skill shortages. Local employers must take as many initiatives and advice as possible and get together to tackle those problems. If I were to describe all the concerns of local manufacturers, obviously my speech would go on for much longer than I intend.

There is concern in the machine tool industry about cheap imports from Taiwan and South Korea—I hope that my hon. Friend the Under-Secretary of State for Trade and Industry may be able to address that point in his speech – and about the unavailability of suitable statistics describing such imports. With such statistics our market could better identify the way in which it could best meet that competitive challenge. Indeed, as someone said to me recently, "If the Italians can do that, why can't we?" I hope that my hon. Friend will address that point as it is of particular concern and local interest in Norwich.

It has also been put to me locally that the training of foremen and chargehands is just as important as the training of more senior managers. Although I do not have the time to amplify that point, I fully support it and hope that consideration will be given to it in future debates or discussions.

I turn now to a comment made to me by the Engineering Council. When I was travelling to Norwich on the train last Wednesday, I picked up a copy of the magazine "InterCity" and was amazed to see a letter in it on this very point. It is all too rare to find engineers or technologists at senior management level or on the boards of directors of large companies although there are plenty of graduates from other disciplines in such positions. That presents a strong contrast to the practice of our international competitors. It is essential that we move in that direction and try to persuade British companies to recognise that their engineers and scientists form an under-utilised source of potential managers. Their professional training gives them a good insight into the demands of modern technology, the skills required to organise physical resources and to produce to a deadline. They understand the basic requirements of production, but what they often lack and, indeed, are not offered, is practical training for management.

The Engineering Council has put forward constructive proposals for incorporating business training into the normal career structures of engineers. The proposals involve, in the early years of employment, the development of good communication skills and liaison with other departments. At slightly higher level, in supervision and junior management, there are opportunities to motivate other people, to assess their success in meeting targets and to co-ordinate action with other groups within the firm.

Many companies do not have the career planning or in-house training to enable engineers to move from their specialisms into management. There is no smooth progression from one to the other. Trained engineers tend to stay within their own expertise. Business education is seen by them as an unnecessary or expensive frill, and that must change. If there is one message that the engineering industry should take from this debate, it is that our competitors already have those bridges between professional specialists and management, whereas a sizeable proportion of our industry does not. Such links must be built internally. I do not believe that the Government can do that. I hope that people listening to the debate or reading the report of it in *Hansard* will recognise that the time to start is now.

There are other ways in which Government could persuade and encourage the engineering industry to do more to meet the challenges that I have described in my speech. However, now, just a few days before the Budget, is not the right time to talk about fiscal matters, so I shall resist the temptation.

What about the idea that has been put forward ever since the Finniston report, that a company should be required by law to state in its annual report the amount that it spends on training? What about the "enterprise bond" scheme, advocated by my hon. Friend the Member for Luton, South (Mr. Bright) and other hon. Members who are interested in smaller businesses, whereby a firm could purchase an enterprise bond from the Treasury out of profits in one tax year and, upon incurring expenditure on research and development or training, be able to reclaim that amount? It is the smallest companies that have the greatest difficulty in training, research and development. I hope that the Government will pick up the many other good ideas that are floating about.

Let us consider a young person in school, possibly in a sixth form, who is considering his career and talking to his friends, who may be going into the City, accountancy or law. From my time in the sixth form, and from being a school teacher, I can remember how much discussion there is among young people about their future careers. As a result of this debate we want much more consideration to be given to the exciting opportunities in engineering. However, there must be good pay. After all, accountants and solicitors are well paid, so qualified and skilled engineers should be well paid, too. I make no apology for raising that point as strongly as I do. Engineering must be accorded the status that it has in other countries. I have no idea who determines that—it may well be up to the engineering profession itself, but that point needs to be considered.

There must be media recognition. With the greatest respect to the media, all to often its emphasis is on the trivial and sensational—concepts which go right against the scientific and creative engineering tradition in this country. As time does not permit me to expand greatly, I shall give just one example which, although not relating to

engineering, will make the point. Astrology is given far more attention in the media than astronomy — we all enjoy reading our star charts and there is nothing wrong with that, although it causes great excitement among our young people.

There are many exciting opportunities for the media in promoting creative activity in engineering, which are not being taken up.

Let us consider, for example, the MacRobert award — Britain's premier engineering prize. When it was awarded recently there was virtually no publicity, apart from a tiny report, a few centimetres square, in *The Times* and, apparently, that occurred only because of a personal appeal to the vice-chairman of Times Newspapers Ltd.

We need a renaissance in this country in our attitudes to engineering and science. The media has a large responsibility and could do a lot more good than all the initiatives, the sets of initials and the speeches that we make in this House. I hope that that point will be taken up following the debate.

In conclusion, engineering is crucial for economic and social progress. However, the real nature and importance of engineering is not widely recognised by the British public. Engineering firms design, make and support a diverse range of electronic, electrical, optical and mechanical equipment, systems and services. New and improved engineering products and services are the main source — *[Interruption.]* — I hope that Opposition Members are listening — of job creation in industries that use those products. Consequently, the importance of engineering to the economy far exceeds its direct employment or its direct contribution to the gross domestic product.

Today's employment in transport, the hotel industry, broadcasting, the entertainment industry and in financial and information services originates from yesterday's engineering innovations. Therefore, tomorrow's jobs in the service industries will depend crucially on new hardware and tools being developed today by engineering. That is why today's debate is so important and that is why I look forward to other contributions in the debate and to the reply of my hon. Friend the Under-Secretary of State for Trade and Industry.

The Department of Trade and Industry has a new name — the Department for Enterprise — and a new logo. Perhaps that signals a new era for engineering enterprise in this country so that we can compete and succeed to the benefit of all, especially our young people who need the challenge that engineering and creativity can offer. That is why it gives me great pleasure to move the motion on the Order Paper.

10.7 am

Sir Barney Hayhoe (Brentford and Isleworth): I begin by congratulating my hon. Friend the Member for Norwich, North (Mr. Thompson) on his good fortune in coming top in the ballot for private Members motions today, and on his good sense in choosing engineering as the subject for debate. As he referred to the parliamentary group for engineering development, I pay tribute to his work as treasurer of that group during its early days and to his continuing contributions to it. I also join him in paying tribute to my hon. Friend the Member for Harwich (Sir J. Ridsdale) who has chaired the group with distinction. I hope that the group will play an increasing part in bringing together people in the House, in another place and in the industry generally, to the mutual advantage of the engineering profession and the country.

I declare an interest at the outset because I am a chartered engineer and a Fellow of the Institution of Mechanical Engineers. After the sad death of David Penhaligon I believe that only myself and my hon. Friend the Member for Bolton, North-East (Mr. Thurnham) share the distinction of membership of the institution. There are far too few engineers in the House. There are 68 barristers, 30 solicitors, 20 accountants, six doctors and only two mechanical engineers.

Mr. Thurnham: Perhaps it would be appropriate again to mention the great loss that we suffered with the death in a car crash of David Penhaligon, the former hon. Member for Truro, who had an interest in engineering.

Moreover, perhaps this is also an appropriate moment to congratulate the hon. Member for Great Grimsby (Mr. Mitchell) on being here and on being the sole Opposition representative in this important debate on an industry which contributes 10 per cent. of the country's gross national product.

Sir Barney Hayhoe: I am glad that I gave way to my hon. Friend. He is right in what he said about David Penhaligon.

The hon. Member for Great Grimsby (Mr. Mitchell) is now in splendid isolation. It is remarkable that, in a debate on engineering, the importance of which cannot be in doubt, not one Member of any Opposition party is here. We have the statutory presence of the hon. Member for Great Grimsby on the Front Bench, who I suppose is doubling up as the Opposition Whip. He is a jack of many trades. Perhaps he can act as the representative of the Liberal party, the social democrats, the Ulster Unionists and uncle Tom Cobbleigh and all.

Mr. Batiste: Would my right hon. Friend care to contemplate the fact that, as Opposition Members have in the past said so little that is of use to engineering, their absence today is a step in the right direction?

Mr. Deputy Speaker (Sir Paul Dean): Order. I hope that we shall now get back to the motion.

Sir Barney Hayhoe: As I was saying, there are too few engineers in the House.

Mr. Austin Mitchell (Great Grimsby): I would not want the right hon. Gentleman to do my reputation in the Labour party any good by suggesting that I am the spokesman for the Liberal party today. Opposition Members have better things to do on a Friday than come here to sing panegyrics to the Government's performance in respect of engineering. I shall be here to put the critique. Others are in their constituencies battling with the problems caused by the decline in engineering that has occurred under this Government.

Sir Barney Hayhoe: The hon. Gentleman may be doing his best, but that is a pretty poor excuse for the absence of his right hon. and hon. Friends.

Engineering is crucial to economic progress and national prosperity. I hope that this debate will encourage more engineers to seek election to the House. Manufacturing industry in general, and engineering in particular, took an awful beating in the early part of this decade. The slow recovery which has followed, leading at last to our regaining the 1979 level of output in

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manufacturing, has been accompanied by great and welcome improvements in productivity and profitability. Nevertheless, much was destroyed during the months of recession and it has not yet been replaced during the years of recovery.

I shall concentrate more on the engineering profession than on the industry. We need more and better trained engineers. I welcome what my hon. Friend the Member for Norwich, North said about training. We need people to design the products, organise their manufacture and control and ensure their quality to help stem the deeply alarming and increasingly adverse balance of trade in manufactures. One statistic will illustrate the problem. A £5·5 billion surplus in manufactures in 1980 became a £6·5 billion deficit in 1987.

The growth in services and invisibles is to be welcomed and encouraged, but no conceivable growth in services could replace the wealth creation which must come from manufacturing, and engineering is a crucial part of manufacturing. I exclude my hon. Friend the Minister, but the Government sometimes seem more concerned with City and financial interests than with industry and engineering. Public opinion is much more favourably disposed towards the land and farming than to factories and production, but it is out of factories and production that much of the life blood of our nation comes.

Attitudes are changing, and I pay tribute to Kenneth Adams, Sir Geoffrey Chandler and the many others who were involved in Industry Year for their constructive contribution, but much more must be done. I am not in any way criticising my hon. Friend the Minister when I say that it is unfortunate that we do not have a Cabinet Minister present. We should have a Cabinet Minister here to take part in such an important debate.

Engineers are not regarded as professionals. Recent surveys have shown that the public perception of an engineer is of a manual workers or a blue collar operative who works with machines. There is never any confusion between doctors, consultants and surgeons and hospital porters, but there is great confusion between highly qualified and highly skilled professional engineers and skilled or semi-skilled people who work in the industry.

The public are not to blame. It would be absurd for engineers to blame the public for a fault which lies with them. I accept my share of the responsibility for that. The engineering profession is its own worst enemy. It is hopelessly disunited. The Engineering Council is doing its best, although I do not think that it is living up to the promise that many of us thought possible following the report by Monty Finniston. The chartered bodies and the principal institutions could do more.

I was very sorry when the Institution of Mechanical Engineers did not merge with the Institution of Production Engineers. Merger would have been in the best interests of members of both institutions. Fresh attempts to achieve greater unity are now required. Unity will bring strength and influence.

I should like to mention what is happening on the European scene. My hon. Friend the Minister will know that there is a proposed European Council directive on rights of establishment, which is Eurospeak for the right of qualified professionals to practise in other member states. It involves the mutual recognition of professional qualifications. The thrust of the proposal is that there should be a general directive which covers all or most professions.

There is a subsidiary question, which has not yet been determined, about whether it would be wise and sensible to have a separate directive for engineers. It seems reasonably clear from what one knows of the discussions that have been going on that if the first choice is made of a general directive, it will probably rely upon educational qualifications — upon the higher education of the individuals concerned. That will be the entry key. The second possibility of having a separate directive for engineers would allow for proper account to be taken not only of the educational record but of the training, experience, competence and responsibility in engineering of the person. That has been the tradition of the engineering profession in the United Kingdom. It has not relied upon purely academic qualifications, and it has been absolutely right not to do so, but it has been concerned with wider aspects of training and experience and with people having the competence and responsibility to take charge of elements of the practice of engineering and engineering performance.

I understand that a decision by the European Economic Community is expected soon. There is pressure during this six months of the German presidency for real progress to be made in that area. The position is complicated by the parallel development involving FEANI, the European Association of National Engineering Associations. That body has suggested that there should be a "European Engineer" qualification. I understand that in this country the representation of FEANI is little more than one man and a boy. It does not seem to provide the right basis for establishing the appropriate qualification for engineers at a European level.

If there were to be a general directive, almost certainly a four-year full-time degree course would be the basis for the professional qualification. I am not sure that all those involved in the discussions realise and appreciate that such an educational requirement involving a full-time four-year degree would virtually exclude the vast majority of chartered engineers in the United Kingdom. That would be very worrying for their future and the future of our engineering profession.

Therefore, there is a complicated and worrying state of affairs at the moment for professional engineers in this country. If the wrong decisions are made now at a European level, United Kingdom engineers will be put at a continuing disadvantage. The Department of Trade and Industry is the lead Department in the negotiations. I hope that the officials conducting the preliminary negotiations before the matter reaches ministerial level will be in close touch with the engineering profession — not just the Engineering Council — but the major engineering institutions, the chartered bodies as well. If we can avoid the pitfalls of the general directive for professionals and obtain agreement for a separate engineering directive, that will serve the engineering profession well for the future. I believe that, with enhanced status, the engineering profession must advance along the lines suggested by my hon. Friend the Member for Norwich, North to provide a continuing and important service in this country.

I hope that the high professionalism of engineering will be more widely recognised in future and that it will be seen as a distinction if people leaving school and going to university look upon engineering as the profession that

they want to enter rather than, as happens so often now, as a second choice, to other professions that make less important contributions to the welfare and prosperity of our land.

10.25 am

Sir Julian Ridsdale (Harwich): I thank my right hon. Friend the Member for Brentford and Isleworth (Sir B. Hayhoe) for the contribution that he has made to this first debate initiated by the engineering development group in the House, and particularly for what he said about the importance of manufacturing industry to our balance of payments, with the challenge focused on 1992, when there will be a consumer market of 320 million people in Europe.

I congratulate my hon. Friend the Member for Norwich, North (Mr. Thompson) on the excellent way in which he introduced the debate. He was right to talk about the supply and training of engineers. One expected him to underline that, because of the contribution that he makes to the House on education, with all his experience in that sphere. Those of us who have a close contact with the engineering industry know how important not only the supply but the shortage of engineers is. The shortage of skill in engineering is holding back the contribution that we should make to our manufacturing industry at present. My hon. Friend was right to underline the profitability and productivity of the engineering industry compared with some time ago, but he was also right to underline the challenge to our engineering industry now.

I also thank my hon. Friend for helping to get the all-party group of engineering development off the ground and for his initiative in introducing this first debate. My vice-chairman of the all-party group is the hon. Member for Motherwell, South (Dr. Bray), who has made a great contribution. He has apologised for not being here today, but I should like to thank my hon. Friends who are here for supporting the all-party group by attending the debate.

The membership of the group to date is 54 Members of Parliament, including 15 new Members, 39 Peers, 17 non-parliamentary individuals, and 97 companies, trade unions and other organisations. I am glad to say that our subscription income, with no money from the Government, was enough to cover the running of the group in the past year. We owe a great deal to the Fellowship of Engineering, which acts as the secretariat of the group, and to the Engineering Employers Federation, which has also contributed to the group's activities.

I have already paid several visits to industry, and so has the group. I am glad to say that the group's visits have been well attended. We went to the Rolls-Royce factory at Derby to see the RB 211 being made. When one visits such a factory, it is encouraging to see the robotics being used. I have seen Fujitsu-Fanuc factories in Japan and what robotics can do there. It is good to see that our facilities in certain industries are as up to date as in Japan. Then we visited Oxford Instruments Group plc, which deals with brain scanning and has experts working on magnetic matters. Some of the research and development done by that company is so interesting that it does not surprise me to find that it is exporting so many of its products worldwide.

Then we visited Kearny and Trecker Marwin, a subsidiary of Vickers, in the automation equipment industry, and Ricardo Consulting Engineers plc, which has 200 consulting engineers specialising entirely in the internal combustion engine and exporting almost 80 per cent. of its know-how. This is exciting, because it shows the path along which our engineering industry is developing and the way in which it is facing up, as we all have to, to world competition. We can no longer look on our island as the only place to sell our goods. We have to sell them in the world as a whole, and we have to think in world terms, not narrow terms.

We also visited Scicon Ltd, a leading company in computer services, and the Design Centre. I mention these companies to show what is happening in the engineering industry today. It is advancing, but there are challenges. My connections with Japan, and the frequent visits that I have made to industry there, have made my visits to our engineering industries exciting. I find us making much more use of modern technology than we were a few years ago, especially in computer-aided manufacture and computer-aided design. This applies particularly to small industries. I know this from my visits to small industries in East Anglia, particularly in my constituency, where there are several small but important engineering companies exporting to Japan.

For example, machine tools in carbon fibre manufacturing are going to Japan from my constituency. It is encouraging to see another small firm breaking into the photographic equipment sphere. This shows what can and must be done. Small industry is a pathfinder. It is not generally realised that over 50 per cent. of Japanese engineering production comes from small firms and industries. The production system in these small industries is more advanced in the division of labour and more rationalised than ours.

I am encouraged now when I go round our industries to find the progress that we are making in computer-aided manufacture, computer-aided design and other systems. I was most impressed to see the work being done by the Cranfield Institute on research and development for small industries in the United Kingdom. I was disturbed to find that the take-up in research and development by the small industries is not as large as it should be. Perhaps my hon. Friend the Minister will refer to this.

I welcome the visit of my noble Friend the Secretary of State for Trade and Industry and representatives from British Aerospace and Rover to Japan this week. I hope that the tie-up with Honda succeeds. All the time that I have been a Member of Parliament I have had a British car, and 18 months ago my Metro went to Instanbul in three days and came back in four without any trouble. With the prospect of a European market of 320 million consumers from 1992, it is vital that we do everything possible to improve our technology, quality and reliability even more. I am certain that such tie-ups will improve our quality and competitiveness.

One of my incentives in starting the engineering group was my knowledge of what was happening in Japanese and American industry. I knew how vital it was for us to meet the challenge and to be aware of the efficiency of our competitors. The best way to deal with the huge and successful Japanese economy is by co-operation and not confrontation, although one has to have one's eyes open for certain practices which may prevent the necessary co-operation. Nevertheless, it would be idle if we did not help firms such as KTM to fight for its share in the fiercely competitive automation equipment industry. We must face the reality that the United Kingdom's position in the

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equipment supply industry for automated electronics is weak and getting weaker. This industry is vital in meeting the world challenge.

In most types of hardware, from machine tools to computers, British supply companies have only a tenuous hold in this growing industry, which is dominated in particular by the American and West German manufacturers. On our visit to KTM we saw that its policy was to strengthen partnerships with other companies. It had a co-operation agreement for the use of software with Hoskyns, a computer and systems house, and with Mitsubishi heavy industries to produce the Japanese company's medical machine centre under licence. It wisely realises that no company in this country can afford to be isolated. Nor can we afford to hold the narrow view that we can protect ourselves from the blast of competition. It is vital for us to realise this if we are to be competitive in the huge European market that will come about after 1992. Our engineering industry is divesting only too well. The companies realise that we must take an offensive rather than a defensive approach.

Mr. Thurnham: Will my hon. Friend refer to the attitude of trade unions? It is a welcome fact that the electronics union — the Electrical, Electronic, Plumbing and Telecommunications Union and now the Amalgamated Engineering Union — are much more enlightened in their attitude towards comparisons between this country and its competitors. Would my hon. Friend welcome a similar attitude among other trade unions?

Sir Julian Ridsdale: I certainly would. I was glad to take to Japan with me in early January the hon. Member for Newcastle upon Tyne, North (Mr. Henderson) who is a trade union leader. I find that today's attitude is different from the narrow-minded approach of five or 10 years ago. Now, I am glad to say, trade union leaders are becoming much more aware of the competition that we face and the trade union practices that must operate in this new world. It is important to realise that the company union in Japan is one of the cornerstones of Japanese success. This is another matter, but I thank my hon. Friend for drawing it to my attention.

It is encouraging to see our companies selling to Japan. Those that succeed know that they must be commercially competitive but, in addition, must ship 100 per cent. defect-free products on time every time. This is as important as anything else in the engineering industry. They must have not only high technicality but practicality, to make, for example, the lock on a British suitcase work. It is no good having lovely material in one's suitcase if there is a defect in the simple engineering of the lock. We used to have a pride that British was best. I am certain that we can have that pride again, but we must realise that there are some defects. We must listen to what some of our competitors say about some of our products.

Mr. Robert B. Jones (Hertfordshire, West): Is not one of the reasons for our success, when we have it — and we have it, for example, with Crosfield Electronics in my constituency, which has 25 per cent. of the Japanese market — not only innovation and, as my hon. Friend says, quality, but the provision of good after-sales service, which is often deficient with British companies?

Sir Julian Ridsdale: I entirely agree with my hon. Friend and I have seen that in the follow-up abroad. Our technical support must always be of top quality. The views that I have been expressing come from British Timken, a company exporting ball bearings to Japan very successfully. Those ball bearings go to Nissan, and the company knows that it is no good trying to export to Nissan and similar companies unless the product is defect-free. We need a unified attitude to the challenges that we face. That is why I am glad of the existence of my all-party engineering group. We are not talking about party politics; *the very existence* of our country is at stake, and unless we meet the challenge together we shall not compete in the world as we should.

I was glad that my hon. Friend the Member for Norwich, North referred to skill shortages, which are a challenge to our engineering industry. In engineering development a vital role is played by research and development activities. In Japan, 98 per cent. of industrial research and development is funded by private industry and only a small percentage by the Government. I should be interested to hear the Minister's comments on Government funding for research and development in this country. According to my figures, 63 per cent. of research and development in the United Kingdom is funded by industry and 30 per cent. by the Government. That is a high ratio of Government support even if we recognise that the Government own certain of the industries. Have we really taken into account the huge amount of R and D investment that Japan is making? The growth rate is among the highest of those for free world nations. In the 1985 fiscal year Japan spent 3·5 per cent. of its gross national income on R and D, of which three quarters came from private industry. That was possible because of the great profitability of Japanese industry. I know that percentages of themselves do not necessarily mean much, but 3·5 per cent. of the income of Japan, which is approaching the largest income of any country, is substantial. That makes one realise the amount that the Japanese are putting into research and development and the challenge that we face.

I welcome the fact that our manufacturing industry is becoming much more profitable so that we can expect our R and D activities to increase, but the financial conditions in which engineering operates have a crucial bearing on its development. Of course, engineering will be helped by the huge market of 320 million consumers, but stability of interest rates, and lower interest rates to encourage long-term development, as well as stability in exchange rates, are vital. If we are in for another period of high interest rates and exchange rates, I hope that my right hon. Friend the Chancellor realises that he must do something — I would say something as radical as abolishing corporation tax — if industry is to progress as it has in the past few years. Industry is making profits but the burdens on it, including rates, are heavy. I hope that the Chancellor will realise that in the coming Budget because if he does not, his hon. Friends will be pressing him very hard.

Finally, I underline the engineering theme taken up by Sir Francis Tombs, the chairman of the Engineering Council, who has been a great help in getting the engineering group set up. He emphasised that engineers have a key role to play not only in the nation's enterprise but in its management and business skills. A Japanese friend of mine, who is a director of ICI, drew attention to the fact that in Japanese large-scale manufacturing

enterprises, 55 per cent. of board members have science and engineering degrees, compared to 34 per cent. in the United Kingdom. The status of engineers is considerably higher in Japan, Germany and the United States than in our country.

My right hon. Friend the Member for Brentford and Isleworth was right to underline the fact that we must do something to raise standards and to ensure that we have people with engineering degrees. Even in the Civil Service we should have permanent secretaries with engineering degrees rather than just general degrees. Some years ago, a Nobel prize winner said:

"The most formidable threat to research and innovation is the growing number of executives and politicians who are making decisions affecting research policy and expenditure, whose training and experience does not permit them to understand what it is all about."

Fortunately, our Prime Minister has a science degree and one member of her Cabinet has an engineering degree.

Mr. Thurnham: I remind my hon. Friend that our right hon. Friend the Secretary of State for the Environment is a former distinguished member of the Institution of Civil Engineers.

Sir Julian Ridsdale: That is why I said that there was one member of the Cabinet with an engineering degree. I am only too well aware of my right hon. Friend's qualifications. I hope that I shall leave time for my hon. Friend the Member for Bolton, North-East (Mr. Thurnham) to speak because I recognise his qualifications, too.

We must adopt a policy of continuous improvement. I hesitate to say this, but it must be more revolutionary than evolutionary because we need to mobilise all our industrial strength to face the challenge. If we do not, we shall find ourselves in an extremely difficult position. Time is not on our side. We have much catching up to do. However, I am sure that we are moving in the right direction and I commend my right hon. Friend's motion to the House.

10.46 am

Mr. Peter Thurnham (Bolton, North-East): I add to the congratulations extended to my hon. Friend the Member for Norwich, North (Mr. Thompson) on his motion and on all the good work that he does for the engineering industry, and also for education, on which he expresses sound views. As treasurer of the all-party group on engineering development, he has helped to establish that body. I commend my hon. Friend the Member for Harwich (Sir J. Ridsdale) on the excellent contribution that he has made to the work of engineers throughout the country in founding the all-party group. It provides an excellent vehicle to enable us to express our views and to invite speeches from people outside on these important matters. I hope that our membership will continue to expand, both in the House and elsewhere. I endorse the points made by my right hon. Friend the Member for Brentford and Isleworth (Sir B. Hayhoe) in his excellent and wide-ranging speech, in which he drew attention to some of the problems that the industry faces.

I should like to comment briefly on those problems and then go on to discuss the excellence of engineering as a career option for children at school. One of the points mentioned has been professional liability, which is of great importance to the members of the Institution of Civil Engineers and of the Association of Consulting Engineers. We have talked about the question of qualifications and entry into Europe and the role of the National Council for Vocational Qualifications. The role of the engineer is of concern to the Institution of Civil Engineers and I know that my right hon. Friend the Secretary of State for the Environment is considering the matter at the moment. It is sometimes a mixed blessing to feel that as one has been on both sides of the fence one can consider the matter with a little knowledge from a previous career. I hope that my right hon. Friend will pay due regard to the interests of the institution when he considers that problem.

I am proud to be an engineer. It was my ambition when I was at school. My right hon. Friend the Member for Brentford and Isleworth stressed the need to enhance the status of engineers. When I signed the register at my wedding, the vicar said, "Don't put 'Engineer'; it looks as if you are a locomotive driver." I said that I was very proud to enter the word "engineer", and I have always been proud. I declare an interest as a practising engineer. I founded my own engineering business in 1972 and employ more than 400 people in electricial and mechanical engineering. I am a fellow of the Institution of Mechanical Engineers. I also represent the Institution of Civil Engineers and the Electrical Contractors Association in matters relating to Parliament.

We had a debate on engineering training about a year ago, but I had not realised that there had been no full debate on engineering since 1980. That emphasises the importance of today's debate. In the debate on 12 March 1987, I stressed the need for more professional engineers in the country as a whole and in the north-west in particular. Although the industry has declined, there has been a strong growth in the number of professional engineers, which is approaching 90,000 – a 60 per cent. increase in the past 10 years. We still need many thousands more, especially in the north-west.

I emphasise that engineering is not just a career for boys. It is also an excellent career for girls, and there has been a strong increase in the number of girls entering the profession. The latest figures show that girls form 10 per cent. of the entry to university and college engineering courses, but the figure needs to be much higher to reflect the full proportion of the population. There are certainly very good prospects for girls entering the industry and seeking professional qualifications in the country as a whole as well as in the north-west. I appeal strongly to school pupils, both boys and girls, to consider a career in engineering.

The Engineering Council has produced an excellent document for this debate which describes careers in engineering as

"exciting, satisfying, socially useful, fun and well rewarded."

I remind my constituents, and indeed, the whole country, that earlier this week my right hon. Friend the Secretary of State for Employment declared that he would be offering 12 possible pilot areas throughout the country for which sums of up to £100,000 per year would be available. The aim is for schools and local employers to get together to establish compacts — a concept first developed in Boston and introduced into this country by the London enterprise agency. We should like to see such developments elsewhere in this country. My right hon. Friend has stated:

[Mr. Peter Thurnham]

"We now want to hear from any group of local employers and schools who wish to develop Compacts. We stand ready to help potential Compact partners in the target areas who need assistance to put together a full Compact proposal."

I hope that employers in my constituency will pick this up. Bolton is especially well placed. The Engineering Employers Federation has listed Bolton as well as Leicester, where I have started my own business, as the two areas of the country where the association is the base of the new local employer networks, so in my constituency a compact could well be started between the schools and the employers.

We need to widen the criteria for people entering engineering. The Institution of Civil Engineers has drawn attention to the need to establish criteria which recognise engineering not just as a highly satisfying career in itself but as a base for engineers to go on to become managers and entrepreneurs and to play a full role in today's enterprise culture. The Engineering Council has pointed out that the profession has many suitable characteristics. It states:

"Engineers are excellent raw material for management."

They have to use common sense, they have to be practical, they have to be able

"to quantify and to measure"

as well as

"to make judgments on inadequate information."

The latter is perhaps an endorsement of the ability of engineers to go on into Parliament and Government.

Many criteria make engineering both a good career option in itself and a base from which to develop into management, and we must encourage engineers to do that. The recent report by Professor Charles Handy, "The Making of Managers", points out that there are more than 120,000 qualified accountants in this country, but only 4,000 in West Germany and 6,000 in Japan. It also states that in this country only 24 per cent. of top managers are qualified, compared with 85 per cent. in Japan. The writing is on the wall — we need far more qualified engineers to go into management and on to company boards, and less emphasis on accountants. If my right hon. Friend the Chancellor adopts the suggestion of my hon. Friend the Member for Harwich and abolishes corporation tax, we might be able to spend less time consulting our accountants and more time consulting engineers on what needs to be done for the success of the business. I have no doubt that the extraordinary number of accountants in Britain reflects the enormous rates of tax — up to 98 per cent. — imposed by the Labour Government for so many years.

There is no better career than engineering for school pupils to consider from an early age and to follow through college and university.

Dr. Michael Clark: I have been following with great interest my hon. Friend's comments about engineering being a good qualification for senior management. Does he agree that many engineers make themselves so invaluable in middle positions in companies that they are not promoted to the top, while those without engineering qualifications, such as accountants, lawyers and arts graduates, obtain the top positions because they are not so useful lower down?

Mr. Thurnham: The trend is well established in the United States, and it has been pointed out that in Japan people can leave the large corporations to start their own businesses. Many Japanese firms are quite small and in the United States there is an established pattern of people joining large corporations and then leaving to start their own businesses. The more indispensable people are, the greater the potential scope for starting their own businesses and cashing in on their abilities in that way.

Engineers must consider the broad spectrum of their role. In December 1979, in the 66th Thomas Hawksley lecture, entitled "UK Industry in the 1980s", Sir Peter Carey, permanent secretary at the Department of Industry, emphasised that

"the engineer must assert himself as . . . an entrepreneur, 'a man who shows enterprise' . . .

The ball is going to be very much in your field. May I express the hope that you will run with it?"

I believe that engineers are indeed picking up the ball and running with it. I have mentioned the presence of engineers in the league table of Britain's richest 200. The number who have been able to gain such wealth through the engineering industry is encouraging. If one excludes all the land owners, engineers make up quite a substantial proportion of those who have achieved wealth through their own industry. There are at least 12 names, to which one must add those in major building and construction companies which are also acting in civil engineering. The Bamford engineering family figures in the top 16, so the industry is not just attractive as a career in itself but provides an ideal platform from which to go on into management and the running of enterprises on which the wealth of this country must depend in the future.

In conclusion, the Engineering Council, so ably led by Sir William Barlow, believes that

"Britain needs more engineers, better qualified and continually updated . . . not only . . . in engineering but also in industrial and business management at all levels, Government, Parliament and the civil service, schools and higher education if it is to be competitive . . .

Our future success in Europe and the world will depend on sufficient numbers of both boys and girls coming forward from British schools willing and eager to follow an engineering career and suitably equipped with the requisite school leaving subjects."

I support the motion.

10.58 am

Mr. Robert B. Jones (Hertfordshire, West): I join my hon. Friends in congratulating my hon. Friend the Member for Norwich, North (Mr. Thompson) on his choice of subject and his good fortune in being able to bring it before the House today. The debate has covered many areas of the engineering profession and has shown the breadth of the concept of engineering. That gives rise to certain problems because the term is used so loosely in this country, describing just about everyone from locomotive engineers to highly skilled professionals who have spent many years learning their profession. There is much to commend the position in many of our competitor countries where the term "engineering" is protected and denotes a very high status. That, in turn has ramifications for the use of engineers in industry and their involvement in general management.

The sector to which I wish to devote my remarks is civil engineering, with which I have been closely associated for many years. My father is a civil engineer and my sister——

It being Eleven o'clock, MR. SPEAKER interrupted the proceedings, pursuant to Standing Order No. 11 (Friday sittings).

Business of the House

11 am

The Lord President of the Council and Leader of the House of Commons (Mr. John Wakeham): With permission, Mr. Speaker, I should like to make a short business statement.

The business for Monday 14 March will now be as follows: Social Security Bill (Allocation of Time Motion). Followed by consideration of Lords amendents to the Social Security Bill.

The business originally announced for Monday will be taken at a later date.

Mr. Frank Dobson (Holborn and St. Pancras): I thank the Leader of the House for making this late adjustment to our proceedings next week. It has the merit of providing a proper opportunity for the House to consider the Lords amendments to the Social Security Bill, and in particular it gives us the opportunity to endorse their proposals for the annual uprating of child benefit, which I hope will be agreed.

We regret that the Government have decided that they need a guillotine motion to complete the business on Monday, which we think rather extraordinary. However, we welcome the opportunity to debate the important Lords amendments, and our amendments to them, without prejudicing the proceedings on the equally important Housing (Scotland) Bill at a later date.

Mr. Wakeham: I am grateful to the hon. Gentleman for what he has said. The Social Security Bill is an important piece of legislation. The timetable for its earlier stages was negotiated through the usual channels, and no undue difficulties arose. Discussion of the Lords amendments on Monday 14 March was announced in the business statements on 3 and 10 March after discussions through the usual channels. I very much regret that those arrangements were not acceptable to the Opposition.

Mr. Alastair Goodlad (Eddisbury): Is my right hon. Friend aware that it is by their own ineptitude that the Opposition have yet again deprived the House of an opportunity to discuss Scottish business? This will be widely resented in Scotland, despite the fact that no Scottish Labour Members are present today. Perhaps that is because they do not wish to discuss the Housing (Scotland) Bill, which is such a sensible measure.

Mr. Wakeham: I share my hon. Friend's regret that the Scottish business has had to be postponed, but never fear, we shall find a day for it in the near future.

Mr. David Steel (Tweeddale, Ettrick and Lauderdale): The Housing (Scotland) Bill is both complicated and contentious. The Leader of the House owes Scottish Members rather more of an explanation and an apology for disrupting the business of the House at such short notice — */Interruption./* All I am saying is that there should be some explanation and apology. The right hon. Gentleman will be aware that Scottish Members make advance travel arrangements, so the taxpayer will have to pay the cost of sending out the amended Whips' notice. This sort of disruption requires more of an explanation and an apology than the right hon. Gentleman has given thus far.

Mr. Wakeham: As I said, I would have been content to go ahead with the original business, but that was unacceptable to the Opposition. It seemed to be in the best interests of the House to alter it. I regret any inconvenience to hon. Members, and I especially understand the difficulties of those who come to the House from a long way off.

Mr. Neil Thorne (Ilford, South): If my memory serves me correctly, the Leader of the Opposition accepted the original business statement on 3 March. Does that mean that the Opposition are entirely out of control and cannot deliver next Monday? Is that why the Government have had to reorganise the business?

Mr. Wakeham: I am not sure that my hon. Friend is being entirely fair to the Opposition. The hon. Member for Holborn and St. Pancras (Mr. Dobson) appeared to be in control today—although there are not too many Labour Members around. I was grateful to the hon. Gentleman for what he said in reply to my statement.

Mr. Robert N. Wareing (Liverpool, West Derby): Only five weeks, which is not an inordinate length of time, were given to the important Social Security Bill in Standing Committee. Is it not utterly disgraceful that for four full days next week we shall be debating handouts to the rich? What are the Government afraid of? They are crippling the poor by imposing a guillotine on an important debate that will affect millions of people who are already living in poverty and who are being ground down by this evil Government.

Mr. Wakeham: If anyone is frightened of anything, it sounds as though the hon. Gentleman is a little frightened of what might be in the Budget. However, I know no more than he does about what it will contain.

The timetable motion, which will be tabled later today, will allow a generous amount of time to discuss the Lords amendments, all of which are either technical or are improvements to the Bill. As the hon. Gentleman knows, the majority of the amendments were passed by another place on or before 3 March. The amendments that it passed yesterday were not opposed by the Opposition.

Dr. Michael Clark (Rochford): Has the business for Monday been arranged through the usual channels? We were told yesterday about the business arrangements for next week, and we assumed that the usual channels had been at work to agree the arrangements. If the hon. Member for Holborn and St. Pancras (Mr. Dobson) is in control, is he not, in fact, in control simply of a shambles?

Mr. Wakeham: It is easy for those who are not party to the usual channels to attribute incompetence to those who struggle to organise our business. When we made the business announcement, we had every reason to think that it had been agreed. However, difficulties arose and I did my best, as I usually do, to try to meet them.

Mr. Nigel Spearing (Newham, South): Irrespective of negotiations through the usual channels, which we all recognise as part and parcel of the business arrangements for the convenience of hon. Members on occasions, does the right hon. Member not appreciate that, with a large Government majority, the business arrangements should, wherever possible, be made well in advance of the proposed dates? Why, following the Cabinet meeting on Thursday morning that agreed the business, is there now this late change, which might inconvenience many hon.

[Mr. Nigel Spearing]

Members? Is there any precedent for introducing a guillotine motion on Lords amendments, especially at such short notice?

Mr. Wakeham: I remind the hon. Gentleman that the proposed business for Monday was first announced on 3 March, not yesterday. The hon. Gentleman should look at the record of his Government, who brought to the House Lords amendments to major Bills on the very day that they were passed in the other place. I do not complain about that, because it is not an unusual procedure—*[Interruption.]* The hon. Member for Liverpool, West Derby (Mr. Wareing) has had a go, rather ineffectually, and if he keeps quiet I shall do my best to reply to his hon. Friend the Member for Newham, South (Mr. Spearing) who asked a rather more intelligent question.

There are many precedents for guillotining Lords amendments, but what is new is the necessity to do so when the previous stages of the legislation have been completed without the need for one. The reason for that is rather more a question for the Opposition than for the Government.

Mr. Peter Thurnham (Bolton, North-East): My right hon. Friend will be aware that, prior to his statement, the House was debating engineering. Would he like the engineers in the House to look at the mechanism of the usual channels if that is not working? Or is it simply the problems of the Opposition that have led to the altered business arrangements?

Mr. Wakeham: The engineers could give us an oil can or two, which might help.

Mr. Dennis Skinner (Bolsover): Is the right hon. Gentleman aware that although some hon. Members may not be party to the usual channels, they believe that it is indecent that a Government who are sinking into the gutter should, only 24 hours before a Budget that will almost certainly give more tax concessions to the top taxpayers—many of whom are included in the 20,000 millionaires in Britain—introduce Lords amendments which, under the new social fund, will deprive 7 million people of the ability to live above the poverty line and take away 500,000 free school meals from children in almost every constituency in Britain? The pattern of events shows that the Government are concerned with handing out large tax concessions to the rich and hammering the poor into the ground. The guillotine on Monday is part and parcel of that tawdry, rotten programme.

Mr. Wakeham: I suspect that the hon. Gentleman would have made that sort of intemperate remark whether we or the Labour party were in power. I fear that a Labour Government would take about as much notice as I shall. His remarks reveal that he has no idea of what the Lords amendments are about.

Mr. Spencer Batiste (Elmet): The contribution from the hon. Member for Bolsover (Mr. Skinner) demonstrated clearly the difficulties faced by the usual channels in reaching agreement on business.

Mr. Skinner: The usual channels—what do they matter?

Mr. Batiste: Nevertheless, this statement and that interjection in particular illustrate the difficulties created for Scots Members by the further disruption of business—*[Interruption.]*

Mr. Speaker: Order. The hon. Member for Bolsover (Mr. Skinner) has had his say at some length.

Mr. Batiste: Many Scottish Members will be concerned again at the further disruption of another day of Scottish business. Is there not now a case for reviewing the whole timetabling procedure, with a view to timetabling all major Bills from the outset?

Mr. Wakeham: Perhaps I can modestly say something in defence of the usual channels. Normally we manage to find an acceptable basis for the way that business proceeds. The hon. Member for Holborn and St. Pancras and I are fully paid up members of the usual channels——

Mr. Dobson: I do not get paid.

Mr. Wakeham: Perhaps the hon. Gentleman should remember the proverb of the labourer being worthy of his hire. We do our best. Most of the time we succeed, and we shall struggle on in our inadequate way.

Mr. Max Madden (Bradford, West): Who is the Leader of the House trying to kid? He comes to the House on a Friday morning to tell us that a Government with a majority of more than 100 do not control the business of the House. He knows, and so does everybody else, that he controls the business. Is he not ashamed to announce the steamrolling through of this Bill, which will rob millions of the worst off of even more money than they are left with now? Why does he not announce that the £8 that is owed to the 170,000 people, including pensioners, in compensation for the Government getting the retail prices index wrong will be paid? Why does he not withdraw the Bill rather than steamroller it through? Why does he not announce an increase in pensions, rather than cuts in housing benefit which will leave thousands of pensioners worse off? Why does he not announce an increase in child benefit, rather than rob thousands of school children in Bradford of free school meals? Why does he come to con the House, rather than to give us the truth?

Mr. Wakeham: I apologise to the hon. Gentleman for making this business statement at rather short notice, because if he had had a bit longer and had thought about what he wanted to say he might have made a better job of it. What I have demonstrated is that the Government are in charge of the business. That is the purpose of a timetable motion. Therefore, I am not trying to kid anybody. One tries to organise the business through the usual channels for the benefit of everybody. If that is not possible, unfortunately from time to time timetable motions must be used.

Mr. Roger King (Birmingham, Northfield): My right hon. Friend has a reputation for compassion. What steps has he taken to acquaint the hon. Member for Livingston (Mr. Cook), the Opposition spokesman on such matters, about his decision on what will take place on Monday, just in case that hon. Gentleman happens upon the Labour party conference in Scotland?

Mr. Wakeham: I hope that smoke signals are reaching that hon. Gentleman from somewhere, but I have not looked upon it as part of my responsibility to tell him.

Mrs. Ray Michie (Argyll and Bute): I am still puzzled, and perhaps the Leader of the House will help me. Is he saying that it is because of the Official Opposition that we have lost the Scottish business on Monday night — */Interruption./* — or that it has been postponed? It is important that we in Scotland know whether that is the case, because I would want to be able to go home this weekend and tell the people that once again we have lost our business, or that it has been postponed.

Mr. Wakeham: The hon. Lady has not been long in the House, but she observes the proceedings well and makes welcome contributions. She would do best to draw her own conclusions. I have announced the position as best I can, and I shall not add to the troubles.

Mr. Barry Field (Isle of Wight): Will my right hon. Friend confirm that the workings of the House will soon resemble a Chinese Parliament if Opposition Members keep welshing on deals that they do behind the Chair?

Mr. Wakeham: Over the years I have done a good deal of business with the Chinese, and I know them well. I would not want to insult them by making such a remark.

Mr. Dobson: In case some hon. Members on both sides of the House do not understand the purport of the statement, can the Leader of the House confirm that on Monday the Social Security Bill will now be debated at length in prime time, rather than dealt with extremely late at night, when it would be highly inconvenient for all the people in the Press Gallery to give it the coverage that it deserves? Will he further confirm that it is the Government's desire to get the Housing (Scotland) Bill through as quickly as possible, and that it is the Opposition's desire to prevent or delay its passage as long as possible?

Mr. Wakeham: I shall certainly not answer questions on what the Opposition want to do, but I can say that my timetable will enable the allocation of time motion and the Lords amendments to the Social Security Bill to be debated. If not too long is spent on the allocation of time motion, more time will be available for the Lords amendments to the Social Security Bill, which will be in what the hon. Gentleman refers to as prime time.

Engineering

Question again proposed.

11.17 am

Mr. Robert B. Jones: All my illusions are shattered. I thought that my right hon. Friend the Leader of the House had come hot-foot to the Chamber, as he is an accountant, to reply to the points that my hon. Friend the Member for Bolton, North-East (Mr. Thurnham) was making about the surfeit of accountants in the engineering profession as opposed to genuine, professional engineers.

Mr. Batiste: Did my hon. Friend observe that while many Labour Members appeared to be able to come into the Chamber for the business statement, as soon as we return to the debate on the engineering industry they all disappear?

Mr. Jones: In many debates in this Parliament Labour Members have not been present, and that shows their lack of interest in yet another subject rather than a distinctive lack of interest in engineering.

Before the statement I was relating my interest in the civil engineering sector. My father was a civil engineer and I am pleased to say that my sister was an engineer, which is comparatively rare. I worked for the Federation of Civil Engineering Contractors for many years and took a close interest in the industry and, on its behalf, in the workings of the House. For those two to come together in this debate is particularly welcome.

The civil engineering industry is especially important for our balance of payments. It may interest the House to know that the consultant side of civil engineering has 13 per cent. of the world market and the contracting side 6·5 per cent., which makes the United Kingdom important out of all proportion to the size of its economy and workforce. We are particularly strong in the middle east, Asia and Africa, but it is worth pointing out that we are not strong on the European mainland. Curiously enough, the countries that have strength there are the Scandinavians and the north Americans. Why can countries that are outside the EEC, and therefore have no inside track into the market, come out ahead of the United Kingdom's profession and contracting industry? We should be in an advantageous position because of our location. There is a great source of indirect exports through plant and materials, for example.

The civil engineering industry should be in the vanguard of efficiency and innovation. The term "engineering" is derived from the same root as "ingenious", and it is on that basis that the industry has established its reputation over the years. Unfortunately, it tends sometimes to fall behind the times. For example, I find it extraordinary that the Association of Consulting Engineers should not allow its members to advertise. This gives an advantage to firms which engage in design and build and disadvantages many of our top professional firms.

The implications of liability put the industry at an especial disadvantage. British civil engineers are over-cautious, or fail correctly to establish a balance between risk and cost. The strengthening of the Severn bridge is an example. Comments were made about in in *New Civil Engineering*. The article stated:

"It is now capable of carrying a nose to tail jam of overloaded 40 ton lorries in all lanes, at the same time as a

[Mr. Jones]

ship is colliding with one of the piers and a Boeing 747 with a tower—all of this during a gale of such strength as has never yet been recorded."

When the industry's cautious approach is taken to foreign contracts it loses out, especially to the north Americans and the Germans, who have a better appreciation of balance. We must examine why we take a cautious approach. I believe that it stems from our law of liability, which I accept has been reformed recently in terms of the law of latent damage. Until that reform, the law was almost entirely unclear. It may be that the descendents of Christopher Wren would have been liable for any defects in St. Paul's cathedral. That is clearly an absurd supposition. I know that the Government examined the problem carefully before supporting reform of the law.

In the United Kingdom we have effectively 15-year liability. This places a particular burden on consultants who are retiring, especially if they are single principals. In overseas countries there is invariable decennial law. The cost of the additional five years in the United Kingdom contributes to the industry's lack of competitiveness in some areas.

In practice, consultants without cover do not get sued. There is no point in suing someone if the action will not lead to substantial damages being paid. This acts as a deterrent to the industry as a whole, and especially to legitimate, large-scale professional firms and contractors. There are the most absurd anomalies, and I shall use the Channel tunnel as an example. With decennial law in France and 15-year liability in the United Kingdom, there will be a rivet in the middle of the tunnel that is the subject of 10-year liability that will be bolted into something that is the subject of 15-year liability, for example. Is that sensible? With the single market just round the corner, is that sustainable?

Research and development was referred to ably by my hon. Friend the Member for Harwich (Sir J. Ridsdale). Research and development is critical in civil engineering. It is from R and D that new techniques arise, and new techniques enable us to steal a march on our competitors. We spend only about 0·56 per cent. of turnover on R and D, and it is directed mainly to products and materials, not techniques. Less than half of the expenditure on R and D goes into design. Within industry as a whole, 2·3 per cent. of turnover is directed to R and D. This means that the civil engineering industry is spending only one fifth of the overall expenditure on R and D. In agriculture, 3·3 per cent. of turnover is being invested in R and D. We must find some way of improving our domestic performance on this front. In the building industry, it is significant that almost all the new products coming on to the market and making things possible that were not possible before — shuttering, for example — come from Scandinavia and West Germany. The insulation materials produced by our continental rivals are very much better than those which are produced in the United Kingdom. We are losing out.

The Single European Act will dominate our debates on many subjects over the next few years and I make no apology for referring to it now. We must be prepared if we are to take advantage of the opportunities that come our way. The form of contract used in Continental countries is different from that which is used in the United Kingdom. That is not surprising as we derive much of our tradition from common law whereas many Continental countries derive their traditions from Romano-Dutch law and Napoleonic law, for example. As contract law follows the flag—this applies to other European countries and when we are trading in the middle east or Asia—this has a bearing on our exports. I hope that the Government will be putting all the force that they can behind the British case for our form of contract being used for civil engineering works under the new single market system.

It worries me greatly, for example, that in the Cotswolds, where there is a beautiful form of stone building, and natural slate, that if a planning authority wishes to deem these as acceptable materials to be used in new developments, it runs the risk of being ruled against as a result of the Single European Act. That is because local materials advantage the United Kingdom and disadvantage our competitors. It will give rise to considerable worry in the United Kingdom if that sort of problem can occur. We must ensure that that is not allowed to happen when the final details are sorted out.

We do not get as much of the European market as we would like, and that is a result of some of the factors that I have outlined. I believe that we are best when we participate in joint venture projects. That applies to markets other than the European market. The Koreans are proving to be extremely successful in the management of manpower, which is a lesson that our trade unions might profitably learn, and learn quickly. We are exceptionally good at managing projects, which reflects competence of our consulting engineers, to put together a package and to operate in far-flung parts of the world. Of course, in the European market, it makes sense to get together with local civil engineering companies and make sure that we have the advantage of their local know-how, knowledge of terrain, the law, planning, and so on. We should expand joint ventures.

When one touts for new work abroad, people ask "What have you done at home?" Of course, for many years, the civil engineering industry suffered from a lack of work load in the United Kingdom. I am happy to say that the latest work load survey of the Federation of Civil Engineering Contractors for the January-March quarter is the best on record. That is a tribute not only to the competitivenes of our civil engineering industry but to the priority that the Government have placed on investment in infrastructure over recent years, now that we have come out of the recession.

The trouble is that profits have not followed suit. It is perfectly true that the industry is getting more work, but profit margins are low. It may interest my hon. Friend the Minister to know that there has been only a 2·5 per cent. price increase between January 1983 and January 1988. We are trying to keep inflation down — I strongly support that — but when we compare that figure with the price increases that have been possible for other industries we shall appreciate the impact on profitability of prices being held down to that degree.

To strengthen the domestic market, we must look at many more innovative approaches to financing. The growth in private sector financing of public capital projects is to be welcomed. I congratulate my right hon. Friend the Secretary of State for Social Services, who, when he was Secretary of State for Transport, secured the Dartford-Thurrock crossing deal, which is certainly one of the most beneficial deals that the country has ever had. There have been many advantages, not only in tapping private sector resources, but in making sure that such

projects are carried out ahead of time. The RYRIE rules, which were laid down by the Treasury and recently updated, ensure that there will be relatively little growth in that respect, because of the failure to take account of the advantage in bringing forward a project and working out the balance between public and private financing. I hope that my hon. Friend will pass on to the Treasury my comments on that point. It seems to be slow, considering that it welcomed this as an initiative, to come up with its part of the goods, laying down a proper framework. A request of the civil engineering EDC of 24 November 1986 led to the updating of the RYRIE rules, which was reported to the National Economic Development Council on 16 February 1988. That is a deplorably long time in which to come up with something that all Ministers whom I have ever heard speak on the subject have referred to as an excellent way of harnessing private sector talents.

Civil engineering is important to the country, because of the balance of payments, employment and its general contribution. It is an exciting industry. It is the modern equivalent of the great 14th and 15th century explorers, who set out to discover new worlds. Engineers, too, drive back frontiers and do things that, hitherto, we thought impossible. Civil engineers turn deserts into fertile ground and bring prosperity to countries that have been deficient in infrastructure and, therefore, have had low standards of living. It is well worth debating civil engineering.

11.33 am

Mr. Neil Thorne (Ilford, South): I am pleased to follow the remarks made by my hon. Friend the Member for Hertfordshire, West (Mr. Jones) about the civil engineering industry and its great contribution to the world of engineering. He made many important points. The Latent Damage Act 1986, which came into force not so long ago, contains some extremely interesting provisions. My hon. Friend's point about St. Paul's cathedral and the Wren family was particularly interesting. Nevertheless, as a result of the Latent Damage Act, there are considerable misgivings about what might happen in future, for the simple reason that the period is not limited to 15 years, but runs for 15 years after a material defect is discovered. That could be a much longer period.

It is extremely difficult for engineers to find the necessary insurance to cover their liability well into their retirement. It is even possible that large claims could be made many years later against widows and families who inherit the assets of a deceased engineer. That is worrying. It must inhibit the functioning of a civil engineer. We shall have to watch how the legislation progresses and consider what effect it will have when it reaches the courts. The courts' interpretation will be important.

My hon. Friend said that people in developed countries, and also in previously under-developed countries, are now trying to promote their engineers. The type of work that traditionally came to this country is now much harder to find. Until recent years the level of invisible earnings produced by engineers working overseas amounted to no less than £500 million a year. Last year, for the first time, that figure declined to £420 million. The reason for that decline is the fact that competition is much greater.

My hon. Friend mentioned the Association of Consulting Engineers resisting advertising. We have a genuine dilemma. It is possible to compete in respect of fees and types of services, but it is difficult to compete in respect of both. Few people understand precisely what they are getting for their money, and therefore it is difficult for them to be able to compare like with like. The Government rightly want to ensure that competition is free and fair throughout society, whether in industry, the trade union movement, or the professions, but it is a difficult problem because, quite clearly, the professions want to maintain a high standard.

Mr. Robert B. Jones: My hon. Friend is obviously referring to the views of the Association of Consulting Engineers. I ask him to contrast that view with that of the Institution of Civil Engineers, which is quite happy for its members to advertise. We have in mind, not the unsolicited direct mail shots, but the general form of advertising. The wedge has already been driven in. The Association of Consulting Engineers is in danger of being the last bastion of fuddy-duddiness, when we are trying hard to be even more competitive.

Mr. Thorne: I am sorry that my hon. Friend called the Association of Consulting Engineers fuddy-duddies. Its performance has been extremely high. Its standard of engineering throughout the world has been second to none. We have an extremely good reputation in the world. The association is reluctant to give way unless it is certain that the standard can be maintained. I am sure that we will reach a satisfactory solution, but it should not be rushed.

The areas in which we have competed are particularly interesting. We have contributed to many major civil engineering contracts throughout the world. By doing so, we have created employment and exports. Clearly, when consulting engineers are being employed from this country, they have extremely good contacts and they know what products are produced here. Therefore, they would not exclude those products from the market.

Much capital was made out of the fact that the second Bosporus bridge was constructed by a Japanese company. We seem to have forgotten that that Japanese company was helped by considerable quantities of goods from this country, particularly steel for steel wire. We have to thank the British consulting engineers for encouraging the Japanese to buy from this country. Too often we tend to forget or ignore that point.

The same principle applies to other sectors of engineering, such as when taxes are applied to goods that come into this country for use in making another product here. We must be careful about that and ensure that we do not freeze ourselves out of world markets by adding taxes to a product from overseas as this may prevent us from making a substantial profit on more complex products. We must watch carefully the contribution that British industry makes in the world so that we can see what extra facilities in civil engineering and what extra profit we can engender in British industry by adapting what can be produced elsewhere.

My hon. Friend the Member for Norwich, North (Mr. Thompson) is to be commended for the way in which he introduced this important subject. I welcome the remarks that he made and agree that we should pay our engineers the rate for the job. All too often we tend to overpay other professions—I hesitate to name any, but there are a few about that know exactly where the finance can be found. Engineers tend to specialise in providing a good service, but do not get the recompense that they deserve. Unless

[Mr. Thorne]

we ensure that that is put right, we run the risk of losing many able people. The engineering profession is one through which this country has achieved enormous success, and I hope that it will go on to even greater things.

11.42 am

Mr. Roger King (Birmingham, Northfield): I am grateful to my hon. Friend the Member for Norwich, North (Mr. Thompson) for promoting this debate. It is extremely relevant because of the tremendous change that is taking place in our engineering industry, represented by the recent announcement that British Aerospace proposes to merge with, or take over, the Rover Group. Those two companies, with a combined output of £7 billion, employing a large number of people and with a substantial export market represent, almost uniquely, all that is good and all that is bad and troublesome about British industry.

I can speak with a slight personal knowledge because I am an ex-engineering apprentice. I never reached the august heights of being a qualified professional engineer. I was an apprentice with the old British Motor Corporation. In fact, I was a Nuffield apprentice. The company was known as Nuffield before becoming the British Motor Corporation, British Motor Holdings, British Leyland Motor Corporation, BL Cars and now the Rover Group. Therefore, it has had many names and one tends to remind people of one's age when referring to the fact that one was a Nuffield apprentice. However, I shall not go into details of my age.

The negotiations that have started between British Aerospace and the Rover Group ought to have widespread debate because they represent an enormous change and a challenge for the car industry and the engineering industry in Britain. Now that we have had time to digest the implications of the proposed British Aerospace takeover of the Rover Group, we should step back and ask a few questions.

I was one who welcomed the proposals. I do not look at the takeover with hostility because it has many merits. British Aerospace is a talented and gifted company and it has proceeded along a path of prosperity in an accelerated way since becoming part of the private sector. We need to seek some assurances and examine what alternatives there might be, if any, for the remaining large sector of our motor industry, which is still British owned.

Although British Aerospace has said that it intends to honour the Rover Group's five-year corporate plan, as timescales go that is not very long. Markets change and the attitudes, aims and objectives of management have to adapt accordingly. We have to ask ourselves, in terms of that five-year plan, of which there can be only about four years left, what sort of manufacturing sector we shall have within our motor industry at the end of that time.

Some pundits – there have been many in the technical press, tabloid papers and more serious papers – have said that British Aerospace would seek to develop the Rover Group as a British-type BMW market-orientated business. In other words, low volume but high profit. The sort of low volume envisaged must be around 200,000 cars per year, which would clearly put into question the viability of Rover's twin car plants which are situated at Longbridge in my constituency and Cowley.

Although we have had verbal assurances that British Aerospace will not be able to dispose of the Austin Rover business for at least five years, as far as I know that will not cover plant rationalisation or market volume. Indeed, it could not seek to cover those aspects of the deal because it would be unreasonable to do so in a normal commercial transaction. However, this deal is much more than that. Volume of manufacture has implications beyond the car manufacturing units themselves. Halving Austin Rover's production level would have a disastrous knock-on effect within the engineering components industry, which is predominantly situated within the west midlands but which can be found the length and breadth of the country. It would have an equal effect upon distribution and sales outlets. There are 1,200 Rover dealers employing, on average, 100 employees each and that is not a force to be ignored. Neither sector can earn a living without strong volume presence.

It is vital that any new owner should categorically commit itself to at least present output levels. Without that, all the painstaking hard work by tens of thousands in rising to the challenge to create a future for the car side of the company will be put in jeopardy. We saw on Thursday just how much has been achieved by the Rover Group. It made a small profit but has a long way to go before it could ever be a viable entity in its own right; some of us would say that perhaps it never could. However, it is a substantial performer with a £3 billion turnover, over one third of which is in the vital export market.

I wish the talks well although I reserve my view on the synergy between British Aerospace and the Rover Group. There is no doubt that engineering excellence is present in both companies in many and varied disciplines. In fact, what is being achieved at Rover, much of which has yet to see the light of day, is by anyone's standards outstanding and is gradually ripening for commercial exploitation. That accumulation of technical wealth, which should become commercial wealth, makes me wonder whether the value of the business is far greater than the quoted "give away" being promulgated. I recognise British Aerospace's interest in satisfying its shareholders that it is concerned with picking up businesses that will mean something to it and which are not just a rag-bag of worn-out assets.

We do not know what the value of the business is to anyone else because British aerospace has exclusive rights to negotiate until 1 May. Obviously it will seek the best terms possible without bothering whether they represent the best deal for the taxpayer. Who can blame it? However, for those who are interested in jobs, which is a pre-eminent consideration, a one-horse race for ownership is not the best way forward.

I am pleased that in his statement my right hon. and learned Friend the Chancellor of the Duchy of Lancaster said that the Government would have to consider alternative offers. The difficulty faced by an alternative party is whether such an overture would be truly welcomed or whether it would cause embarrassment. Therefore, the Government must spell out more clearly their attitude to any bidder, so that on 1 May the terms negotiated between parties that are involved at present – which perhaps may involve debt write-offs and capital grants – can be known, so that alternative offers can be tabled.

A British solution would be preferable, but is that entirely realistic in the strict sense of the future prosperity of the car business? The car industry is so international, with global markets, that a wholly owned United Kingdom solution, while satisfying many, will not do

much to unlock the potential for Rover Group profits. British Aerospace will not bring one extra outlet for those products if the deal comes to fruition.

In many respects we have been here before, because two years ago we had the tussle over Land Rover—General Motors and the secret Austin Rover-Ford talks. Both failed because neither company was prepared to say what future they could offer. It is not the American way of doing things to tell people what aims and objectives they have. They prefer to keep their cards close to their chest because they are aware of the competitive nature of the industry. Faint heart never won a fair lady, and unless one spells out what one wants to do with a business, the future becomes more important for those who will be affected by any takeover.

Those earlier talks were all pie in the sky. At that time, the Rover Group was in poor shape. In the intervening two years, it has moved forward substantially, both financially and in products and technology. It is now a different animal and is attractive, not as a rag-bag of dubious assets but as a viable business with good potential, given the right commitment.

Any potential suitor must spell out clearly what the potential market might be, how it would handle the Rover marque in the market, what sort of volume production it would envisage, whether it would remain committed to a replacement Metro or something similar, which is so vital for component jobs, and what it would do for Land Rover.

Earlier, I mentioned that Ford and General Motors had been involved in talks. What would happen if they were to renew their interest? I do not know whether they will, but Ford has been looking for an up-market image for some while, as its unsuccessful talks with Alfa Romeo, which subsequently collapsed when Fiat marched in, showed. With its worldwide dealership total running at 7,000 and its market dominance in many countries, the statistics could be mind-boggling.

It is well known that Ford has in preparation a replacement for the Ford Fiesta. Although it will appear to be a completely new car, the engine is of old-established design. However, suppose it wished to specify the new Rover Group K series engine, which is all alloy and much sought after. The Rover Group plans to make 300,000 units per year on the most advanced technologically based equipment yet available in the motor industry. That is a testimony to its engineering expertise and to that of the component industry. I am proud to say that the Rover Group will be manufacturing those engines in my constituency. If Ford became involved, up to 1 million units would be required every year. Think what that would mean for Longbridge and the subcontractors supplying pistons, bearings and ancillary equipment. These are all questions that must interest us.

The same is true with regard to the new R8 model that the Rover Group is developing in conjunction with Honda. It will be sold as an alternative to the Escort through existing Rover dealers and new ones that any new company might bring. Positioned in the market where Audi is at present, the sales potential could be substantial. The future for jobs, which must be our prime concern, would look very exciting indeed.

I have mentioned Ford but, equally, General Motors could make a success of the business. Many manufacturers have secondary marques. Volkswagen has Audi, Peugeot has Citroen and Fiat has Alfa Romeo. All those secondary marques have experienced growing success, after years of going nowhere, as the parent company has invested in models, plant and opened up new markets. I make no personal choice; my sole aim is to say that there should be a choice.

The Britishness of such an arrangement must be in question, although Ford and General Motors become upset if they are viewed as alien businesses, given their immense investment in the United Kingdom. If that is the price to pay for the opportunity that beckons — any suitor must spell out those opportunities to try to win our hearts and minds—perhaps we should give it more than passing consideration.

I do not know who will form a queue for the Rover Group — probably no one. The future status of the company must be decided one way or the other. I welcome the British Aerospace bid because it ends the hiatus over ownership sooner rather than later.

The Rover Group's financial results show a vast improvement over the past years, which is a testament to its management and employees. Much more progress must be made to ensure its future as a semi-volume car producer. Can it find its resources internally? Perhaps not, although it has a chance. Some of its new models, which have yet to see the light of day, are very advanced in design, technology, performance and finish. The new R8 may well be a volume seller in the old sense of the word, in line with the Mini and Austin 1100 of 20 years ago.

Can British Aerospace provide the constant financial commitment to keep the business moving forward on a broad model front? At best, we do not know and at best we should.

The Rover Group is a substantial part of our engineering heritage. Almost every modern car owes something to the brilliance of its engineers, particularly Sir Alec Issigonis, who showed the world how to build a small car. The tragedy is that we threw it all away for reasons that are now history. However, there is such expertise and ingenuity in the Rover Group today. Porsche engineers are reported to have gasped in amazement when presented with a V6 prototype engine that was sent to them for a second opinion. In terms of weight and performance, it was a revelation. The two-litre M16 engine, which is built at Longbridge, has won a Design Council award, and the K series engine which is a replacement for the engine used in the Mini and the Metro at present, is exciting the motoring fraternity even before it is in production.

The influential motoring magazine, "What Car?" has voted the Rover 820SE as the best executive car and the Montego 2·0 Mayfair estate was voted best estate car. The Metro came top in a recent "Car" price-quality audit. These are all examples of how much is being achieved by the company at present.

The partnership with Honda has been beneficial to both parties. However, we can never be sure whether it is long term, and it has done little to resolve Rover's problems of market size and economy of scale. The Rover Group has the products, but it does not have the market size or distribution outlets, and until it has it cannot achieve the economies of scale of some of its larger competitors.

There is no doubt that the British Aerospace deal is exciting, but can it give what the Rover Group truly needs, or does its future lie elsewhere? We must address ourselves to those questions. In the light of the information available to us we cannot give a definitive answer.

It may be that an all-British solution is best, but should we not look at any other offer and judge each on its merits?

[Mr. Roger King]

We must get it right because there can be no further chances for the Rover Group. The west midlands economy demands that we get it right; the engineering economy of the west midlands and of the country demand that we get it right.

Is it right to negotiate the future of a very large section of our engineering heritage behind semi-closed doors? Should we not know the facts, proposals and hopes for the future of the company if it is to become part of a bigger group?

I hope that British Aerospace will endeavour to win the hearts and minds of all the employees and show all the opportunities that a relationship with it would offer. The future of the Rover Group is exciting, but it needs a commitment, resources and good management. Given the resources of a bigger and stronger partner, it could bring prosperity to the country, continue to be part of the cutting edge of technology in this country and give us a key to our future prosperity over the next few years.

11.59 pm

Mr. Spencer Batiste (Elmet): First, I should like to join my colleagues who have congratulated my hon. Friend the Member for Norwich, North (Mr. Thompson) on his good fortune in winning the ballot for this debate, on his good sense in choosing a subject that is so important, and on the clarity and excellence of the speech with which he introduced the debate.

I should like to comment on one particular aspect that he raised, although I wish to be associated with the breadth of his comments. The motion falls into two parts. The first congratulates the engineering industry on its past progress. I endorse that fully. Successful manufacturing industry is crucial to the success of this country. It is crucial as a wealth creator and makes a vital contribution to our balance of payments. It is also crucial for employment, especially to many skilled people.

However, it is important that we separate debates about employment from debates about the success of manufacturing industry. They are two quite separate debates, and the dangers in confusing them are that we measure the success of an industry by the number of people that it employs rather than by its productivity and performance.

The success of the engineering industry in Britain today is largely attributable to the fact that it has addressed so many of the problems that we have inherited from the past. I make no apology for saying that it has been able to do so because it has been operating in the 1980s, in the framework of the revitalised enterprise culture which is the objective of Government policy because the Government's role in creating that framework is crucial to the success of manufacturing industry.

In all those congratulations, however, one message must come over clearly from the debate: that we cannot possibly afford to rest on our laurels. The pace of change that we all face is accelerating all the time. That came home most clearly to me many years ago in a debate in my law office when we were discussing whether to replace the computers that we had brought in only two or three years earlier but which had already become long outdated. In that debate an elderly consultant of the firm, who had distinguished service in the first world war and who, as a young man, rode to work on his horse and left it in the stables behind the office, asked whether we would like to know about our firm's first debate on high technology. We asked him to tell us. He said that it was about the telephone and whether we should have one. After an agonised debate the firm's partners decided that they would have to move with the times and that they would buy a telephone, but, because nobody would use it very much, they put it in the stable with the horse.

During his working lifetime, that consultant had moved from the horse to the microchip. I wonder how far we will have to move in our lifetimes, from the technologies and methods of industry and the organisation of our society that we take for granted today to the things that our children and grandchildren will take for granted in the future.

We are at the threshold of even greater and faster change than at any time in our history, and it will dwarf everything that has gone before. We face changes in our products, methods, and skills and in the demands that we make on our industry, but, above all, in the markets in which we must compete, and our attitudes to those markets. Our continued success in the 1990s and beyond will depend upon how successfully our industry adapts to those changes and, in the medium term, how we face the challenges and opportunities that will be opened up by the completion of the European market in 1992, on which I shall concentrate today.

Jacques Delors, the President of the Commission, said:

"Europe has had to run the 100 m hurdles, while others run the 100 m sprint."

In America and Japan, our competitors have the benefit of being organised on the basis of a large home market, without internal obstacles. They have been able to come to Europe and, in many cases, to run rings around our indigenous companies because they have the benefits of scale at home.

Mr. William Cash (Stafford): Does my hon. Friend agree that one of the most important things at the moment is to invest strongly in new products and to attract training and training potential of the highest calibre? Does he also agree that one feature of those other countries that he mentioned is that there is a continuous dialogue between Government and industrial leaders, and that that is something that we should encourage as much as possible?

Mr. Batiste: I am grateful to hear that my thinking on this subject and the remainder of my speech match closely the analysis that my hon. Friend has made. I fear that when the hurdles start to come down in 1992, French and German industry, which has been planning for a fast start, will be ready to run the sprint, whereas we shall still be jumping long after the obstacles have gone.

In 1992 Europe will be our home market. It will not be the preserve of the export sales manager. Every British company should now, as a matter of urgency, be reappraising every aspect of its business plans. Because the Government are so important to the framework in which industry operates, they should be there out front. The Department of Trade and Industry—the Department for enterprise—should be there, signposting to our business men the high ground that they have to capture between now and 1992 and smoothing the path to achieving those objectives.

It is disturbing that the French and German Governments seem to be moving so much faster in mobilising industrial awareness and action in their

countries. I have heard it said, in relation to France, that that is because French industry is not as well oriented to world markets and to adapting its methods when major changes come to be made in meeting new markets. I am cynical about that because I think that it is much more to do with the fact that the French are realistic when it comes to assessing the needs of their national industries and identifying the problems of 1992. They are determined to ensure that their companies will not lose out.

We must start with the very structure of our companies. Where should their offices be located? Where should we place our manufacturing, sales, distribution, transport and servicing facilities? What communications systems will be needed? Those of us who, like myself, represent northern industrial constituencies — mine is Leeds, which has a wide range of different industries involved in engineering — will wish to be satisfied that the Government are doing everything possible to balance out the inevitable disadvantage that our companies face by being remote from the centre of balance of the market.

The Channel tunnel can, indeed, give us easier direct access to the Continent, but in our regions we must have the inland facilities, linked to the rail and motorway networks, to ensure the smooth passage of our products. I do not want to see the barriers removed from Dover but reimposed in London.

We must also consider our attitude to competition and mergers policy. We have just heard an exceptional speech from my hon. Friend the Member for Birmingham, Northfield (Mr. King) demonstrating his depth of knowledge and awareness of the motor car industry, which is so important in his constitutency. Many other companies around the country face great challenges as we come to the period of the completion of the European market. We should ensure that, wherever possible, the artificial boundaries that exist in our society are removed and that balancing factors, in terms of infrastructure and organisation, are created.

In the motor car industry, as in many other engineering industries — especially the high technology industries — once and for all we shall have to face the fact that other companies, especially those operating in Japan and the United States, are organised on a scale that dwarfs our companies in Britain. If we are to play in those markets, we must be aware that mergers between large companies in Europe are an essential signpost of the way forward to success.

Mr. Roger King: I thank my hon. Friend for his kind comments. I agree entirely with what he has said about the necessity for being large enough to take on world competition. He knows, as we all know, that at present in this country if one has over 40 per cent. of a certain market, one is in danger of becoming a monopoly. Has that put a constraint on British companies being big enough to face European competition in 1992? When we go into Europe, in the true sense, in 1992, Europe will be our home market, and 40 per cent. of the United Kingdom market might mean only 10 per cent. of the European market. Therefore, should we perhaps not review our position and attitude to monopolies?

Mr. Batiste: My hon. Friend makes his point and mine most eloquently. We must rereview the position of our engineering companies and the framework of competition policy within which they operate. Artificial limits, such as market share being the sole motor of competition policy, cannot be sustained in sensible regional policy of sensible European policy. If for no other reason than the huge resource demands of successful research and development, mergers will continue to take place in Europe. The issue is whether British companies take part and therefore share in the success. There may be some sentimental value attached to soaring like an eagle into last place, but I prefer to hear the Japanese awarding us gold medals in the business olympics.

We are often told that a company is only as good as the people who work in it. How many British companies are seriously considering the personnel implications of 1992? The number of 18-year-olds in Britain is projected to decline by up to one third by then, and much of the country faces skill shortages which are becoming quite serious. We face an explosion in demand for skilled people. Too many people leave school without the training that they need for the jobs that are available. How many of our engineers are learning the languages of what will be our home market in the 1990s? We have heard much about the need to create more engineers, but surely we must broaden the educational experience of everybody, because we face radically different challenges.

Too many people leave school without the training that they need. I have just completed what I believe is one of the longest running Committee stages of a Bill — the Education Reform Bill. When it becomes law, it will give industry a major opportunity to participate in schools, colleges, polytechnics and universities. Like the youth training scheme, which has provided an opportunity for more basic training, it is not window dressing, but its success depends on industry's willingness to become involved as it never has before. The Government are creating the framework, but industry must take up the challenge.

Engineering needs to enthuse young people. They cannot be press-ganged into joining. I regard high tech and space industries and their spin-offs as the motor for enthusing young people. That is what is happening in the rest of Europe. Pay and productivity are inextricably linked. There must be vision and motivation, but there must also be working practices which are attractive to young people. That is how to get them in.

For a great deal of my working life as a lawyer, I have been involved in the technology transfer from universities to industry. There has been a substantial change. The transfer was more or less non-existent 10 years ago, but we are now making a showing. It is not good enough if British academics with brilliant research behind them prepare themselves for a Nobel prize ceremony but ignore the practical implications of their work and disclaim any responsibility for the conversion of their ideas to the market place. It is no use industry saying, "We are not prepared to look at work that scientists are doing in universities because we do not think that it is yet sufficiently close to the market place to give us a product." The gap in Britain is all too obvious, but the Japanese and Americans seem to be able to fill it far more effectively.

Britain's expenditure on research and development as a proportion of gross domestic product compares with that of the United States, Japan, Germany and France, but industry's portion is far too low. The latest figures which are available to us are for 1985, so the pattern may have changed significantly. If it has not, there is a serious problem. Ten years ago, industrialists may have said that

[Mr. Batiste]

their company's profits were simply not big enough to enable them to invest heavily in research and development and that they were into survival, but survival depends every bit as much on research and development as on short-term considerations. Any engineering company, small or large, which does not realise the fundamental importance of planning its products for the future has only a short-term future.

Mr. Cash: Does my hon. Friend recall that, only recently, the Japanese announced that they had conducted a survey of which countries had come up with the most new ideas? It shows that about 80 per cent. of new ideas since the second world war have come from Britain. Perhaps we can build on the idea of our being awarded a gold medal for generating new businesses by matching research and development to the number of ideas that we have generated.

Mr. Batiste: I can confirm what my hon. Friend says on the basis of personal experience of the university for which I have acted for many years. I have seen many ideas which everybody knows will one day be winners but which need a great deal of money and time to develop. Time and again, the way in which we fund research and development and its integration with companies means that we run out of money too early, so our competitors fish successfully in our intellectual pool.

What worries me is that much of the work on standards for new products is taking place in Europe. Standardisation, which is fundamental to completion of the internal market, is under way. I am told that some 80 committees are at work on standardisation in Europe, and that 45 of them are chaired by German business men. I do not object to the Germans fighting their corner. What I am worried about, if that is true, is where our business men are. It will be no good British engineering coming to the Government in 1993 and saying, "We do not like the standards that Europe has adopted. They do not help us very much." The time to say that is now. They should be getting out there now and doing something about it.

The message to the Government and engineering from the debate must be to think now and act quickly, because we cannot afford to miss the boat. We have overcome the legacy of the past, and we must now face the challenge of the future.

12.17 pm

Mr. Lewis Stevens (Nuneaton): I, too, congratulate my hon. Friend the Member for Norwich, North (Mr. Thompson) on selecting this subject for debate. It surprised me to learn that there has been no such debate since 1980.

I agree with much of what my right hon. and hon. Friends have said about engineering having to perform in the future. My hon. Friend the Member for Elmet (Mr. Batiste) spoke about 1992 and said how important it is for engineering to be ready to participate fully in what will then be our home market. It is important to remember, however, that engineering is not one single industry, but a multitude of industries involving many skills. It is spread throughout the country. It is dangerous to generalise about whether it is good, bad or indifferent.

We have come through a difficult period and new industries have been introduced. Today's is not the same industry as that of 10 or 15 years ago. Many industries have gone and some have declined, but they are being replaced by different needs and different skill requirements. The difficulty is meeting those requirements, but we must if we are to survive. The various reviews that have been carried out recently suggest that we are now encountering skill shortages, in both craft and technician abilities, and in professional engineering.

The development of professional engineering, particularly the mechanical, production and electrical areas, has improved over recent years. The courses being offered at universities are more realistic. My hon. Friend the Member for Elmet criticised the fact that many engineers do not learn languages as well. My hon. Friend might be aware that a polytechnic runs engineering courses which include language tuition, and one year of the course is spent working abroad. My hon. Friend the Minister and I know that polytechnic well.

Dr. Michael Clark: In my hon. Friend's list of engineers he mentioned production, mechanical, electrical and civil engineers. Will he add chemical engineers? If he does so, he will be the first to mention them in the debate.

Mr. Stevens: I owe my hon. Friend an apology for not mentioning the chemical engineers. Many more skills than I mentioned are required in the engineering industry.

Improvements are being made in the number of engineers and in the number of those being trained in universities and polytechnics, but that development still has a long way to go to meet the needs of the future. In many respects, engineering is not so attractive to people. Some of the factories are not streamlined and high-tech. Industry Year tried to get rid of the attitude that factories are always grimy, dirty and gloomy places. But, indeed, some of industry still is like that and will continue to be. It will not necessarily be inefficient, but it is not always the most pleasant of environments. Many people from the industrial areas know full well that their parents and their families did not want their children to follow them into certain industries — such as into the pits or the steel industry. It was much more acceptable to go into another profession, such as the law or accountancy, than to go into the engineering industries. It may have been a misguided idea, but it was real. Some people still have that attitude, which is understandable.

One must also consider a simple thing called pay, which has been mentioned in the debate. Engineering is not the highest paid profession, even if one splits it into different areas. Perhaps the civil engineers are the highest paid. I notice that a recent Confederation of British Industry — Manpower Services Commission survey referred to increases over 12 months compared with the average pay increase. The production engineers did not even achieve the average level. Not so many years ago it was reported that more people were studying the Welsh language than production engineering at university.

One of the keys to improvements in engineering must be our manufacturing systems. This is where Japan in particular scored over other nations because of its ability to develop its manufacturing systems. For many years it developed, not its design and product capabilities, but its production systems and manufacturing techniques.

If our young people are to be encouraged to go into engineering, a career structure must be realistically painted for them. In many professions, if one qualifies there is an

expectation that, provided one keeps up to date with, for example, changes in the law and so on, a career structure will develop along a straight line. In many cases, that is not so in engineering. The speed of change in industries does not necessarily give continuity or the prospect of continuity in a company. Changes do not necessarily constitute a continuation in a very specific area of that engineering ability, be it electronic or mechanical engineering. One is much more likely to be forced to change in the engineering profession than in almost any other. Not everybody welcomes that.

In the engineering profession, moving upwards has often meant having to move out of the environment in which one is a specialist. There may be a move into management. The survey showed that about 24 per cent. of people at director level are graduates or professionals in engineering or the applied sciences, which is not good. That has been commented on. However, it is not easy to move into the higher paid jobs without moving out. We lose many engineers, not so much into management as out of the engineering industries, where they can obtain higher wages in other types of commercial activity.

The present developments in training are in the right direction, but how much time do we have? We have until 1992, which may seem to be quite a long time now that we are producing more engineers, but, what happens in an engineering business if one does not have the skills at the level that one wants? The company does not cease to function. It is not like having a solicitor or a barrister who is not available to go into court because that qualification is needed. What happens is that a slightly lower ability and qualification are used and the industrial project continues at a lower level of performance. The eventual result is that the company or the industry performs at a lower level and gradually loses its competitiveness and ability to be in that market. We need to have those skills available. Our education system must help to encourage far more people to become engineers at all levels.

Our status as engineers will always be a little in question because there is a gradual development in status from the craft or lower skill level right through to the full professional qualification. People work together and help each other, and are in the same team. There is no rigid structure in the profession, and there is never likely to be, which means that only the professionals do one thing, and only people with another qualification do another. There is a mixture. This creates problems of how we are to develop our education system. More people need to be educated at the higher levels. An initiative has been taken by some universities, which have produced a brochure saying that if one has no mathematics or science A-levels, one can still be an engineer. That is an important move. People must have the mathematical abilities, but the initiative lies in trying to open a much wider gateway for people who want to enter the engineering profession.

We must ensure that sufficient people are encouraged into the engineering profession to give us the levels that we need. Many of our industries have suffered tremendously from reductions because of overseas competition. The machine tool industry, in which I worked at one time, has been reduced to a tiny industry compared to what it was 15 years ago, but it is still required for supplies.

If we are to develop our engineering and manufacturing bases we need machine tools, and if we cannot provide them ourselves they must come from abroad. Therefore, we are under tremendous pressure. Unless we can resurrect some of our manufacturing areas, we shall lose a great challenge and an opportunity in trade. As a consequence, as our economy expands we shall have to buy in from abroad. Our industry will not be able to move fast enough to take advantage of such an expansion. The situation can be improved by collaboration between British companies and some overseas companies.

Engineering is a complex business, whether it is in the manufacture of machine tools or of cars. The risks factor in setting up and developing an engineering industry is much higher than in other industries. The need for skills, research and development, training and education is critical. It is probably too late to do anything in this Budget, and I do not know what my right hon. Friend the Chancellor will do, however, at some stage we will have little choice but to give extra impetus to the development of the engineering industry by looking at how taxation affects it and what tax incentives can be given. I know that there are incentives and initiatives for high technology and so on, but subsidising industry is not a wise way forward. I have no doubt that my hon. Friend the Minister, with his support for the manufacturing industries, recognises their difficulty, particularly among the small engineering and manufacturing firms. Our tax regime does not help those industries, and perhaps he can pass that message on to our right hon. Friend the Chancellor. These industries need special encouragement and support from the Government, not through subsidy, but through tax incentives.

The engineering industry is critical to everything that we do — for example, medicine and other service industries — and particularly to manufacturing and production. It gives us wealth in terms both of cash and standard of living. If it does not develop we shall have a much poorer standard than our competitors. It has improved significantly in the past few years, and if we want to build on that improvement there must be real efforts between the Government, industry and the engineering companies and professions. The situation must be examined and discussed with a view to bringing about an improvement in engineering opportunity.

12.32 pm

Mr. Gary Waller (Keighley): When I spoke in the debate on the Finniston report in June 1980 I said that the report described the implementation of its proposals as "an engine for change". I also said:

> "We may think that that implementation will be enough and that as a result all the problems will be solved. Nothing could be further from the truth . . . The engine will need continually to be fuelled and to receive regular maintenance if it is to operate efficiently and to the benefit of engineering and of Britain as a whole." — [*Official Report*, 13 June 1980; Vol. 986, c. 1066.]

Considerable progress has been made in the past eight years, particularly with the creation of the Engineering Council, which was the principal recommendation of the Finniston report. At best, these changes have enabled us to hold our own, but our international competitors have moved ahead swiftly. It is true that productivity in the British engineering industry has increased by over 60 per cent. in this decade, and that is a remarkable performance. However, we still lag behind several other highly developed countries that are our competitors.

Perhaps today, even more than in 1980, the challenges that we face and the problems that we must overcome are essentially ones of human resources. Because unskilled and

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semi-skilled jobs have been taken over by machines, the need for technologically qualified people has increased greatly, and it will increase even more.

When we compare the proportion of our directors and senior managers who have engineering qualifications with the relevant figures, for instance, in West Germany, our deficiency is particularly apparent. Eight years ago, I referred to the benefits of broadly based education courses which provided training and practical experience not only in engineering but in management techiques. Unfortunatly, the industrial technology and management course at Bradford university to which I referred then is no longer in existence. On the other hand, there is greater recognition of the need for the right kind of education and training. That has to be a continuing feature in a changing industry and a changing world.

The Finniston report took into account the proposition that the status of engineering and engineers was too low and needed to be raised. Despite the good work of the Engineering Council and numerous other bodies, that remains the position today. Too many people think that engineering is all about metal-bashing and dirty overalls. Few appreciate the intellectual challenges involved. One of the problems that we identified in 1980 was the generally poor image of the private sector, in which a high proportion of engineering jobs is located. Vastly improved profitability and the Government's nurturing of the enterprise culture have done much to correct that state of affairs. However, engineering still suffers in comparison with other parts of the private sector.

If we are to change that attitude, as we must, we cannot start too young. The inclusion of science and technology in the national curriculum which is an intrinsic part of the Education Reform Bill, is a big step in the right direction. However, only if the courses are taught with imagination and are stimulating — and only if companies can demonstrate to school leavers the career opportunities and attractive conditions in engineering — will the most talented and highly motivated young people become potential recruits to the industry, in which skills shortages are becoming daily more apparent.

I am sure that my hon. Friend the Member for Elmet (Mr. Batiste) is right to say that the industry will have to enthuse young people and draw them towards it.

My hon. Friend the Member for Bolton, North-East (Mr. Thurnham) made an important point: half those potential recruits — the girls — will not even consider engineering unless they come to realise that engineering is just as much open to them as it is to boys. That is something to which the Engineering Council has rightly devoted considerable attention with its initiative devoted to career breaks for chartered and technician engineers who are women. There is evidence that gender expectations are imprinted at a very early age. On my many visits to schools in my constituency I always look hopefully for signs that girls are not led to believe that certain jobs traditionally associated with boys are closed to them.

Integration may not always be the right answer.

Mr. Barry Field (Isle of Wight): My hon. Friend may be interested to know that I recently went round Fawley oil refinery with the Industry and Parliament Trust. I was surprised to find, in the hard environment of an oil refinery, that all the control room engineers were women. That shows that more and more women are becoming engineers.

Mr. Waller: That is encouraging news, as is the fact that the proportion of women trainees is increasing. However, it is increasing from a low base. We are now up to nearly 10 per cent. whereas the figure was perhaps half that when we debated the matter eight years ago. We have a long way to go, although I am encouraged by what my hon. Friend says.

I pointed out that integration at junior school level may not always be the right answer. The other day I visited Ingrow first school in Keighley. I was interested to see a group of girls playing together with construction and engineering-type toys. The teacher pointed out that if boys and girls play together, the boys invariably elbow the girls away from those toys, so the girls are allotted a separate time when they have full use of them. That seems a practical response to the circumstances that have probably prejudiced many girls against engineering and technology in their most formative years.

I spoke a moment ago, as in 1980, about the status of engineers. A factor that has put Britain at a disadvantage in the past is the unfortunate way in which status has been judged. It is not to do with white collars or blue collars or whether one has a key to the executive washroom. The successful companies that I visit are nearly always those which show a more positive recognition of the fact that everyone—management and shop floor workers alike—has an interest in achieving success for the company.

Here I believe that great progress has been made in recent years. As the need for an ever larger proportion of the work force to possess engineering qualifications continues to increase in the future, good employers will and must give priority to programmes which involve continuing training throughout working life. They must also develop their links with educational establishments in their area, especially as demographic factors in most areas mean that the available pool of potential recruits will become smaller.

Like my hon. Friend the Member for Nuneaton (Mr. Stevens), I wish to say something about the importance of the machine tool industry. I have a constituency interest as Keighley has traditionally been linked with that sector. Landis Lund in my constituency has won contracts to provide machine tools to many motor manufacturers and in the most recent year it won the Queen's Award for technological achievement. It is one of the leaders in the industry. Another famous company, Dean Smith and Grace, has retained jobs by keeping in the forefront as new advances have taken place and by changing its range so as to compete effectively. Unfortunately, many other machine tool companies have gone down with the loss of many jobs, but those which have shown their willingness to embrace change have survived.

The European market now takes nearly 40 per cent. of our exports. The significance of that market is shown by the fact that the largest growth in all our export markets in 1987 was in Spain, which increased from £800,000 in 1986 to £17·9 million in just one year, becoming our fourth largest market abroad. That is because previous tariff barriers were removed and that market was opened up to us. That is clearly a pertinent example. Reference has already been made to the completion of the European market in 1992. If British skills and enterprise are to pay

dividends, we must take full advantage of the opportunities that that offers. Great strides have already been made in the area of common qualifications, with the Engineering Council leading the way, but British companies still lag behind many of their European counterparts in their perception of the challenge posed by the completion of the European market.

In 1987, the machine tool sector improved its position by expanding total export production, but our estimated share of world machine tool exports is ridiculously small at 2·9 per cent. in 1986 compared with West Germany's 22·9 per cent. I do not believe that the future need be so bleak. I believe that the downward spiral can be reversed. A major threat, however, not just in export competition but in import penetration, comes from the far east. Taiwan, for instance, nearly doubled its share of the British market in 1987. British industry is anxious to compete on equal terms, but many firms such as Dean Smith and Grace point out that they cannot compete with the credit terms offered by companies in Japan, Taiwan and Korea. Too often, we have lost orders not through failures of quality, price or delivery time, but because our competitors could offer much better credit terms backed by their Governments. The Department of Trade and Industry—the Department for enterprise—must devote attention to that area to understand the concerns of the industry and the threat to thousands of jobs.

Anyone who doubts that we need a strong engineering industry should consider the example of Switzerland, which has an enviable reputation in the services sector but also does very well in engineering, as shown by the fact that it has more than 9 per cent. of the world export market in machine tools—a far greater share than Britain, which is a much larger country than Switzerland.

A thriving service sector can exist only with a thriving manufacturing base to service. To some considerable extent, in this country that means, and will continue to mean, engineering. The future of engineering is exciting, and whether we make the most of the opportunities depends, above all, on whether the industry gets the human factors right.

12.45 pm

Dr. Michael Clark (Rochford): I am grateful for the opportunity to speak this today, because I wish to bring to the attention of the House and my hon. Friend the Minister the chemical engineering industry and all that it contributes to the standard of living and the wealth of the nation. I remind my hon. Friend that for many years I worked in the chemical engineering industry at ICI, managing plants constructed by engineers, and working with them in commissioning such plants. I should declare an interest, as I am a parliamentary adviser to the British Chemical Engineering Contractors Association. I am proud and pleased to be so, because I am aware of its valuable work in helping in the manufacture of the bulk chemicals that help us in so many aspects of our lives.

By their very nature, chemical engineering companies are large and are heavily dependent upon professional engineers. As my hon. Friend the Member for Norwich, North (Mr. Thompson) said, the training of professional engineers is as vital to the chemical engineering industry as it is to all the other engineering industries. I congratulate my hon. Friend, not only on coming first in the ballot, but on choosing for debate a subject as important as engineering. As he said, it has not been debated in the House for eight years.

The chemical engineering contractors are important resources of trained engineers. As a viable industry, it offers engineers employment that will give experience in feasibility studies, design consultancy, project management, procurement, commissioning and the maintenance of heavy and complex plant. During the last year for which figures are available, the major contractors had a combined turnover of about £500 million, but installed capacity of machinery was about £3 billion. Therefore, there is an escalator from the work obtained by the large contractors to other contractors and suppliers, which then benefit.

About 30 per cent. of the contracts obtained are exported, and with export orders there is always the opportunity for work to be placed in this country. It is therefore important that Britain provides a good, substantial basis of chemical engineers to pass jobs to smaller companies which could not have obtained such work without the marketing help of the larger companies.

The growth in chemical engineering has been largely in the nuclear industry. I am sure that the House will be pleased to know that chemical engineering contractors are helping with the reprocessing of nuclear waste and effluent treatment to ensure that all discharges, whether gaseous, liquid or solid, are reduced to as harmless a state as possible. Indeed, the effluence now going into the Irish sea from the Cumbrian coast has so little pollution that, in many ways, it is cleaner and more purified than discharges from conventional industries.

The growth of work in the nuclear industry was necessary to offset the decline in work in the oil industry. It is perhaps surprising that we have heard little about the engineering that is taking place in the oil industry, particularly in the North sea. While I understand that production engineering, as mentioned by my hon. Friend the Member for Nuneaton (Mr. Stevens), is vital, and mechanical engineering, as mentioned by hon. Members including my hon. Friend the Member for Birmingham, Northfield (Mr. King), is also important, heavy structural and chemical engineering have enabled us to exploit our North sea oil. Some concentration should be given to that.

The major chemical engineering contractors employ 10,000 people, a large proportion of whom are highly trained professional engineers whose disciplines are multiple. There are structural, mechanical, civil, instrument, stress and chemical engineers. Ever since I took a great interest in science at school I have believed that science enhances the standard of life of people throughout the world. Science has enabled us to have better housing, and improved food and more of it — although, unfortunately, still not enough in some parts — and it has revolutionised our clothing by the use of man-made fibres, which are better and cheaper than many natural ones.

As a chemist I have been proud to be part of a profession and industry that have contributed towards pharmacy and improved our standard of health, getting rid of disease and pestilence — some of it being erradicated altogether. That has been achieved through new scientific materials and developments in science and chemistry. Although it is first done in test tubes or glass flasks in laboratories, ultimately, when we want to use these materials in thousands of tonnes, we must construct

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chemical plants to manufacture the materials in the quantities needed. This is where chemical engineering contractors come into their own, devising the massive plants that can reproduce on the 10,000-tonne scale that which a scientist will produce in a small test tube in a laboratory.

Chemical engineering contractors have contributed to the development of nuclear fuels. All nuclear plants are built by contracting engineers and they exist to provide not only cheap electricity, but the electricity that is essential for the future when the fossil hydrocarbon fuels run out. If nuclear energy is controversial, let us bear in mind that large contractors are also involved in providing the machinery and equipment for alternative energy sources, such as windmills, wave machines and barrages across rivers.

Contractors have a part to play, not only in offshore oil and gas production, but onshore, where exploration is taking place, as it has done in my county of Nottinghamshire for many years since well before the war, and now in the south of England on Wytch Farm and elsewhere. Coal processing and conversion into other materials is another part of the work carried out by chemical engineering contractors. At present, environmentalists are worried about the amount of sulphur in flue gas. It is the chemical engineering industry that will find the right equipment to take the sulphur out of power station flue gases to prevent so much acid rain, not only in the United Kingdom, but in Scandinavia and Germany.

If it were not for the large artificial fibre plants developed largely in the north of England to produce terylene, nylon and other polyesters in large quantities, the man-made fibre industry could not take advantage of scientific experimentation and development. I worked for some time in the plastics industry. When I worked in County Durham and Yorkshire, the large plants at Wilton and Billingham were developed and built with great skill by people from that part of the country. A host of experience was brought together to produce the plants to enable plastics to be brought forward that could revolutionise manufacturing, whether for the motor industry or the aircraft industry, for domestic appliances in the home or for use in myriad ways throughout the country.

In 1945, when the war was over, polythene had been used only to help develop the radar system. ICI considered that there would not be a market for more than 500 tonnes a year. It was considered to be a scientific polymer with particular application due to its dialectric constant. As I have said, it was used in the development of radar to help us win the war. There is now a polythene market of well over 25 million tonnes. That demonstrates how the market has developed.

We know that not everything is plain sailing in the engineering industry. There have been some setbacks. The price of oil has fallen and the high cost of the pound, which has made the value of oil so low in terms of sterling, has meant that exploration in the North sea has been greatly curtailed. The orders placed with large chemical engineering contractors have been cut. Britain is not the country with the cheapest interest rates, and I well understand why that is so. Britain has a booming economy, and we must be careful with interest rates so that we do not fuel inflation. However, if interest rates are high, major contractors are not helped when they wish to obtain orders overseas. Similarly, high interest rates are not helpful in terms of export credit to overseas companies. In recent years, few large-scale chemical plants have been built. If there are fewer plants, there are more competitors for them. Countries such as Japan and Germany are giving credit on better terms than can be given from this country.

Despite all that, engineers in general, and chemical engineers especially, are not whingers. They get on with the job. They see the problem and they solve it. They treat difficulties as opportunities. Is that not what engineering is all about? Problems are seen as opportunities, and engineers use their skills to overcome them.

It is important that we retain a basic British chemical engineering industry. It is important that we retain expertise here so that we do not have to import all the time. It is essential to ensure that we have services that we can export for foreign currency to keep our balance of payments right. We want British chemical engineering companies that can develop and become repositories for advanced technology. We do not wish to import a piece of advanced technology for four or five years and then let it go back to the United States, Germany or Switzerland. We want to develop advanced technology and retain it. We must ensure that our advanced technology capabilities grow by experienced engineers being able to pass on their knowledge to young trained professional engineers who are entering the industry. We wish to provide direct employment for professional engineers who are leaving our universities. By having a British chemical engineering industry we can ensure more effectively that the sub-contracts that are placed go to British companies, not overseas companies.

It is important that the profits of large engineering companies should remain in Britain and not be remitted abroad to parent companies. If there is remittance abroad, we can be sure that investment will take place abroad. If profits remain in this country, they will be invested here and our engineering industry will develop a larger base.

The desire of most British companies to export, and the Government's desire to assist them to do so, come together happily. I know that chemical engineering contractors greatly appreciate the assistance that has been given by the Foreign and Commonwealth Office towards obtaining contracts abroad. Indeed, chemical engineering companies in this country have shown their appreciation by helping the Foreign and Commonwealth Office to run training courses for commercial officers, and, five or six times a year over the past few years, have helped to ensure that commercial officers in overseas posts are aware of the availability of British expertise and the need to use it abroad.

Therefore, it was somewhat disappointing when, in his report last year, the Comptroller and Auditor General, commenting on the work of commercial overseas posts, criticised companies for concentrating too much on large firms instead of attempting to bring about additional exports through promoting small and medium-sized companies. Small and medium-sized companies are close to my hon. Friend's heart. In large, heavy engineering, such as the chemical engineering industry, it is difficult for small firms to get orders that are appropriate to their size. It is difficult to get orders worth £10,000 to £30,000. If a large engineering company gets a major contract, the spin-off for smaller companies is significant and important.

I shall illustrate that by giving three quick examples. They represent total contracts of £480 million. These contracts provided 1,200 man-years of work to chemical engineering contractors, but those 1,200 man-years of work became 20,000 man-years of work for smaller suppliers. Therefore, there was a multiplier factor of 16.

My first example is a chemical plant. It was built abroad and supported by the Export Credits Guarantee Department, and well supported at that. The contract was worth £175 million. Of that £175 million, £136 million went to equipment suppliers, fabricators and sub-contractors. That contract was worth 800 man-years of work for the contractor, but 10,000 man-years of work for sub-contractors and suppliers. Six hundred suppliers were involved, each one of which passed on work to smaller sub-contractors. It is believed that, overall, about 2,000 or 3,000 small companies benefited.

The geographic spread of the work is also interesting. Although the contractors may have had head offices in London, the work that they were able to farm out was 14 per cent. in Scotland, 30 per cent. in the north of England, and 21 per cent. in the midlands, leaving only 35 per cent. for Northern Ireland, Wales and the rest of England. Many companies benefited from that major contract, and most of them were in Scotland and the north of England.

The second example is a town gas plant — also abroad — the contract for building which was won against Japanese competition and Japanese financing. In this case the contract was worth £22 million. Of that £22 million, £15 million was spent in the United Kingdom, again proving the point that if a British company wins a contract, work comes back to the United Kingdom. In this case 60 per cent. of the work that came back to the United Kingdom was in Scotland and the north of England, representing 517 orders for 300 companies; the average order value being about £10,000. Those £10,000 orders could not have been obtained easily, if at all, by smaller companies.

My third example is a major industrial complex, also abroad, and also well supported by ECGD, for which the contractor was grateful. The contract value was £250 million, of which 62 per cent. was spent in the United Kingdom, again distributed among 500 United Kingdom companies and bringing to them 9,000 man-years of work.

I am sure that my hon. Friend the Minister, with his interest in small businesses, will appreciate what large businesses do to help small ones and, conversely, what small businesses do to help large ones. The industrial structure of any country, particularly this one, is complex and interrelated. We need small and medium-sized engineering and manufacturing companies and they, in turn, need the large chemical engineering contractors, and they need them to be British if they are to receive a fair share of the work that is being obtained by them.

Those large contractors need a steady and reliable flow of top rate professional engineers. That can be achieved only if the Government continue to ensure that they support universities, which are training the professional engineers. Without that seed-corn coming from universities, the rest of the chain breaks down.

It is important that we have debates like this more often than once every eight years. Industry is ever changing. If we wait eight years before trying to adjust the controls on industry, we will find that the pendulum has swung too far. I am grateful for having had the opportunity to speak and I again congratulate my hon. Friend the Member for Norwich, North on tabling the motion.

1.6 pm

Mr. Barry Field (Isle of Wight): I should like to associate myself with the remarks that have been made by several speakers who have congratulated my hon. Friend the Member for Norwich, North (Mr. Thompson) on choosing this subject for a debate. I should like to thank my hon. Friend the Minister who has stayed throughout the debate and listened to all our speeches. I say that because I am probably tail-end Charlie. It is unusual to find Ministers staying in the Chamber throughout the proceedings on a Friday.

I hope that my hon. Friend the Minister will forgive me if I scurry away before I hear all that he has to say. Courtesy of British Rail Engineering Ltd., the trains are no longer running to Portsmouth Harbour station and I have to catch a coach in order to catch my ferry.

My hon. Friend the Member for Elmet (Mr. Batiste) rightly drew attention to the incredible span of progress that we have seen in engineering and technology, particularly that which our forebears have seen from the age of the horse to the microchip. I thought that he was going to tell us something we did not know when he said that the telephone had been placed in the stable. I thought that perhaps we were going to hear about a horse that could answer it.

It might seem a little extraordinary, given my long background in a service industry, that I should choose to speak in an engineering debate. However, I am particularly proud of being a member of the Worshipful Company of Turners, a city livery company. It was the first of the city livery companies to sponsor technology in colleges and to place lathes around the country. It runs an award scheme every year with the Institution of Mechanical Engineers and provides a first prize of £1,000 for the young students who come forward with the most excellent technical drawings and mechanical innovations.

I sometimes sit at the award ceremonies, seeing the master and his wardens in their fur-trimmed robes in ancient surroundings. I sit with the nervous young students who come from universities and technical colleges from around the country. They come to London with their mums and dads to receive their awards, which are usually accompanied by a gold, silver or bronze medal. I contrast that with the view that the nation has of engineering. It is seen as being represented by a grubby blue overall covered in oil stains. I wish to address my remarks to the status of engineering in this country. All too often the perception is of a dirty and noisy industry and grubby hands.

The best example of the way in which we denigrate engineering is that of the nation's housewife. My wife continually tells met that she calls out an engineer to repair the washing machine. I continually tell her that she calls out a trained mechanic. Quite how that washing machine knows to break down just as I arrive at the House I have never worked out.

In Germany, an engineer would be called "Herr Doktor." In Japan and America, the engineer equates well with the rest of the professions. In Britain, we think of engineers as being people who repair washing machines and televisions.

The motion on the Order Paper says:

[Mr. Barry Field]

"to develop engineering performance up to and above the standards of leading industries overseas."

One of the ways in which we can do that is by highlighting the report of the Engineering Council entitled "Management and Business Skills for Engineers". The council argues that Britain's rivals overseas appear to make much better use of qualified leadership in the running of their industries. The proportion of company directors who have graduate or other professional qualifications in the United Kingdom is 24 per cent., compared with 62 per cent. in West Germany, 65 per cent. in France, and 85 per cent. in Japan and America. We must ask whether we are making the best use of the potential of those who train as engineers.

We need more incentives for our young people people to train as engineers. My hon. Friend the Member for Norwich, North in his excellent speech, spoke of the decline in the number of young people between the age of 16 and 19 coming forward for training.

He may be interested to know that in a recent Manpower Services Commission report on the travel-to-work areas in the south-east region, the Isle of Wight showed the greatest projected demographic reduction—of 15 per cent. —in 16-19 year olds throughout the region. That shows that we must gear ourselves to train those who are in other skills, or who are unskilled, to become mature people working in engineering. Otherwise we shall be faced with a tremendous skills shortage in this country.

For the life of me I have never been able to work out why we pay the same student grants to those who wish to become sociologists or artists as we pay to those who wish to become engineers. I could pose the question why we pay grants at all. Perhaps there should be loans, but that is a separate issue and I do not want to enter those unchartered waters.

The nation is crying out for engineers of every type. Chemical engineers in particular are in short supply at the moment. I cannot understand why we do not pay a substantial premium to students who wish to pursue engineering disciplines.

Mr. Batiste: Does my hon. Friend welcome the growing incidence of major companies who sponsor engineers at university with a view to familiarising them during their course with the activities of their company and taking them on board once their course is completed?

Mr. Field: My hon. Friend raises an interesting point. Often when I go round factories in my constituency and ask managing directors what they think of the training of colleges and universities, they say that they must begin all over again before they can employ the people at the workplace. The scheme to which my hon. Friend has alluded is very helpful in that regard. There must be much more practical knowledge of the uses to which we are putting our graduates' educational qualifications than there has been in the past. I believe that the Department of Education and Science is now addressing that and that such ideas are becoming much more fashionable in education. I am sure that my hon. Friend will agree that the universities are becoming much more attuned to industry's needs. Although we have a long way to go, the position is definitely improving.

If one examines the figures relating to engineering in this country, one can begin to see its tremendous value for our economy, both at home and abroad. It is estimated that engineering employs over 2 million people. As has already been said, almost 10 per cent of our gross domestic product is accounted for by the engineering industry, which provides 30 per cent. of our exports. It is estimated that in 1987 there was £95 billion of engineering sales, of which £34 billion were exports. From those figures we can begin to see the tremendous effort that goes into engineering and the way in which it influences our economy.

I give my hon. Friends a few illustrations of the way in which engineering affects our lives. My constituency, the Isle of Wight, has a small population of just 133,000. We have the second highest retired population of any county in the United Kingdom. From that, one can see that the working population on the island is probably quite small. However, if my hon. Friends are lucky enough to find themselves serving on one of the Select Committees that are going to some of the more exotic parts of the world —as has been commented on from time to time—and if they happen to find themselves travelling on a Boeing aircraft, the chances are that the wing assembly was assembled by Westland Aerospace in East Cowes. When they come into land—I hope that it will be a happy landing—and especially if landing in China, the chances are that the weather radar that pilots the aircraft into the airport was manufactured in West Cowes by Plessey. If the motor car that takes them from the airport to their hotel happens to be a turbo model, it is a 50-50 chance that the turbine in that turbo was manufactured on the Isle of Wight at Ryde by Truecast Engineering. If, perchance, they travel to their hotel from the airport by train, there is a sporting chance that the air conditioning in that train —it is almost a 100 per cent. chance in this country—was manufactured by Temperature, part of the Norcross Group, at Sandown. If while travelling on the aeroplane they are busy playing with their IBM personal computer, the membrane keyboard of that would almost certainly have been manufactured by Nameplates for Industry in Newport on the Isle of Wight.

I hope that that gives my hon. Friends and, indeed, some of the young people listening from the Strangers Gallery, a flavour of what engineering is all about. Indeed, it may encourage those young people to look forward to a career in this industry which, time and time again——

Mr. Patrick Thompson: Does my hon. Friend agree with the point made earlier in the debate that it is not just manufacturing industries which benefit from more and better engineering skills, because the service industries depend on engineering products which have been designed by our engineers, and that we can get more jobs for our young people in the service industries by having a more successful engineering industry?

Mr. Field: My hon. Friend has raised a pertinent point. I began my speech by telling the House that I am a member of the Worshipful Company of Turners. An eminent speaker once addressed our livery company and excelled himself by saying what a pity it was that our craft had died and was no longer in being. As a result of that, the liverymen's sponsorship scheme began. We are also associated with the Royal Electrical and Mechanical Engineers and have an annual award scheme for it.

People seem to think that engineering does not affect their lives. Somebody once told me that when we eat a loaf of bread, we should remember that an engineer has produced it because he probably made the spindle on the oven that baked it, or the bearings or the shaft that drives the stones that milled the wheat. Engineering is the fabric of our society. It has brought tremendous advantages. I hear people saying how sad it is that the craft of turning has fallen into disuse, but I wonder how they think the wheels on their car go round.

Dr. Michael Clark: While the craft of turning may have fallen into disuse, it has done so only as a result of advanced engineering which has enabled numerically controlled machines to come in. While one engineering skill may decay, another takes its place. Engineers feed on engineers, and that enables some technologies to leap forward while others become redundant.

Mr. Field: I hope that my hon. Friend accepts that there is just as much craft in turning on a multi-headed machine which has a computer programme as there was in the previous generation when a chap applied the tool to the lathe.

Opposition Members often talk about the decline in industry. In my constituency, Thorn EMI makes parts for the Kenwood mixer. The spindle which goes through the middle of the mixer used to take one and a half minutes to machine on three different machines. It now has a multi-purpose machine which produces the spindle in 30 seconds. That is where the jobs have gone.

The British Hovercraft Corporation, which succeeded Saunders Roe, at East Cowes, and which is now known as Westland Aerospace, once employed more than 5,000 people. There have been a substantial number of redundancies. It makes many products and some of the company's subsidiaries are at the forefront of electronic engineering technology. One of the more interesting components that it produces on a multi-headed machine is the air intake for the E101 European helicopter, which is made in titanium. It is a difficult component and comprises several turnings. Each component is worth £10,000. They are not very big. If the engineers set the machine up slightly wrongly, an incredible value is written off in scrap.

I hope that my hon. Friend the Minister will consider why we do not load incentives in favour of students who wish to study engineering. Engineering is a difficult qualification to obtain. It is a discipline in itself. I have long puzzled over why a nation which is short of engineers is not prepared to give incentives to students in the form of grants. Indeed, we might give no incentive at all to students who wish to pursue disciplines which are in surplus. It always seems extraordinary to me that year after year we turn out more sociologists than we need, who then spend their lifetime trying to gain employment in the House, whereas the nation is crying out for engineers.

1.24 pm

Mr. Austin Mitchell (Great Grimsby): I congratulate the hon. Member for Norwich, North (Mr. Thompson) in his absence on winning the ballot and introducing the motion. I hope that he will come back in time to hear my congratulations to him on the sensitive wording of the motion, which is wet speak for, "Things have been bad but they have been getting better lately. Please do something about it before we get clobbered in the engineering industry." The rest of the debate has reinforced that message to the Government. It has set the tone for an interesting debate.

I am becoming a connoisseur in my role as "Leader of the Opposition (Fridays)". On some Fridays I am the sole Opposition Member as well as Leader of the Opposition. Fridays can become a Back-Benchers' play school. Some odd creatures come out from under some odd stones and talk some extraordinary economic rubbish. Thanks to the sensitive wording of the motion, today's debate has not been like that.

Opposition Members have not been apparent in large numbers, largely because of the odd and silly terms of debate on previous Fridays, particularly last Friday. That has put them off attending Friday debates. But today has been different. While the Labour cat has been away, the mice have played on the Conversative Back Benches to great effect.

We have heard an interesting analysis of the problems of the engineering industry. There have been some strong indictments of the Government's record on the industry. The right hon. Member for Brentford and Isleworth (Sir B. Hayhoe), again in wet speak, gave a strong critique of the Government's record. The hon. Member for Harwich (Sir J. Ridsdale) put in a passionate plea, which Opposition Members would second, to get interest rates down and allow industry to compete on more equal terms. The hon. Member for Birmingham, Northfield (Mr. King) gave a damning critique of Government policy towards the Rover Group and the car industry in general. Emphasis has been laid on the inadequacy of training and of research and development.

In all, there has been a chorus of complaint, again in wet speak. I do not expect Conservative Members to start saying to their Minister, "You are making a mess of it," but they have said that in carefully modulated code. The essence of what they are saying is "Things are not well in the industry. Do something about it." That is the message that has come over.

Mr. Roger King: The hon. Gentleman said that I had offered a damning indictment of the Government's failure to back the car industry. If he reads my speech, as I hope he will, he will notice that I said that the company has invested large sums of money in new products, is represented in the market place by cars that are considered to be outstandingly successful, and has enjoyed its best ever financial year. Surely that is not a damning indictment.

Mr. Mitchell: I enjoyed the hon. Gentleman's speech. I endure most speeches by Conservative Members. I do not want to remove the effect of that enjoyment by correcting what the hon. Gentleman said. He said that there were problems with Rover's continuance as a volume car producer and that it might not make it. That is a responsibility of the Government. Will they back the company as a volume car producer? The hon. Gentleman said that he did not want negotiations to be solus cum sola with British Aerospace — other bidders should be allowed. I draw the inference from that that the Government should continue to back Rover. In fact, they are washing their hands of Rover. The hon. Member made a good speech about how the position of Rover does not tie in with the Government's policy, so it is asking the Government to do something.

[Mr. Mitchell]

That is not uncommon in the engineering industry. I have here an editorial from *The Engineer* of 10 March, the latest edition, on the trade figures in the manufacturing trade. It says:

"The really worrying part about the figures is that high technology and growth sectors where we are doing well are numbered in single figures. The sectors where we do best are all too often 'traditional' product, which is a euphemism for industries whose heyday has passed . . . Every sectoral deficit indicates goods which British companies and consumers are apparently keen to buy, but which British manufacturers make in insufficient numbers, or to the wrong spec, or the wrong quality, or the wrong price."

The problem with all these complaints about the engineering industry, its training and competitiveness is a Department of Trade and Industry that knows nothing about trade and is not characterised by any industry or any knowledge of any industry except advertising. We have Lord Young of Graffham, Saatchi and Thompson, who knows little about the needs of industry, although he might know about the needs of property development, and a Department of Trade and Industry which has embarked on a hands-off policy towards industry, and which is concentrating its resources on spending. This year it has a budget of £13·3 million for advertisements to convince industry that it is doing more, when it is doing less. This Department does not have an industrial policy, and in today's world that is a policy for the death and decline of industry. Industry is involved in an international struggle. It is up against competitors who are backed and supported to the hilt by their Governments and who, in some cases, are financed by their Governments. They are certainly helped in that international struggle to a far greater extent than is our industry by a Department of Trade and Industry that wants to wash its hands of the whole business.

Mr. Barry Field: I am sure that, like me, the hon. Gentleman will remember the Labour Government's attempt at directing the industrial base with a selective employment tax which was supposed to move employment away from the service sector and into industry. The result was that thousands of people went on the dole. That was a failure of policy.

Mr. Mitchell: If the hon. Gentleman wants to plough through his scrapbook for 1965, I shall leave him to get on with it. We are talking about the 1980s and the struggle that our industry has to survive. Industry, especially engineering industry, is sent into that international struggle with nothing better than the Prime Minister's sermons and Lord Young's advertisements ringing in its ears.

Dr. Michael Clark: Let us not go back with scrapbooks, but stay with the 1980s, and in particular the next few days. Would the hon. Gentleman welcome a reduction in taxation in a way that would help companies to be more competitive? For example, would he welcome a reduction in corporation tax if that should come about next Tuesday?

Mr. Mitchell: That is all clever political stuff, but the main burden on industry is electricity charges, which have been increased to fatten up the electricity industry for privatisation. Another one is high interest rates, which are higher here than in any of our competitors, and another is an exchange rate that is rapidly becoming grossly overvalued. All these are shackles on industry's ability to compete. The hon. Gentleman asks me to anticipate what will happen in the Budget. I am not an expert in abnormal psychology. I cannot do that, but I can say that these are real and present burdens imposed as a result of Government policy.

Mr. Patrick Thompson *rose*——

Mr. Mitchell: I shall give way in a moment, but I wish first to pursue this theme. There is lack of consultation, characterised particularly in the engineering industry. The Engineering Employers Federation has made consistent attempts to enter a dialogue with the Department of Trade and Industry. It particularly wants to do so before the creation of an internal market, which will sharpen competitive pressures on the industry. It requires close co-operation between the Government and industry, because a uniform internal market will harm the peripheries. It focuses growth and development on the expanding centre, and unless there is co-operation between industry and Government Departments, that tendency to weaken the peripheries will be heightened.

Mr. Patrick Thompson: Surely the hon. Gentleman will concede that it is wrong to return to the gloom that was purveyed during that debate in 1980, when all the evidence suggests that engineering manufacturing production and productivity are up. It is irresponsible of him to give a gloomy picture, it goes against all the facts.

Mr. Mitchell: As I said, the hon. Gentleman's motion is very sensitively worded. It is true that the production and productivity figures are up—largely on those for 1981 rather than on those for the 1970s. They are certainly not as high as those of our competitors. That is the problem. I shall deal with that distinction in a moment.

I am talking about the failure of the Department to co-operate with the industry, particularly with the Engineering Employers Federation, which seeks to enter into a dialogue with it. At the CBI conference at the end of 1986 James McFarlane presented a paper calling for an industrial strategy for engineering. The Government have consistently refused to get involved. Indeed, at the Engineering Employers Federation dinner in February, Lord Young attacked the need for an industrial policy.

The Engineering Employers Federation has given up the idea of trying to work with the Government and has gone in for an industrial forum—an industry-only think tank. It thought, "We will do it ourselves because Lord Young will not play ball." An editorial in *The Engineer* of 25 February said:

"It's all falling on deaf ears because the government, and Lord Young especially, appear to have the fixed idea that talking to industry and giving industry advice and intelligence has to mean controlling industry down to the fine detail. It doesn't have to be that way, and it isn't that way in Japan, in West Germany, and other countries where governments have apparently fruitful partnerships with industry."

The Government dogmatically refuse to co-operate with the industry. That is the subject of the motion. Their attitude is also characterised by their unwillingness to help the industry in the crucial matters in which it needs help—not only in training, but in research and development. Our spending on R and D is low. According to a written answer on 16 February, research and development financed by industry in the United Kingdom was 1 per cent. of GDP compared with the Federal Republic of

Germany, 1·6 per cent.; Japan, 1·8 per cent., and total spending on research and development as a percentage of GDP in the United Kingdom was 2·3 per cent. compared with the Federal Republic, 2·7 per cent. and Japan, 2·6 per cent.

Even those figures may not be wholly indicative because, as the aerospace manufacturers point out, many Ministry of Defence contracts are not real research. The Government's efforts have been fairly minimal in an area of activity crucial to the economic health and the competitive edge of British industry.

Sir Julian Ridsdale: The reason why Japan can spend so much on research and development is that its manufacturing industry makes huge profits. Thanks to the Government's policies, we too are now making very good profits in our industry and we shall be able to make improvements where they are needed.

Mr. Mitchell: The hon. Gentleman's fire was well concentrated on the Government when he attacked their high interest rate policy. I do not want to attract it to me. I would point out that the Government allocated £25 million to spend on gallium arsenide research. That was just over a year ago and the money has still not been spent, although the advertising budget has been pushed up to £13 million. The Department is providing only £5 million for a super-conducting centre at Cambridge, whereas Japan spends £150 million on its international super-conducting centre.

It is not only profits that we lack; it is Government support for research and development. It is vital that the Government should help industry. The engineering industry particularly needs help to recover from the mess that the Government have created. The hon. Member for Norwich, North mentioned the debate that took place in 1980, at the height of the period of damage to the real economy, and particularly to manufacturing and engineering sectors. The hon. Member for Harwich nearly referred to the Prime Minister as an engineer.

Sir Julian Ridsdale: A scientist.

Mr. Mitchell: Yes, he corrected himself. I have heard the Prime Minister referred to as a barrister, a mother, a dishwasher and a preparer of meat paté. She is clearly a woman of many parts and a great dramatic actress, but she is no engineer, except in the sense that Hoover, who "drained, ditched and damned" the United States in three years, was said to be a great civil engineer.

The Prime Minister's economic achievement was similar. We had high interest rates, an overvalued pound, deflation of demand in this country and a drastic deterioration in the terms of trade. The loss in manufacturing industry, which hit engineering primarily, amounted to one fifth of capacity, 28 per cent. of employment and 1·8 million jobs. There was nothing inevitable about it. No other country experienced a decline on such a scale. It was caused by overvaluation of the pound, which made imports cheap and exports dear, pricing us out of the market and slashing profits.

The hon. Member for Harwich is right. Profits in British industry have been consistently lower than those of our competitors. In 1979-81 they were cut to the bone—indeed, they went into negative figures. Because profits have been low, investment has been low. In the period when profits vanished altogether, everything that makes for competitiveness—research, design, development, skills, and especially training—was jettisoned simply to survive. The Engineering Industry Training Board has pointed out that from 1978 to 1984 employment in the industry fell by 30 per cent., but training fell by 50 per cent. The present figures are appalling. As the board's economic monitor for 1987 shows, in 1978-79 total craft and technician registrations with the board were 24,500. In the last year shown on the table, 1986-87, the figure was just 9,870. We are gobbling the seen corn, we are not training the next generation, and that failure has characterised the whole engineering industry.

Dr. Michael Clark: Does the hon. Gentleman appreciate that what stops research and development and training more than anything else is inflation? The Labour Government allowed inflation to rise to 27 per cent. and were thus largely responsible for the decline.

Mr. Mitchell: I wish that the hon. Gentleman would not insist on making on such silly, petty political points. Research and training increased under the Labour Government, as the figures show. Investment also rose. Investment falls when firms do not make profits, and they were not making profits because of the way in which the economy was being run. What happened between 1979 and 1982 was a disaster for British industry, and there is no way of concealing that fact, so let us not quibble about it in a party political fashion. It is clear that the whole problem dates from that holocaust.

The success story that we have been told today is merely a bounce back, and it is inadequate to recover the ground lost in that earlier disastrous performance. The engineering industry is simply heaving a sigh of relief because it has come through and recovered from all that the Government did to do the industry down. That is not success—it is merely survival. That is not the story in Japan, West Germany, South Korea and other economies with which we have to compete.

Those countries realise that comparative advantage, which is the mainspring of success in international trade, does not spring from the climate of Lancashire encouraging the cotton industry because it is rainy and damp, or from the native intelligence of the people, but is something that can be created and built up. Those countries started with a competitive exchange rate, which encouraged investment in manufacturing because exports paid.

Let us consider the car industry—the very kernal of engineering. The Volkswagen "Beetle" has been one of the most successful cars in the world. It was a far worse car than the Morris Minor. It was a success story, not because of advanced technology—it was designed in the 1930s and was an outdated, inadequate and clumsy car that was somewhat dangerous because the engine was in the back—but because it was cheap because of the exchange rate. As the profits for Volkswagen were high, it could plough those profits back into investment and achieve economies of scale, spreading the cost of research, design and development over a massive output that was never attained with a Morris Minor.

That simple contrast shows how comparative advantage can be created. If a firm is successful, the network of training, suppliers, contacts and business connections and the whole sustaining supporting web that keeps industry moving builds up and is strengthened. That is how

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comparative advantage is created. By the same token, if it can be created in competitive economies, it can also be thrown away. We have thrown it away through the harm that has been done to manufacturing industry.

As industry contracts, shackled by interest and exchange rates, it cannot compete internationally, so suppliers go into liquidation, training is cut, the whole sustaining network frays and weakens and industry goes into a spiral decline. That is what has happened in Britain. Faced with problems with the economy—let us regard it as a car—industry is not moving fast enough. What do we do? The Japanese try to boost industry, and the Government and industry co-operate, but we knock the hell out of the engine, the drive motor of the economy. Manufacturing and industry suffer the first effects of over-valution and high interest rates, and are therefore shackled on the international market. The result has been a disaster.

There has been some measure of recovery since 1982. It is interesting to note how many Government statistics now start their run in 1981, as though 1979 to 1981 had never happened. Gross fixed capital formation in manufacturing in 1987 was 35 per cent. up on 1981—but it was also 10 per cent. down on 1979. It is lower now than it was in every year under the Labour Government, other than 1976. In British manufacturing industry—which includes the major trunk of engineering—from 1981 to 1986 there was a net disinvestment of £1·17 billion, compared with a net investment under Labour of £1·15 billion. We are eating the seed corn.

Mr. Roger King: Has the hon. Gentleman read the 1987 financial results for the Rover Group? Its exports are at an all-time high for the past nine years. It is exporting more than at any time since 1979. One in three of its cars goes overseas and, for the first time, it has exceeded £1 billion of sales in the overseas market. That does not fit the hon. Gentleman's catalogue of misery and difficulty supposedly faced by exporters because of currency problems and so on.

Mr. Mitchell: I gave the hon. Gentleman an opportunity to redeem his reputation following his devastating critique of Government policy towards Rover. I wish that he would not try to redeem it so vociferously. Rover's share of the domestic market has dropped substantially, where the main threat is from imported cars. That has come about partly because of the exchange rate. I shall deal with exports in a moment.

The net disinvestment is appalling, and it dates from that holocaust of 1979 to 1981. I want to give some of the facts and the figures, because it is important that we realise the disastrous consequences of what has been done. Engineering employment has dropped by one third since 1978, with more than 1 million jobs lost. The size of the vehicles and parts industry is half what it was in 1978. The decline is universal and there is no subsector of engineering where employment is anywhere near what it was 10 years ago.

According to *British Business* of 4 March 1988—so the figures are official—engineering output as a whole was only 12 per cent. higher than in 1980. None of our competitors had such an inadequate increase in output. Mechanical engineering, which accounts for half the total output, was 89 per cent. of the total in 1980. A comparison of the figures for 1979 with those for September to November 1987 annualised shows that output in mechanical engineering was down 16 per cent., in motor vehicles down 25 per cent., in metal goods down 10 per cent., in basic electricals down 14 per cent., in electrical goods for industry down 15 per cent., in machine tools down 26 per cent., in mining and construction machinery down 20 per cent., and in foundry and forges, which are always basic indicators of the state of the engineering industry, down 48 per cent. and 42 per cent. respectively. That is a pathetic and disastrous record.

While that has been going on, imports have increased their share of the domestic market by far more than exports have increased in eight of the nine engineering subsectors dealt with in the figures. The balance has changed for the worse in seven of the nine subsectors. In 1978 only one of the nine subsectors in engineering was in deficit; by 1986 it was five. A positive engineering trade balance of £3·2 billion in 1978 has been turned into a negative balance of £3·4 billion because the Government run the economy, not for industry, but for money. In other words, the engineering balance has turned round by £6·6 billion over that period, and it is getting worse. For group 7 of the SITC figures, comparing 1979 with September to November 1987, the surplus in 1979 was £1·7 billion, whereas annualised for the three months it was £6·8 billion. That is the turn round in engineering trade.

Import penetration in our domestic market in vehicles is up 45 per cent., in electrical engineering up 55 per cent., in mechanical engineering up 30 per cent., and in instruments up 8 per cent. It is a tragedy, and all else springs from that. In the modern competitive world, as the hon. Member for Harwich, well knows from the experience of Japan, success compounds, but so does failure. Once the wind-down is started, it goes on unless it is checked.

Even now skill shortages are building up—the Engineering Industry Training board gave evidence to the Employment Select Committee in February 1987 about the figures for skill shortages—yet we are doing less in terms of training. We are not doing enough to remedy the shortages even at our reduced level of activity, let alone at that of the 1970s.

The average company spends only one sixth of what our competitors spend on training. Fewer people are trained by our industry. Japan produces 80,000 engineering graduates a year, whereas we produce 9,000. In Germany, 750,000 young people are apprenticed trained each year; our figure is 10 per cent. of that. How can industry succeed if that is our record on training? Between 1980 and May 1987, 6,500 apprentices were made redundant in the engineering industry. First-year apprenticeship training has declined. Figures produced by the National Institute of Economic and Social Research in January reveal that the number of youngsters gaining craft qualifications in France rose by 60 per cent. between 1975 and 1985.

In mechanical and electrical engineering, France trains between two and a half and three times more qualified craftsmen and technicians per head of the work force than Britain, and they are trained to standards that are often higher than equivalent qualifications in Britain. There is nothing inevitable about the decline. It is the result of the Government's incompetence and their failure to manage the economy so that industry can flourish, compete and expand in the world market.

The success that we want to see the engineering industry achieve does not spring fully armed from the head of Lord Young. Nothing apart from advertisements springs from Lord Young's head. Competitiveness and success spring from a healthy industrial base. The new developments that we all want — the new technologies and the new industries — will grow only from the present industrial base. If we kill or harm that base, nothing will develop. The only logic of what was done by the Government during 1979-81 is that which is to be found in the belief that phoenix will rise from the ashes. In other words, the more ashes the Government created, the better the industrial health of the country and the greater the number of phoenixes. That is the only explanation that I can give of the Government's policies.

Everything that is done by the Government in their non-interventionist policy moves us towards a low-wage low-skill, low-investment and low-profit economy that will be unable to compete in the world market. All the studies of our training, investment and competitiveness reveal what is going wrong when comparisons are made with other countries. A fascinating study of Britain's productivity, machinery and skills — it was based on a sample of British and German manufacturing firms — in February 1985 reveals that our investment and training record is entirely inadequate. There are stockbrokers' reports on engineering training in France and West Germany. We know that in West Germany productivity in the engineering industry is high. Productivity in France was 79 per cent. of that of West Germany, and in the United Kingdom it was only 56 per cent.

I do not want to be too churlish. I merely wish to set the record straight. I accept that there are success stories. There are successful niche industries. Training boards are doing a better job, and the same is true of the Engineering Council. The Design Council is right to begin a two-year programme to improve industrial design. However, these successes cannot be grafted on to a decaying industrial base. First, we must make the industrial base healthy so that it can respond and bring changes to the United Kingdom. The well-being of industry is vital.

Under this Government we have seen the continuing decline of the industrial spirit. The economy has been run for finance, high interest rates and an over-valued pound. These are policies that benefit those who have, but they all harm industry, the great, vital beating heart that is the powerhouse of the economy. It is only industry that can provide growth, jobs and the exports that enable us to survive in the world market. Industry provides only 23 per cent. of employment, but even now it provides over 50 per cent. of exports. The only sector of the economy that will enable Britain to survive in the 1990s has been harmed by the Government. The Government have driven us down to a low level, and now things are turning sour again. The nominal exchanges in February showed an increase of 12 per cent. when set against that for February 1987. The terms of trade in engineering are worse now than in 1981, when we were at the height of the holocaust.

How can industry survive and compete with these shackles? The Government must co-operate with industry, encourage it and work with it in the way that other Governments have done so successfully, thus forearming it for world competition. Unless the Government run the economy in a way that establishes a competitive exchange rate and low interest rates, rather than high interest rates that reinforce an over-valued exchange rate, we shall find ourselves facing the same difficulties that confronted us during 1979-81. The best future for the engineering industry lies in allowing it to compete in the world market without a ball and chain round each leg, one being high interest rates, and the other an over-valued exchange rate. We must let the industry generate profits, rather than lock it, as the Government are doing, into a remorseless spiral of decline.

The Government have run the economy, not for the interests of people who make things to sell on a world market or for the interests of jobs, but for the interests of finance, capital and the City. Such interests do not provide jobs or well-being for the great majority of our people. When it comes to power, Labour will run the economy for jobs, manufacturing and expansion, with a competitive exchange rate and a sensible interest rate policy that will allow industry to compete.

2 pm

The Parliamentary Under-Secretary of State for Industry and Consumer Affairs (Mr. John Butcher): The hon. Member for Great Grimsby (Mr. Mitchell) made many points, for which I thank him. It appears that, as the Friday speakers, the hon. Gentleman and I have come to a mutual pact, which is never to repeat the speeches that we made on the previous Friday. That makes things far more entertaining for us and makes life much more of a challenge. My major thanks go to my hon. Friend the member for Norwich, North (Mr. Thompson), who provided an opportunity for many hon. Members to contribute to the debate.

It is significant that this is the second occasion within eight days on which we have discussed the business of wealth creation. Some hon. Members consider that we devote an awful lot of time to sometimes heated arguments about wealth distribution when, perhaps, we should give equal prominence to wealth creation issues. We may discuss such issues when we talk about the Budget or macroeconomic policy, but what economists call microeconomic measures, such as those that we have discussed today, are important. I hope that there will be further opportunities to discuss matters such as the engineering industry generally and all the enabling skills that combine to help us to generate the wealth on which the quality of life for the whole community depends.

Apparently, it is the custom in this debate to say which part of engineering has touched us or for which part we speak. I confess that I was not trained as an engineer, but, after 12 years in the computer industry, I can claim that a little knowledge of electronics, and systems engineering has passed my way through the process of osmosis and the need to earn my living.

Before I take up the major themes that were raised by my hon. Friend, I congratulate his constituency on the presence of such an excellent company as Beaver Machine Tools, operating in a tough market in which technologies are rapidly changing. Beaver's moves into CNC techniques and quality equipment are to be commended.

We often hear tales of woe about great difficulties being experienced by whole sectors. It is sometimes alleged that a whole sector is in difficulty. But, within each sector, there is always a company that proves that it can do business, with good management, excellent training and a good work force, no matter how great the pressure or difficulties may be. There is always a company that shows that it can

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be done. We must try to define the ingredients for success and determine how Governments can help to spread best practice.

My hon. Friend said that he would like to see more engineers at top board level. The engineering profession will have cheered him for making that statement. The profession will know that many first degree engineering graduates acquire other qualifications and skills. An awful lot of covert engineers head many of our major companies. Some of them no longer practice under the title of engineer, but, to a great extent, they understand engineering disciplines.

Dr. Michael Clark: My hon. Friend said that some heads of companies are probably engineers but no longer trade under that name. Does he agree that he has put his finger on one of the problems facing the engineering industry? When people who are engineers later become accountants or lawyers, they are more proud to be called an accountant or a lawyer than an engineer.

Mr. Butcher: I should like to see an Italian habit gaining ground in this country—just one. If one speaks to the chief executive of an Italian company who has had an engineering training, his business card will probably show the letters "Ing" after his name which stand for ingegnere. An Italian would be proud of that. It would distinguish him by way of the qualifications he brought to his job. As we have heard from three or four speeches today, that distinction does not seem to be coveted by any of our similarly qualified people. It is a great shame because British engineers can hold their heads up when it comes to a comparison with the expertise of virtually any other country's engineers. The difficulty is that our good people are the very best in the world but there is a gap in the middle ground that the German, Japanese and French seem to fill, but which we do not. We seem to have a large no-man's land between our top flight, elite engineers and those at technician level. People have remarked for decades about the way in which the Germans have a solidity and depth to their engineering capability that we have yet to achieve.

My right hon. Friend the Member for Brentford and Isleworth (Sir B. Hayhoe) is a qualified mechanical engineer. I notice that his curriculum vitae shows that he was a toolroom apprentice on his way to achieving those qualifications. He talked about the need for us to do whatever we can to see that mutual recognition of professional qualifications across Europe is achieved, not through a general directive, but through a separate directive for engineers. My right hon. Friend, who I am sure will read the record of today's debate, can be assured that I shall look into that in considerable detail. I have taken a careful note of what he said and I shall respond to him with an account of our latest negotiating position. We shall take great care and I can assure him that we shall stay in touch with the professional bodies as he advised.

The central themes raised by my hon. Friend the Member for Norwich, North and several of my hon. Friends were training, shortage, the feedstock coming from schools and what happens in our further and higher education sectors. No one in the House would deny that now, perhaps more than at any other time in our economic and industrial history, we need the very brightest and best of our youngsters to go into manufacturing and engineering.

Industrial and commercial warfare is taking place in the international market. To a major extent it is free and fair, although there are a few warts and defects. To a large extent we are locked into that open competition. We cannot afford to fight that battle without the assets of our brightest and best going into the front-line business of earning orders for the United Kingdom and making and selling things in the international market.

How do we go about that? We need to change the culture in the schools. We need to build on the craft, design and technology programmes that are now starting to bear fruit. We need to build on the technical and vocational education initiative. At the risk of bringing a little political controversy into the debate, I have to say that we need a core curriculum. We cannot have our youngsters opting out of mathematics and physics at the age of 14. In most cases they study those subjects until 16 but, if our young people, boys and girls, do not have the basic foundation upon which they can graft changing demands for skills throughout their working life, we shall handicap those who wish to train them in maturity, such as employers.

Mr. Stevens: Does my hon. Friend agree that, to attempt to broaden the scope for and numbers of people entering the profession beyond 16, there should be a broader-based education system than there is at present in our schools and sixth forms?

Mr. Butcher: There is a sort of Friday culture that encourages candour and a fairly relaxed response to questions such as that. That is the moment at which a little alarm bell should ring at the back of one's head and subconsciously send a signal, "Steady on." I am not entirely sure that I agree with the implication of what my hon. Friend is saying. I want a core curriculum until the age of 16. My right hon. Friend the Secretary of State for Education and Science must make decisions about what happens after that age. Speaking as a representative of industrial and commercial interests, I believe that we should not erode the quality control of the A-level system. Yes, let us strengthen education up to the age of 16, but we must not erode the quality of A-levels. I hope that, by my reporting faithfully what industry is saying to me, my right hon. Friend the Secretary of State for Education and Science will bear that very much in mind. That is all I have to say on that subject on a Friday, having spoken in an earlier debate at 4 am. I do not wish to trust myself with any looser statement than that.

City technology colleges are something that our competitors, the Germans—my goodness, we have been going on about them this morning—would recognise instantly. They never changed. While we were messing around with our secondary education system in the post-war period they kept their Hauptschule, Realschule and Gymnasium. They kept their technical schools, but we only toyed with the idea. We fiddled about with them for a brief period after the war, but we did not stay with them and we should have done so. Now that we are having to re-invent them, those who have brought them forward can point to the German experience and say, "There is one of the reasons why they have a depth to their engineering and industrial capabilities." We should not be ashamed to borrow ideas when they have proven to be successful in the international world.

Mr. Patrick Thompson: Does my hon. Friend agree that those who are enthusiastic about city technology colleges should pursue industrialists more vigorously and say, "This is an idea that is of benefit to you; let us have a great deal of support for it"?

Mr. Butcher: My hon. Friend, who used to be a school teacher, is right. This is not a one-way crusade on which the Government have embarked. We have brought forward a set of proposals that invite participation from demanders of skill as to how we produce those skills at statutory education ages. I hope that, having extended the invitation to those who told us that this was the way that we must go, they will accept it, participate and, if necessary, provide hard cash if they wish to back their ideals, particularly in the inner cities.

We can extend an invitation to engineers — whether they be on the shop floor or in the boardroom, or whether they be trade unionists or members of the Institute of Directors — to serve on the governing bodies in the schools that are being reformed to carry out this option by my right hon. Friend the Secretary of State for Education and Science. The cross-pollenation that we all consider worthwhile is beginning to happen, but we need far more of it.

I think that the hon. Member for Great Grimsby will agree, if I interpreted his remarks correctly, that it was right for us to give the bulk of increases in places in the higher education system to the polytechnic sector. That is where the more vocational attitudes are to be found and it is where we can channel our resources. Some 60,000 extra full-time students have now been placed in the polytechnic sector, compared with the year that I know the hon. Gentleman would choose—1979.

As to skill shortages, for one year I chaired a committee called the skill shortages committee. Inevitably, the DTI produced a report. That report gave the numbers and quantities, by type of discipline in engineering, for which we should be providing. From memory, I believe that we said that we wanted 4,500 additional graduate engineers in disciplines such as physics, maths, information technology, and electronics engineering.

However, on the way we discovered that the United Kingdom did not necessarily require only pure information technologists. As we progressed through the year we found that a new kind of engineer was demanded. We were fairly sure that we could predict that demand for such an engineer would increase dramatically during the 1980s. I refer to the engineer called the manufacturing systems engineer — a multi-disciplinary engineer who is well-versed in the science of production and in what goes on on the shop floor.

As my hon. Friend the Member for Harwich (Sir J. Ridsdale), who spoke eloquently about the Japanese experience will confirm, the Japanese have been investing in such people for a long time. They would give their eye teeth for some of the schools in our engineering professions. We must produce our manufacturing systems engineers with particularly British tricks to bring to the trade. If we do, we can reap the same benefits, which are massive savings in production costs and in work progress. Those savings could be invested in state of the art equipment, which could be used to improve quality, which can be used to go for non-price factors in the market share. That is the benign cycle at which my hon. Friend was grasping in his speech earlier.

I turn now to the youth training scheme. I sometimes wonder how many engineering employers know that they can use YTS to discount the first-year costs of their apprenticeship schemes by 100 per cent. How many know that they can use it to discount the costs of their second-year apprenticeships by as much as 80 per cent.; and how many know that new proposals have been produced quite recently about the accreditation of the formal training elements in those apprenticeship schemes? If there are any engineering companies out there that do not know that, I hope that this debate, with its central theme of educational awareness, will at least have done its part in getting that message across.

I do not think that anyone in the House would disagree with the now often asserted statement that we must tackle the skill shortage problem. The tragedy is that while most of the weaponry that is required to tackle that problem is there, few of our companies are enlightened enough to use it.

There is a further under-utilised national resource, this time at the higher education level. How many of our engineering companies have heard of the teaching company scheme, by which postgraduates can go into companies and become involved in clearly identified projects in those companies? Young postgraduates, charged with state of the art development, and paid for in major part by the taxpayer, can work to projects that are agreed between academia and the user company. I do not know of any company that has used the scheme that has anything bad to say about it. It does not appear to have an enemy. We are to double the size of the scheme. The Government can help and we can use taxpayers' money to good effect.

My hon. Friend the Member for Harwich should write a book. He has two particular lines of experience that he brought to our debate today. The first is his commitment to engineering, which came through strongly. The second is his knowledge of the Japanese experience. Those lines of experience are highly relevant to every issue that we have discussed this morning.

I could exchange views with him at great length on automation and robotics. Western Europe missed a trick when the Japanese and Americans started setting de facto standards on, for example, controllers. That is a huge industry. However, a company that is located just three miles from here, across the river, is bringing forward controllers that knock spots off the Japanese. I wish that company well. Perhaps my hon. Friend's group could visit the company as it is so near.

Unless management training is correct, unless the management systems are right, and unless a company understands what manufacturing systems engineering means, there is no point whatsoever in throwing automation at the problem. That will only compound the weaknesses in the company. Automation is not an answer in itself.

I shall respond in letter form to what my hon. Friend the Member for Harwich said about the Cranfield engineering research programme. When he said that we have to be competitive in world terms, he encapsulated what the debate is about. There is no such thing as a home market any more. Any company will find that, unless it can compete on the world market, it will not have a home market. We have to test our products all the time in such a hypercompetitive environment because, if we do not, surprise, surprise, our competitors will test their products

[Mr. Butcher]

in our home market. That is the way of today's world and it is why 1992 is so important. I noted carefully what my hon. Friend said about the chairmanship of the European standards-making institutions.

My hon. Friend the Member for Bolton, North-East (Mr. Thurnham) reminded us that we cannot afford to turn our back on 50 per cent. of the nation's intellect, which is what we do if women and girls are deterred from going into the allegedly male-dominated professions. We all know how much we need engineering skills. We all know how acute the problem is. Women have the same aptitudes as men if they are given a chance to develop them. It is another of those tragedies that, at 14, many girls opt out of the O-level and general certificate of secondary education subjects which give them at least the option of going into engineering. We have a job of work to do in that respect.

There is another element of the enterprise initiative which was not debated very much when the White Paper was published. Many commentators missed a significant issue. I refer to the programme to get 10 per cent. of our teachers into industry and commerce each year to gain work experience. Moreover, all of our young people, presumably at about 15 or 16, will have experience of the commercial and industrial world, and teachers in training colleges will have the same opportunity. Such steps help to solve the problem caused by our underusing 50 per cent. of the nation's intellect.

My hon. Friend the Member for Hertfordshire, West (Mr. Jones) asked me to consider liability. I shall. He brought a new dimension to the Channel tunnel question. He asked about research and development spending. There was an increase in private sector research and development spending of 12 per cent. in real terms between 1983 and 1985. We do not have the statistics for 1986, much as I think that I would enjoy displaying them today. There has been an increase in the proportion of research and development funded by industry from 70 to 77 per cent., which is in line with our competitors. The Government's spending is a higher proportion of gross domestic product than in the United States or Japan.

My hon. Friend talked about civil engineers. Civil engineering output was to the value of £22·7 billion in 1986. Civil engineering new orders in 1987 amounted to £17·5 billion. Those are almost record levels and, perhaps more than any other statistic, a measure of confidence in the future. The mechanical engineers are turning over £20·36 billion and the electrical engineers £17·76 billion, which shows that we should not underestimate the civil engineering sector in terms of employment and wealth creation. I accept what my hon. Friend said about the need to use our big companies to better effect. The information that he gave about the multiplier effect was powerful.

My hon. Friend the Member for Ilford, South (Mr. Thorne) reinforced the point about liability. He also mentioned consulting engineers and the extent to which they exert influence on the placing of contracts for raw materials, sub-assemblies and structural componentry.

My hon. Friend the Member for Birmingham, Northfield (Mr. King) made a Northfield speech, which was powerful and closely argued. He will understand exactly why all that I shall say in response is this—the best guarantee of the long-term future of jobs at Longbridge and in the Rover Group is to keep making profits, no matter who owns the plant or what the shareholding structure is. We have made it clear that there will be no other bidders during the exclusive negotiating period agreed with British Aerospace. If agreement is reached, it will not be appropriate to negotiate with others. So, there will be no negotiations with others provided that the two current parties agree terms by the end of April.

Mr. Batiste: My hon. Friend referred to profits being the most important signpost of the way forward. Did he notice that in the speech of the hon. Member for Great Grimsby (Mr. Mitchell) from the Opposition Front Bench, that word was curiously absent?

Mr. Butcher: I have to disagree with my hon. Friend because the hon. Member for Great Grimsby mentioned profits. He said that investment goes down when the firms are not making profits. If he assumes that investment goes up when firms are making profits, the Friday culture must have got to him. This is a seminal moment because he has said for the first time that I have heard it stated so clearly by a Front-Bench Opposition spokesman what Conservative Members have been working on ever since Edmund Burke first commented on the French revolution. I congratulate the hon. Gentleman. I hope that that has not damaged his career too much. He said that he was Leader of the Opposition (Fridays). His contribution was far better than that which oftens comes from the real thing. I wish him every success and look forward to seeing him next Friday.

2.27 pm

Mr. Patrick Thompson: I am grateful for the opportunity to say a few words at the end of a most encouraging debate. It has been much more encouraging than the debate in 1980, which has been mentioned on several occasions today. I hope that the House will be able to accept the motion on the Order Paper.

I thank my hon. Friend the Under-Secretary of State for a positive and interesting reply. I was attracted by his remarks on the youth training scheme. It is true that not all industrialists—it happens in Norwich as well—are fully aware of all the opportunities that are open to them. I am glad that the debate has been used in that way, to bring the attention of everyone involved in engineering to what is available now, as well as to point the way to the future.

I thank the hon. Member for Great Grimsby (Mr. Mitchell) for attending and speaking in the debate. I might come back to his remarks if there is time.

I thank all my hon. Friends who have taken part in the debate. Many other hon. Members show an interest in doing so. I am therefore especially pleased that I had the opportunity to introduce it. I thank my right hon. Friend the Member for Brentford and Isleworth (Sir B. Hayhoe) and my hon. Friend the Member for Harwich (Sir J. Ridsdale) for their support in the debate. Indeed, I am grateful for the support of all the members of the all-party group for engineering development. Time does not permit me to thank all my hon. Friends individually. There were a large number of interesting contributions, which will make good reading in *Hansard* and will be worthy of future study.

A study of the report on education and training for new technologies by the House of Lords Select Committee on Science and Technology in 1984 makes interesting reading

because it reiterates so many of the points that were raised in the debate. What a pity it is that Opposition Members were unable to take part in this debate. They were around, because they came in for the statement. It is a pity that the hon. Member for Great Grimsby was here all on his own. I am grateful for his contribution. I thank everyone for taking part in an excellent debate.

Question put and agreed to.

Resolved,

That this House urges that consideration be given to the steps now required to build on recent success in United Kingdom engineering industries and to develop engineering performance up to and above the standards of leading industries overseas.

Coal Mining Subsidence

2.29 pm

Mr. George J. Buckley (Hemsworth): I beg to move,

That this House calls on the Secretary of State for Energy to introduce within this session of Parliament the necessary measures contained within the recently published Government Response to the Report of the Subsidence Compensation Review Committee (Cm. 235), so as to enable a proper and fair system of compensation for coal mining subsidence damage to be established.

My motion concerns subsidence. This subject is particularly relevant to the mining industry and also to engineering.

It being half-past Two o'clock, the debate stood adjourned.

London Borough of Newham (Resources)

Motion made, and Question proposed, That this House do now adjourn — *[Mr. Alan Howarth]*

2.30 pm

Mr. Ron Leighton *(Newham, North-West)*: What I and my hon. Friend the Member for Newham, South (Mr. Spearing) ask for is a fair deal for Newham from national resources. I emphasise fair, for my case is not special pleading or asking for special treatment for Newham. The truth is that Newham gets a raw deal, an unfair deal, from Government distribution of rate support grant and capital allocations. I shall demonstrate this. The bias against Newham is blatant and striking. So much so that to an impartial outsider it must look like discrimination almost a vendetta against the borough. If the Government are acquitted of malice, it must be mismanagement or incompetence. Whatever the cause it should, in the name of equity, be rectified.

Under the old system of the urban programme, up until last year, there were eight partnerships selected for extra help, 23 programme authorities, and 16 other designated districts for a lower level of assistance. Newham was denied partnership status, even though the borough, on Government figures, suffered a higher level of deprivation than seven of the eight partnership authorities. How does one explain or justify that?

The partnership authorities in London received an extra £10 million per annum. So, over eight years, Newham was unjustly deprived of £80 million. That is a scandal.

Newham was also denied programme authority status, even though it was more deprived than all the 23 authorities which were granted it. How can we explain that? In London, programme authorities, such as Tory Wandsworth, which the Minister will know, received some £4 million to £5 million per annum extra, but Newham, as another designated district, was granted only about £500,000 a year. Where was the equity in that? When, previously, I made the case to the former Under-Secretary, the hon. member for Ealing Acton (Sir G. Young) he did not seek to justify the injustice. He agreed that I had made a valid case but, rather shamefacedly, said that the Government were unwilling to put more money into the urban programme to rectify the injustice. Next week's Budget will show that that money is available now.

In 1987-88, changes were made in the urban programme and all ODD authorities, including Newham, became programme authorities. Initial urban programme allocations for the coming year were announced on 9 February. Newham is to receive an extra £500,000, making £2·75 million. This slight improvement is welcome as far as it goes, but it is nowhere near enough. The announcement came in a written reply to the hon. Member for Kensington (Sir B. Rhys Williams). Why him? Possibly because "deprived" Kensington got an extra £600,000, compared to Newham's £500,000.

Even with this modest increase, Newham's £2·75 million compares, for example, with £11·75 million for Lambeth, £9·65 million for Islington, £4·5 million for Wandsworth — and so it goes on. All those are authorities less deprived than Newham, yet they are getting more money. Perhaps someone will explain. However, what I have mentioned so far is not the half of it. We have to consider the assaults on Newham's capital

[Mr. Ron Leighton]

allocations, including its housing investment programme. In 1979-80, at September 1987 prices, the capital allocation for housing was £47,370,000. It was then continually slashed until in 1988-89, it is just over £17,026,000. In other words, it was cut by almost two thirds. The cumulative loss of HIP allocations over the nine years from 1979-80 has been a colossal £203,958,000. Is it any wonder that this has induced a horrendous housing crisis in the borough? By comparison, the cost of building a new home for each of the 572 families in bed and breakfast accommodation would be under £30 million. To this must be added the cumulative loss over the same period at 1987 prices, of £14,911,000 in education, nearly £13 million in social services, and more than £6 million in other services. Altogether, Newham has lost £237 million in capital allocation under the present Government, as well as being denied the £80 million that it should have received from partnership. It is impossible to bleed these enormous sums out of the borough without debilitating and damaging it, and that is why I am spotlighting its plight today.

A further cause of discrimination against the borough is the unfair basis of the Department of the Environment's grant-related expenditure assessment, which underestimates service needs in Newham in three ways. First, although it is difficult to imagine a borough more inner city than Newham, the Department persists in classifying it as outer London. As a result, the council loses GRE of more than £7 million. In theory that is partially offset by the borough's not having to pay inner London weighting to some staff, but in practice paying less makes it difficult to attract staff of the right calibre. The resulting shortage of qualified staff in some services is so acute that the only way to fill the posts is to adjust salary scales upwards. Therefore the council loses twice. The extra costs have to be paid, but there is no compensating rise in block grant. Secondly, the GRE does not adequately reflect the council's need to plan services for the growing population of very young and school-age children resulting from the borough's high birth rate. In addition, the equivalent of a new town is being built in the docklands area. The GRE assessment takes account only of these developments after the growth — including growth in population — has occurred. However, the council has to organise its services — social, educational and environmental — to meet the needs of the developments now, not in a few years' time.

Thirdly, and very important, the GRE makes no allowance for homelessness. This is putting Newham on the rack. Because of the cut in the HIP allocation which stops building, and the sales of council houses which reduces relets — that is as a direct result of the Government's policy — the numbers of homeless people are rocketing faster in Newham than in any other London borough, at a huge cost to the council. There is a statutory obligation to house homeless families. The costs involved are probably the least controllable part of the council's budget, because the council cannot control the numbers presenting themselves as homeless. Yet the Government provide no extra grant to cope with the crisis. The actual costs of homelessness to Newham since 1983-84 have been as follows: in 1983-84, £52,000; in 1984-85, £138,000; in 1985-86, £605,000; in 1986-87, £1,900,000; and in 1987-88, £5,400,000. Those prodigious sums reflect the increasing demand for accommodation and the increasing prices charged by hotels. Although the Government caused the crisis, they do not pay a penny towards it through grant.

It is estimated that in 1988-89, homelessness costs will approach £8 million. All this week councillors agonised and wrestled with the problem of closing a budget gap of that size. To maintain a relatively low rate increase, they had to make painful decisions to close libraries, old people's day centres and youth centres—basically to pay for the cost of homelessness. By the end of this year we shall have paid out £16 million on homelessness, yet have nothing to show for it.

After the general election Ministers started to talk of the need to do something about the inner cities. They suddenly seemed to have realised there was a crisis. One wondered what they had been doing for their previous eight years in office. What are they going to do? Is there a policy? If so, nobody knows what it is. We had been expecting a White Paper, but all we had was a vacuous press conference last Monday, which announced nothing new. Certainly so far it has been a cashless crusade. There has been no new money; on the contrary, for the previous eight years money was drained out of the inner cities. One thing is sure. Any policy initiatives can succeed only if they work with the local people and their elected local authorities, rather than seeking to bypass, usurp, and undermine them. Those elected councillors in Newham are a responsible group of men and women of integrity, dedicated to doing an honest job for their area and its people, as any Minister who has visited them will testify.

When the Audit Commission investigated London local government last year it had no criticism of Newham. The council has indulged in no extravance and no excesses of creative accounting to spend "funny money". In the run-up to the last election certain newspapers set up and staffed special desks to collect damaging stories about Labour councils, but they could discover nothing derogatory about Newham. Newham comprises about half of London's traditional east end; its position is pivotal. It will be impossible to regenerate London's inner city without regenerating Newham and tackling its problems. Those problems, not of its making, are of a severity found in few other parts of the country, and can be approached only by a combination of local and central Government actions, and that is what I ask for.

In reminding the House of the profile of the borough, I do not want it to sound like an unremitting tale of woe. The area has many strengths — first and foremost the people, who have many qualities including resilience. Newham is well placed to make the necessary changes. What it needs is the essential pump-priming expenditure to kick-start its regeneration. Special Government money and assistance has been given to the London Docklands development corporation to spend in docklands, but the worst urban problems in Newham are found outside that area. Only 6 per cent. of the borough's population live in docklands, and there is an urgent need for resources for the 94 per cent. who live in other parts of the borough. At the moment, according to the Department of the Environment's analysis, Newham is the second most deprived of all the 365 local authorities in England and Wales. Moreover, its problems have worsened drastically since the 1981 census. Unemployment is now 50 per cent. higher and homelessness has more then doubled.

Much of Newham was built in the latter part of the 19th century as cheap homes were provided for workers

employed in the docks and in rapidly developing industries. That Victorian urban expansion has left us with an inheritance of environmental and physical problems. Much of this cramped housing, built a century or more ago, is badly in need of repair. The post-war rebuilding of Newham has added problems of high density high-rise estates. We have 112 tower blocks, some of them of the Ronan Point type, nine of which have had to be evacuated because they are unsafe. That is why the borough has voids —it is not a question of mismanagement. Unless extra resources are spent on maintaining the housing stock in the borough it will decay further and the housing crisis will continue to worsen. In whose interest can that be? Currently Newham has more than 46,923 unsatisfactory dwellings, 8,146 households without a bath and 5,290 households lacking an inside toilet. Each of those figures is the highest for any borough in London. It gives me no pleasure to report that the condition of Newham's housing is the worst in London. Most of that dereliction is in the private sector, in houses built before the first world war. Without resources it will deteriorate further, and the downward spiral of inner city decay, from which Newham desperately wants to escape, will continue.

Let us look briefly at education. Many of the schools were built before the first world war. The Department of Education's analysis shows that Newham has the highest level of educational need of all 96 education authorities in England and Wales, but that its expenditure per pupil is lower than that of similar education authorities. In 1987-88 Newham spent £27 per head in its primary schools compared with an average of £32 for outer London boroughs. In secondary schools, Newham spent £54 compared with an average of £68. We know that educational attainment is largely determined by social background. It is not surprising, therefore, that Newham has the lowest proportion of pupils achieving five or more O-levels/CSEs and that only two other education authorities in the whole country send fewer pupils on to higher education.

Despite this, in the past two years Newham has been forced to reduce the capitation grant by 10 per cent. In 1987-88 it cut its low level of expnditure on education by 5 per cent. or £4,183,000, lost 122 teachers, and cut back on school repairs and maintenance. This week it was forced to shut centres for the unemployed, cut back on educational equipment and furniture, reduce grants to voluntary groups, increase the price of school meals, reduce the budget of the careers service, charge for the teaching of mother tongue languages, and much more of the same. What other advanced country in the world would allow that to happen?

Newham's economy has taken a battering. From industrial restructuring and the early years of Government monetarism, the decade to 1981 saw a reduction of 25,000 jobs in dock work, manufacturing and transport. The closure of the docks and their related industry has had a devastating effect on the borough.

In October 1987, 14,638 people were registered unemployed, nearly one in five males being jobless. The damage that this does, the financial problems that it causes, the family break-up, the health and psychological problems, cannot be overestimated. Forty-three per cent. have been unemployed for more than a year, more than 26 per cent. for more than two years. Many of those in work earn low pay. Of Newham's women who have jobs, only 42 per cent. work full time. Many combine work with child care. Their low earnings are a cause of poverty, particularly among single parent families or where the woman is the only member of the household with a job. The prevalence of low paid, low skilled work and large scale unemployment has brought a rising tide of poverty locally. Financial hardship is squeezing more and more families into multiple debt and dependence on benefit. Currently more than 32,000 people claim benefit in Newham.

New jobs will be created in docklands, but, because of a skills mismatch there is a danger that many of these could go to outsiders and the development pass local people by. I am activating myself now to see that all those concerned — the LDDC, the developers, the incoming firms, Manpower Services Commission, the industrial training boards and others — agree to specific target numbers of jobs for local people and to ensure that the appropriate training and education is available and that the mechanism is put in place to see that local people get a fair share of the jobs.

Newham's people belong to many races and cultures. About a third come from ethnic minorities, and in some wards the figure is more than 50 per cent. Often they suffer twice, enduring the problems of others plus racial discrimination, resulting in high unemployment among ethnic minority youth. The languages of Urdu, Punjabi, Gujerati, Bengali, Hindi, Tamil and Malayalam are in common use. Many groups have their own specific needs, and the diversity of population means that Newham's community as a whole has a much greater range of needs, aspirations and outlooks, so the task of fulfilling those is more complex and expensive than in other localities. Central Government should make greater financial recognition of that.

As might be imagined, Newham social services carry a heavier burden than many other areas. Yet, despite that, Newham has the lowest expenditure per capita on social services of all comparable authorities. Is that not astonishing? It has the worst problems and the least money. It actually spends 16 per cent. less than its grant-related expenditure. In terms of social need, Newham can be compared only with the 13 inner -London authorities, plus Brent and Haringey. Of those, Newham is the second most deprived. Hackney having the unenviable distinction of being first. On social services expenditure per capita we are 16th — bottom; on social and community worker staff employed per 1,000 of the population we are again 16th — bottom; on the provision of day nursery places per 1,000 for the under-fives we are again 16th — bottom; on the provision of meals-on-wheels we are again 16th—bottom; on telephones for the elderly, we are also bottom. Any further reduction in provision can be regarded only with horror. The hard-working social services staff in the borough are so over-stretched that it is amazing we have not had one of those disasters that hit the headlines.

To sum up, the general picture is of an area which, historically, has served London and the country well in both war and peace, but which has been hit hard by industrial and social changes. It is beset by multiple problems, not of its own making, yet still has many strengths and much potential — the classic inner-city syndrome. What is to be done? The situation is getting worse, not better. Sometimes I am tempted to despair, but then I remember this time last year, when parliamentary debate and ministerial visits resulted in an increase of £7

[Mr. Ron Leighton]

million in the absurd expenditure limit for Newham that was then being proposed by the Government. So, by campaigning constructively, we were able to soften the blow and lessen the cuts last year.

Are the Government serious about wanting to improve the lot of the inner cities? If so, they cannot ignore so strategically important an area as Newham. They must approach it in partnership, in every sense of that word. If they do, they will find an elected council with no ideological block against co-operating pragmatically with central Government in improving the environment, the economy and the prospects of the local community. I propose that the Government send a senior Minister, either the Secretary of State for the Environment, or his right hon. and learned Friend the Chancellor of the Duchy of Lancaster, to spend at least a day meeting the civic leadership and the council's officials in Newham. They can look at the books, put all the cards on the table and work out a mutually agreed, fair deal for Newham, not a continuation of the present malaise, which is only storing up problems for the future.

I put that forward in a constructive spirit and hope for a constructive reply.

2.48 pm

The Parliamentary Under-Secretary of State for the Environment (Mr. Christopher Chope): In the time available I shall be delighted to put the Government's case again on the issues and problems in Newham. Last July I replied to a debate introduced by the hon. Member for Newham, North-West (Mr. Banks), whom I am pleased to see present.

I would first like to deal with housing. Recognising the case made by the London borough of Newham at the housing investment programme meeting in September 1987 and in the borough's HIP strategy and programme, the Government are increasing the borough's initial HIP allocation from £17·5 million in 1987-88 to over £18 million in 1988-89. It was one of eight boroughs which received an increase in their HIP allocation to reflect their particular problems.

Further HIP support is available through the Government's estate action programme to help underpin measures to improve the management and quality of life on difficult-to-let estates. Newham has taken full advantage of such funds and recognises the importance of supplementing these with private-sector funding where possible, for example at Woodlands estate. If current bids are approved, the total additional HIP support through the estate action programme could increase from £1·9 million in 1987-88 to nearly £3·3 million in 1988-89.

In the current financial year, Newham's HIP allocation has been increased by a further £1·2 million to bring back into use empty dwellings for homeless families. This is reducing the number currently being placed in bed-and-breakfast accommodation on the one hand and reducing the number of the borough's empty properties on the other. Newham has the highest percentage of empty local authority dwellings — some 9 per cent.

Mr. Leighton: Will the Minister be careful not to mislead the House? That figure comes from nine tower blocks, which have had to be decanted. If we eliminate those, the number of voids in Newham is lower than that in Wandsworth.

Mr. Chope: I can accept the hon. Gentleman's first point that there are some 900 empty units in eight Taylor Woodrow-Anglian tower blocks, the Ronan Point-type, which the borough has decanted for safety reasons. Nevertheless there is ample scope for improvement in the number of voids.

Mr. Tony Banks (Newham, North-West): If the empty tower blocks are discounted, there are fewer voids.

Mr. Chope: The hon. Gentleman suggests that if the empty tower blocks are discounted, Wandsworth has more voids as a percentage than Newham. He is wrong. If we discount the 880 units, which I am prepared to do, 6 per cent. of the borough's stock is empty compared with only 2·8 per cent. in Wandsworth. Even discounting the empty tower blocks, if the present voids were used to house the homeless, it would not be necessary for Newham to have anybody in bed-and-breakfast accommodation.

Mr. Leighton: Give us the money.

Mr. Chope: The hon. Gentleman says "Give us the money." As he has already accepted, having people in bed-and-breakfast accommodation costs the borough a great deal of money. Most responsible councils are finding scope for using their empty stock to reduce the need to rely on bed-and-breakfast accommodation for housing homeless people.

The borough has ample scope to improve its efficiency. At 1 April 1987 its rent arrears stood at over £3 million, which is 11 per cent. of the total rent bill. If these could be reduced, clearly it would help to produce the revenue needed for repairs to turn round the vacated property more quickly. Average rent levels are currently about £18 a week, significantly below the equivalent rent levels in Wandsworth. Nevertheless there is a higher percentage of rent arrears.

Mr. Leighton: Does the Minister know that this week the borough council agreed to increase rents in Newham higher than the guideline recommended by the Government?

Mr. Chope: I did not know that, but I welcome it because at present the rents are significantly below those of some other boroughs and it is important, if council tenants are to be given the quality of repairs that they rightly demand, that they should be expected to make a proper contribution towards the cost of council housing. If the rents have increased above the guidelines, that should help the finances of the borough, but it will not help them as much as if the borough recovered the rent arrears and ensured that it got the rent in when it fell due.

With the borough proposing to dispose of eight empty tower blocks in 1988-89, together with other properties, the prospects for a substantial increase in capital receipts are good and will be further enhanced by the recent dramatic upturn in right-to-buy sales in the borough. The hon. Gentleman probably realises that by increasing rents, families in a position to purchase are often more inclined to purchase because by doing so they can avoid paying those higher rents. That is a way of generating additional capital receipts, which can be ploughed back and used for further investment in housing.

Mr. Nigel Spearing (Newham, South): Is the Minister suggesting that capital receipts from the sale of redundant tower blocks plus capital receipts from the sales of council houses will be sufficient to build an equivalent number of

new houses? Would the council be allowed to do that if it were found that the receipts were sufficient to enable it to be done? Surely the receipts would not be sufficient to achieve that objective.

Mr. Chope: I cannot say exactly how much it would cost to build that for which the hon. Gentleman is asking. There is much evidence to suggest that, currently, the borough is not using its best endeavours to sell as many properties as it can under the right-to-buy-legislation. It appears that it is not using its best endeavours to sell all vacant properties. I have said, however, that I am pleased to note the progress that is being made. It will ensure that in future the borough will have a greater income from capital receipts to supplement its housing investment programme allocation.

The Government are concerned to see a greater involvement of housing associations in the provision of social housing. To this end, the Government are increasing the size of the Housing Corporation's approved development programme in the borough from £13 million in 1987-88 to £14·1 million in 1988-89. Taking the capital side as a whole, from returns made by the authority, it appears that Newham had more than £5 million spare capital resources within the control system in 1986-87 than the council chose to use. The margin in the current year seems likely to be at least as large.

It has been argued that Newham has more of the nature of an inner-city borough rather than that of an outer London borough. That is an arguable assertion. It is an education authority, unlike inner London boroughs which have to contend with the Inner London education authority. I agree that Newham shares many of the problems of our inner cities. The borough will therefore benefit from the enhanced measures announced by my right hon. Friend the Prime Minister on Monday. The Government have committed £3·7 billion through the Department's group of programmes since 1979. That is an addition of main programme housing and local government resources. This sum has attracted over £2 billion in private investment. Between 1979-80 and 1988, real terms expenditure on the group will have increased by about 58 per cent.

The urban programme was the first major public spending programe targeted solely on the inner cities. This year, it will have funded 10,000 projects through specific grant to local authorities. It is helping local people help themselves, and it is encouraging enterprise. It is supporting nearly 90,000 inner-city jobs and training places. The new simpler city grant for private sector will build on the success of urban development grant and urban regeneration grant. Estate action has allocated £75 million this year — there are over 100 new schemes — which is improving the quality of life on run-down housing estates. Funding is rising to £140 million next year.

Having already dealt with the resources available to improve housing in Newham, which will make a major contribution to reducing inner city deprivation, I draw attention to the London Docklands development corporation. About 28 per cent. of the borough's boundaries come within the corporation's area, and the corporation has made a major contribution to the economy in that part of London.

Concern has been expressed that some of the residents in Newham will lack the skills necessary to win the jobs that will become available. There will be new employment opportunities. This is an issue for the local education authority to address. It is important that the education performance of the borough should be improved so that residents and their children are trained to the level that will enable them to take up the new job opportunities. I am sure that the hon. Member for Newham, North-East (Mr. Leighton) will welcome the massive new job opportunities that the LDDC has generated.

In the light of the progress made by Newham in its first year as an urban programme authority, its allocation for 1988-89 has been increased to £2·25 million. That is a cash increase of nearly 30 per cent. I hope that the borough will also be able to benefit from the schemes initiated by the private sector under the new, simplified city grant that was announced on Monday.

There is some good news for the people of Newham. I am pleased to say that, to an extent, the borough council is co-operating in recognising that it must work with the private sector and encourage enterprise and initiative. That is the way in which the problems of Newham will eventually be solved.

Mr. Leighton: Will the Minister respond to my invitation to the Secretary of State or the Chancellor of the Duchy of Lancaster to spend a day in Newham discussing the borough's problems with the borough, to see whether it is possible to arrive at a mutually agreed response to what we describe as a fair deal for Newham?

Mr. Chope: I am not in charge of my right hon. Friend the Secretary of State's diary. The hon. Gentleman knows that my hon. Friend the Minister for Housing and Planning visited the borough last October and had some useful meetings——

The motion having been made at half-past Two o'clock and the debate having continued for half an hour, MR. DEPUTY SPEAKER *adjourned the House without Question put, pursuant to the Standing Order.*

Adjourned accordingly at Three o'Clock.

CORRIGENDUM

Official Report, 8 March 1988, Written Answers, c. *122:*

At line 10 from end of column, insert the following:

"Mr. Charles Powell

Q10. **Mr. Daiyell:** To ask the Prime Minister when Mr. Charles Powell was appointed to her Private Office; and for how long he is expected to serve in that office.

The Prime Minister: Mr. Powell was appointed to my office in June 1984, and will serve until the time comes for him to leave."

[See column 859.]

House of Commons

Monday 14 March 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

Transport Staff (Assaults)

1. **Mr. Harry Greenway:** To ask the Secretary of State for Transport how many cases of assaults on staff have been reported during the past year on staff of *(a)* the London Underground, *(b)* London Buses and *(c)* British Rail in London; and if he will make a statement.

The Minister for Public Transport (Mr. David Mitchell): Before I answer this question I should like to convey apologies for the absence of my right hon. Friend the Secretary of State, who is detained in Brussels on urgent EEC business. He tenders his apologies.

In 1987 the number of criminal assaults on staff of the London Underground, London Buses and British Rail in London were, respectively, 163, 880 and 130.

Mr. Greenway: Does my hon. Friend accept my great concern at the size of those figures, particularly those for London Buses? Will he also consider assaults on members of the public on the buses, the Underground and railways across London, particularly on pay nights? Is he aware that many people, particularly the elderly and parents of children, are afraid of travelling on public transport in London, especially late at night? Will every possible apparatus be brought to bear, in the form of more police, more surveillance equipment and everything else, to stamp out violence on London transport, and may we have some exemplary sentencing? Something must be done.

Mr. Mitchell: I share my hon. Friend's concern about the level of assaults on staff. I know that he has particularly noticed the figure of 880 assaults on bus staff, and I am glad to say that that is 200 down on the previous year and more than 400 down on 1985. I accept that it is still an unacceptable level.

We are taking vigorous steps. All London buses are fitted with assault klaxons, which blow the horn and show flashing indicators. Two-way radios are now fitted on every bus and video cameras are coming in on a number of routes. The increasing use of one-person-operated buses also reduces assaults on staff.

Mr. Summerson: Is my hon. Friend aware that assaults on the Victoria line, which serves my constituency, are getting worse and worse? Will he take whatever measures are necessary to protect the travelling public, including the installation of video cameras on trains and platforms and the provision of more policemen on trains?

Mr. Mitchell: The proposal for more video apparatus for the Victoria line is one of a number of actions that are being taken, including improved radio equipment, video surveillance, increased police recruitment and staff surveillance. I hope that those actions will have a considerable impact.

Mr. Madden: Are not the violent incidents occurring as a direct consequence of the action being taken to reduce staff, particularly on the London Underground? What action is being taken to ensure that more staff are appointed, especially for nights and weekends? What is being done to ensure that the police who operate underground have radios that work there? I understand that the radios are often wholly ineffective once the police are underground attempting to deal with the violence that is taking place on an increasing scale.

Mr. Mitchell: The Government have made £15 million available to LRT over a three-year period for a crash programme against crime. The hon. Gentleman is right to identify the problem of underground radios. Normal radios will not work underground. Extensive investment in underground cable-laying is required to enable them to work.

Staff visibility is also being considered. The hon. Gentleman asked about recruitment. Recruitment to the British Transport police is now under way. Staffing levels have gone up from 280 to 314 in L division and are planned to go to 350 by October.

Northern Line

2. **Mr. John Marshall:** To ask the Secretary of State for Transport if he will make a statement on London Regional Transport proposals for investment in the Northern line.

Mr. Mitchell: Current plans include an additional eight trains, a new depot next year, and investment of £45 million over the next three years on continuing station improvements, signalling and better communications. Major plans for altering the configuration and modernising the line are also being considered by London Underground.

Mr. Marshall: My hon. Friend mentioned an additional eight trains. Does he agree that that total will be regarded by commuters on the Northern line as woefully inadequate? Does he accept that there has been a dramatic deterioration in the quality of service being given to my constituents and to many other residents of London? An improvement to the Northern line should be the top priority of London Regional Transport.

Mr. Mitchell: London Regional Transport clearly understands that the situation on the Northern line is not as good as it would want, nor is it as good as the London Regional Passengers' Committee or the Government would want. Average waiting time on the Northern line is now 4·1 minutes, which is perhaps not as bad as some people might imagine. An investment of £20 million is under way at the Angel to replace lifts with escalators, and a further £20 million scheme to eliminate island platforms is being considered. The eight additional trains that will become available next year are a significant improvement. One is doing the best that one can within the time available, bearing in mind the very sharp increase in the number of passengers.

Mr. Spearing: Is not the £45 million a classic example of throwing money at the wrong problem? Is the hon. Gentleman aware that it is not investment to titivate stations that is required, but more guards and drivers? Does he not realise that London Regional Transport has sold off, on his instructions or those of his right hon. Friend, large numbers of houses in areas where guards and drivers are in short supply, so that they are not encouraged to be in on early and late turns? Would it not be better to spend some of the millions that he mentioned on buying back those houses and reversing the Government's policy, so that at least some encouragement is given to the recruitment of much needed guards and drivers?

Mr. Mitchell: As always, the hon. Gentleman has got the position only half right. The driver shortage on the Northern line is currently 23. Far from there being a shortage of guards, as the hon. Gentleman said, there is a surplus of 22. Considerable training is being undertaken. Six guards are currently under training as drivers and another 10 are starting on 14 March. A further 35 guard-train drivers for other lines are currently under conversion training for Northern line duties. That is 51 against a present shortage of 23. The hon. Gentleman will understand that we are dealing with the problem.

Mr. Chapman: As the chairman of LRT agrees that presently the Northern line is "an abomination", will my hon. Friend accept that two measures are urgent priorities? One is to pay a premium to get extra staff to man the Northern line, because staff leave that line. Apparently one of the reasons is that it is the longest tunnel in the world. Secondly, the increased capital investment, which I welcome, should be examined to see whether the Northern line is getting its fair share. There ought to be additional capital investment to cover the need to train the new staff that are necessary on this line, as well as to cover the other technological progress.

Mr. Mitchell: I have already given the House the figures for the substantial amount of training that is taking place, specifically of drivers for the Northern line. The average weekly wastage of train staff grades in 1987 was only eight. Compared with the figures that I have given, that offers some grounds for reassurance. Investment is very much the key to raising standards, and investment in LRT will be running at £1 million a day next year. That £365 million is 60 per cent. higher than during the last year that the GLC was in charge.

Mr. Tony Lloyd: In his usual complacent way, the Minister insists that there is an adequate number of drivers. Will he confirm to the House that things are kept ticking along on the Northern line simply because 55 guard motormen are covering for drivers? Will he confirm also that, for that reason, my hon. Friend the Member for Newham, South (Mr. Speaking) made a valid point when he said that we should consider something practical about the housing of staff used on the Northern line?

Will the Minister confirm that it will be some 10 years after the completion of the investment programme on the Central line before we can expect to see any real investment in the Northern line to get rid of these problems once and for all? Can he tell the House that he will look seriously at bringing the investment forward? Does he recognise that the failure to provide proper investment for the Northern line—not the rest of the system—is part of the reason why these problems will run on into the future?

Mr. Mitchell: It is not for me to bring forward investment proposals for the Northern line or any other line. It is for the management to bring forward what it believes to be the right priorities. I shall draw the management's attention to the hon. Gentleman's anxieties, but it is not for Ministers to propose investment. That is for those who operate the system.

Several Hon. Members *rose*—

Mr. Speaker: Order. We are making rather slow progress today. May I ask for briefer questions, and perhaps we will have briefer answers too?

Car Telephones

3. **Mr. Amess:** To ask the Secretary of State for Transport what recent representations he has received regarding the road safety implications of the use of car telephones.

The Parliamentary Under-Secretary of State for Transport (Mr. Peter Bottomley): None. In simple terms, if one can afford a car telephone, one can afford a hands-free microphone. It is not safe to hold a telephone when driving.

Mr. Amess: Is my hon. Friend aware that concerns have been expressed following the practice of drivers using telephones while proceeding along motorways or turning corners? Does he agree that such practices are dangerous? Is he satisfied that the present law would meet those points, because I am not?

Mr. Bottomley: The answer is yes. However, I welcome the opportunity of repeating the advice in the Highway Code which is: do not use a hand-held telephone when driving.

Mr. Tony Banks: May I tell the Minister that anyone in a car who is holding a telephone and talking into it looks a right wally anyway? Before becoming too involved in the subject, will the Minister tell us what evidence he has, if any, of accidents that have occurred as a result of people driving and using a telephone at the same time? Is there any empirical evidence?

Mr. Bottomley: There is anecdotal evidence. A BBC radio taxi was taking me to a high hill in Guildford and, with a hand on the microphone, the driver went through a red light.

Mr. Hanley: If my hon. Friend's criterion for the use of a hands-free set is the fact that it is not safe to use a telephone in the hand in the car, will he take steps to ban smoking in cars?

Mr. Bottomley: Wiser politicians than I have said that one needs to work by common agreement whenever possible. There is common agreement on the dangers of holding a telephone when driving a car.

Safety Standards

Mr. Boyes: To ask the Secretary of State for Transport what new proposals he has to increase safety standards in transport during the next year; and if he will make a statement.

Mr. Peter Bottomley: We keep transport safety standards under regular review and shall continue to develop proposals whenever the need arises.

Mr. Boyes: Will the Minister acknowledge that the interdepartmental committee on road safety has attempted to produce a comprehensive and objective report of road safety matters? Nevertheless, it fails to acknowledge a proven range of counter measures against drink driving, and that omission has marred the credibility of the full report. Is the fact that drink driving measures, particularly random breath testing, have been ignored, another example of the Government behaving in an ostrich-like way with their head in the sand over this vital matter?

Mr. Bottomley: No. I welcome the sustained interest of the hon. Member for Houghton and Washington (Mr. Boyes) and the House in drink driving. There may be an opportunity for some hon. Members to listen to an Adjournment debate this evening on the subject. In simple terms, I am surprised that anyone should accuse the Department or the Government of being soft in the action against drinking and driving.

Mr. Higgins: Given the appalling number of accidents to motor cyclists and the fact that every other form of commercial operation requires the driver of a vehicle to be fully qualified, would my hon. Friend be sympathetic to a private Member's Bill which prohibited motor cycle couriers from employing learner drivers who have passed no test at all?

Mr. Bottomley: I am not sure that I have the authority to prejudge that suggestion. I make the point made by the Highway Code, that the dangers to motor cyclists often come from other road users. I would welcome further attention both to our training and testing proposals for motor cyclists and to those for leg protection, which I am sure will come. I also hope that my right hon. Friend the Prime Minister pays little attention to the petition with 250,000 signatures asking for me to be removed. I fear that I may be condemned to stay in transport for four years.

Mrs. Ray Mitchie: Given the problems in increasing the scope of driving tests—for example, it is difficult for all drivers to have experience of motorways, as many would have to travel hundreds of miles to find a motorway—will the Minister consider introducing a probationary year after the driver has taken the test?

Mr. Bottomley: Perhaps it would be better if I wrote to the hon. Lady and put a copy of the reply in the Library. It would take too long to give the answer now.

Mr. Beaumont-Dark: Does my hon. Friend accept that most of us agree that there is no need for random breath tests, because the police have enough powers already? Does he also agree, however, that many of us who are with him on that issue are rather disturbed at the idea of carrying out tests on drivers who will then escape prosecution? We all know already that drinking and driving is dangerous. Why should there be any need to go in for more tests, when we all know the results before we start?

Mr. Bottomley: What we do not know is how far we are succeeding in cutting out drinking and driving. In the 350,000 tests administered by the police, every one of the 120,000 who fail—one in three—will be considered for prosecution. We are proposing to add 2,500 tests carried out by researchers, not by the police, which will give us a baseline to see how effective the advice "Don't drink and drive" will be.

Mr. Robert Hughes: On this first transport Question Time since the anniversary of the Zeebrugge ferry disaster, will the Minister and his hon. Friends turn their attention to ferry safety and to dangerous working practices?

Is the Minister aware that attempts are being made to bring in 24-hour shift working, with only two breaks of two to three hours, and four return trips a day? Does he accept that that is dangerous? Will he use his powers, or will the Secretary of State use his, to prevent such dangerous practices from being imposed? Given its background, P and O ought to have more shame than to try to impose them.

Mr. Bottomley: It is normally accepted that the House should not become involved in negotiations. It is plain that any working practices must meet the statutory requirements.

British Transport Police

5. **Sir John Biggs-Davison:** To ask the Secretary of State for Transport if he will make a statement on the work of the British Transport police in protecting persons and property on the London Underground.

Mr. David Mitchell: The British Transport police are co-operating with London Underground Limited in the implementation of the recommendations of my Department's report of November 1986 on "Crime on the London Underground".

Sir John Biggs-Davison: While new measures will be welcomed by my constituents, whether passengers or staff, is it not the case that threatening and drunken behaviour, mugging and other violence—not to mention illegal graffiti and litter—are rife, and would it not be a good idea if the British Transport police, like other constabulary forces, had a special constabulary to supplement their regular personnel?

Mr. Mitchell: There has been a 25 per cent. reduction in muggings where new methods of policing have been employed on the southern end of the Victoria line. I shall be meeting the chief constable of BTP and the chairman of London Underground Limited before the end of the month to review progress. Projects at Oxford Circus and eastern stations on the Central line to test improved equipment and practices will be inaugurated later this month. I shall discuss with the chief constable when I meet him the point that my hon. Friend raised about specials.

Sir Geoffrey Finsberg: Is my hon. Friend aware of the growing anxiety among most people who travel on the London Underground at the long, deserted stretches of platform and stairways with no police in sight? Is it not about time that the Metropolitan police took over the responsibilities of the British Transport police? Most of us think that they are pretty ineffective.

Mr. Mitchell: I do not agree with my hon. Friend. I believe that there is a degree of specialisation in transport police work, and I do not think that it would be right to make the change that he suggests.

Mr. Tony Banks: Does the Minister recall the recent reply that he gave me:

"The complement of the Underground division of the British Transport police has increased to 350 officers; the number so far in post is 314."? — [*Official Report*, 25 February 1988, Vol. 128, c. 309.]

Will he say what steps are being taken to bring the number in post up to the full complement? Will he accept that moving to one-person-operated trains on the Underground system will only encourage further violence and vandalism? Why will the Minister not accept the concern that is being expressed in London that travelling on the Underground system must have proper protection, which requires more police and more staff? That is the answer.

Mr. Mitchell: As the hon. Gentleman rightly says, recruitment is up from 280 and 314. It is planned to increase that figure to 350 by October this year, and we expect that that target will be reached. The other items that the hon. Gentleman mentioned are matters in which, frequently, new methods will be more effective.

Mr. McCrindle: Given the difficulty that has sometimes arisen in recruiting transport policemen for British Rail because of the financial limitations placed on it, will my hon. Friend confirm that no such considerations will stand in the way of reaching the target of 350 officers, to which he has referred?

Mr. Mitchell: Yes, Sir.

Edinburgh Over-flying

6. **Mr. Dalyell:** To ask the Secretary of State for Transport what discussions he has had with the chairman of the Civil Aviation Authority on the safety regulations for flights over Edinburgh.

Mr. Peter Bottomley: The regulation of air safety is the responsibility of the Civil Aviation Authority. The chairman keeps us informed on important issues.

Mr. Dalyell: Is there now to be more than one nightshift duty air traffic controller?

Mr. Bottomley: I do not know whether the hon. Gentleman has put that question to the authority, but I shall certainly ensure that he gets an answer.

Mr. Darling: Has the Minister discussed the movement of military aircraft over Turnhouse airport, in particular a practice that has been adopted of military aircraft flying very fast and very low over the main runway at Turnhouse when civilian aircraft are either on the runway or in the vicinity? Will he take that matter up with the chairman and and seek an assurance that civilian aircraft will not be put at risk?

Mr. Bottomley: It is clear that civilian aircraft should not be put at risk. I suspect that they are not put at risk, but I shall do as the hon. Gentleman asks.

Channel Tunnel (Railway Development)

7. **Mr. Flynn:** To ask the Secretary of State for Transport if he will set up an inquiry into the potential benefits of electrifying railway lines to south Wales and the west of England in the light of the Channel tunnel development.

Mr. David Mitchell: No. It is the responsibility of the British Railways Board to bring forward proposals for investment in the railways.

Mr. Flynn: Will the Minister confirm that under present plans there will be no possibility for the people of Wales or the west of England to have a direct rail link through to the continent of Europe after the Channel tunnel is constructed? Will he reconsider the possibility of such a link for the benefit of business, commercial affairs and tourism in south Wales? Is he content for the Channel tunnel to be a further deepening of the east-west divide between the claustrophic, overheated and overcrowded south-east of England and the vast acres of opportunity in Wales and the west of England, which increasingly will be on the periphery of the Common Market?

Mr. Mitchell: In parenthesis, I should say that I believe that TSB has moved from my constituency to the hon. Gentleman's, but I do not think that that is an exact illustration of the point that he is seeking to make.

Freight and overnight passenger services can be provided on non-electrified lines by changing the locomotive to go through the Channel tunnel. Therefore, the hon. Gentleman is wrong to assume that that cannot be done.

Mr. Adley: Will my hon. Friend accept that the reality is that the British Government's attitude to electrification and investment in Channel tunnel-related expenditure is "How little can we get away with?", while the French Government's attitude for SNCF is "What do we need to make the most of this splendid facility?" Will my hon. Friend please do everything that he can to persuade his ministerial colleagues to change their attitudes? Is he aware that if he does not do so we shall find ourselves with a Cinderella railway on this side of the Channel and a modern railway on the other side?

Mr. Mitchell: The French and ourselves regard investment in Channel tunnel-related lines as a commercial matter. The French's line for the Channel tunnel will ride on the back of the expenditure on the Paris-Brussels-Cologne-Amsterdam line, as my hon. Friend will well know. We are investing roughly comparable amounts, when that is taken into account.

Mr. Ian Bruce: Will my hon. Friend look at the electrification which has already been authorised by the Government for the line to Weymouth to ensure that British Rail uses that wonderful asset to the best advantage? It appears from BR's plans that it is looking backwards rather than forwards.

Mr. Mitchell: I was pleased to approve the electrification of the line to Weymouth. If my hon. Friend is not happy with the way in which British Rail proposes to manage that service, perhaps he will write to me.

Mr. Snape: Will the Minister concede that there must be a case for an inquiry into the electrification of British Rail nationally as a result of the Channel tunnel opening, the matter to which my hon. Friend the Member for Newport, West (Mr. Flynn) referred? Does the Minister agree that if such an inquiry does not take place and, to adopt the phrase used by the hon. Member for Christchurch (Mr. Adley), Britain remains the Cinderella of Europe because of its railways, the south of England in particular will drown under a tidal wave of largely foreign-built lorries and coaches?

Mr. Mitchell: The hon. Gentleman is quite wrong. As he well knows, British Rail expects more than 1,500 juggernaut-sized lorries a day to be taken off the roads and

put on rail as a result of the Channel tunnel. Modern diesels have a similar performance to electrics. In any case, 20 electrification schemes have been approved since 1979, including the biggest that there has ever been on the east coast main line. If the hon. Gentleman wants to have it with both barrels, I should tell him that the average annual spend on electrification under this Government is £72 million, compared with only £41 million under the Labour Government.

Smoke Hoods

8. **Mr. McCrindle:** To ask the Secretary of State for Transport if he will make it his policy to introduce a mandatory requirement for British airlines to carry passenger protection smoke hoods.

Mr. Peter Bottomley: Policy on air safety is for the Civil Aviation Authority. The CAA decided in December against making smoke hoods mandatory at present. It is continuing to work on improved standards of cabin fire safety.

Mr. McCrindle: Two and half years after the incident at Manchester airport, when there was considerable loss of life through smoke suffocation, is it not about time that my right hon. Friend the Secretary of State for Transport leant somewhat on the Civil Aviation Authority? The CAA's attitude appears to be that until there is a perfect smoke hood it should continue to drag its feet. Surely that is not sensible in the interests of safety.

Mr. Bottomley: I understand my hon. Friend's concern. I understand also that the CAA hopes to finalise the specification soon. The CAA has made it clear that the final decision will be based on safety, not on cost.

Mr. Colvin: Does my hon. Friend agree that until there is international acceptance of a specification for smoke hoods it would be wrong to insist on mandatory carrying of them by airlines and that the working draft paper, recently issued by the CAA, is a welcome step forward? Will my hon. Friend confirm that comments on that paper are required by 31 March? Finally, does my hon. Friend agree that this will assist British industry to capitalise on its technical lead?

Mr. Bottomley: I am grateful to my hon. Friend. He is right about the deadline for comments. It is important to build on the joint research with the other major aviation nations. The point is to get practicable safety measures for passengers.

One-Person Operated Buses (London)

9. **Mr. Simon Hughes:** To ask the Secretary of State for Transport what representations he has received since the introduction of one-person operated buses in Greater London concerning longer journey times.

Mr. David Mitchell: I have received a number of representations on various aspects of one-person operated buses in London. It is our normal practice to refer questions involving operational matters to London Regional Transport for reply.

Mr. Hughes: Does the Minister recall that when we had the debate on the London Regional Transport levy, one matter that I raised was the fact that since 1982 there has never been as long an average waiting time in London for buses — whether run by London Regional Transport or by private contractors — as this year? Is the hon. Gentleman prepared to revise the operation of one-person operated buses to ensure that we have less time to wait, which clearly cannot happen when there is only one member of staff on the bus and the queue takes longer to get from the pavement to the inside of the bus?

Mr. Mitchell: The hon. Gentleman will recall that we had quite a lot of discussion earlier this afternoon on safety. He will realise that OPO buses are much safer than open-plan crewed buses and that there are far fewer assaults on staff.

I recall the matters raised by the hon. Gentleman during that debate. The average OPO boarding time per passenger has been reduced from 4 seconds in 1984 to 3·7 seconds now, compared with 2 seconds for crewed open-platform buses. London Buses Ltd. aims to reduce that time to 3 seconds during the next couple of years.

Mr. Summerson: Does my hon. Friend agree that part of the problem is due to people parking where they should not? Will he take steps to ensure that selfish people do not park their cars and vans in the area of bus stops?

Mr. Mitchell: My hon. Friend is perfectly correct. One of the problems with London buses' time-keeping is the parking of vehicles wrongly in particular route areas. I have discussed this with the Metropolitan police and priority is being given to action on those routes.

London Buses Ltd.

11. **Mr. Tony Banks:** To ask the Secretary of State for Transport if he will make a statement on the future of London Buses Ltd.

Mr. David Mitchell: As my right hon. Friend the Secretary of State for Transport said in the London Regional Transport levy order debate on 25 January, we have asked LRT to bring forward early proposals for restructuring London Buses Ltd. into smaller units which will be able to operate commercially under conditions of competition.

Mr. Banks: I understand that London Regional Transport is now considering a proposal to break up the bus fleet into 15 separate companies. Will the Minister tell the House what good that will do for the efficiency of bus services in London generally? He must know how many people are complaining about the system at present. The LRT 1988-89 business plan shows that there will not be any improvement in waiting time next year, that about 70 million bus miles will be lost and that there will be no new investment in buses. Will he tell us how his proposals will assist the travelling public in London?

Mr. Mitchell: The hon. Gentleman refers to the level of complaints now. He should therefore warmly welcome the proposals brought forward by London Buses Ltd. for restructuring the system.

Mr. Robert G. Hughes: Will my hon. Friend accept that people in my constituency, where there is a local bus organisation called Harrow Buses, want more of the decisions made by local people on the spot and that, therefore, the splitting into different companies is warmly welcomed?

Mr. Mitchell: My hon. Friend is absolutely right. One of the features of smaller-based operations is that they are

able to be more flexible in responding to consumer demand. This has been well demonstrated in the deregulated system outside London, where the National Bus Company has been broken up in that way, and it has proved to be very successful.

Mr. Tony Lloyd: Will the Minister confirm that if there is to be any improvement — which is doubtful — as a result of the break-up of London Buses, it will come only as a result of higher bus fares? Will he also tell the House whether he intends to push ahead with the deregulation of the London bus system within the lifetime of this Parliament?

Mr. Mitchell: The hon. Gentleman is wrong to assume that there is a direct correlation in those matters with bus fares, which should be operated at the optimum level to secure both continuing custom and a viable business, where it is practicable to do so. I hope that I have successfully answered the hon. Gentleman's question.

New Roads (North-West)

12. **Mr. Thurnham:** To ask the Secretary of State for Transport if he will make a statement about the programme for new road projects in the north-west.

Mr. Peter Bottomley: The trunk road programme includes some £700 million of planned schemes in the north-west. My right hon. Friend the Secretary of State for Transport announced on 11 March the decision to go ahead with the region's highest priority scheme — the £160 million final section of the Manchester outer ring road from Denton to Middleton.

Mr. Thurnham: Does my hon. Friend agree that the Government are making a very good job of providing road links for the north of the country as a whole, as Bolton council is for the north of my constituency?

Mr. Bottomley: There is a local point there on which I should not detain the House with an explanation. However, it is true that the previous Government, although full of good intentions, managed to cut the roads programme dramatically. We are delighted to be able to make sensible spending decisions, which will help to bring economic prosperity especially to the north-west, to bring environmental relief to many people living on main roads and to reduce the number of road casualties.

Mr. Pike: Does the Minister accept that the whole of north-east Lancashire believes that, for the regeneration of that area, the linking of the M65 to the M6-M61 should be done as soon as possible? Does he further accept that they disagree with his Department's view that it is not necessary for that link to be of motorway standard? There is a strong need for that link to be of motorway standard.

Mr. Bottomley: I am sure that the House will have appreciated the hon. Gentleman's view.

Dame Elaine Kellett-Bowman: Will my hon. Friend give high priority to the M6 link, which would give an enormous boost to industry in Lancaster and Morecambe? I am aware of the dilatoriness of the Labour-controlled county council, which has never given that road a high enough priority. Does my hon. Friend accept that my constituents are not prepared to suffer for the council's sins?

Mr. Bottomley: My hon. Friend has made her point very strongly. Speaking generally, the partnership between the Department of Transport and the 107 highway authorities is generally pretty good and shows that normally local and national Government can work together.

Passenger Transport Authorities

13. **Ms. Quin:** To ask the Secretary of State for Transport if he will make a statement on the Government's proposed changes in the financing of passenger transport authorities and their likely effects on *(a)* Tyne and Wear and *(b)* the United Kingdom as a whole.

Mr. David Mitchell: We propose that PTAs should bill their districts instead of precepting separately. The effect will make Tyne and Wear and other PTAs more accountable to their electorates. A paper was circulated for comments on 22 January, and I met the Association of Metropolitan Authorities on 2 March.

Ms. Quin: Are the Government aware of the concern about the proposals in Tyne and Wear? Do the Government agree that, following the abolition of the metropolitan county council and the introduction of deregulation, the latest proposals are the final death blow to the concept of integrated passenger transport in Tyne and Wear?

Mr. Mitchell: Nothing in the proposals should pose any threat to the degree of integration of transport in Tyne and Wear. They will make the provision of transport services by the PTA far more accountable than they are under the existing system. If the hon. Lady and the PTA are afraid of accountability, perhaps I understand what lies behind her question.

ATTORNEY-GENERAL

Family Courts

47. **Mr. Sims:** To ask the Attorney-General if he will make a further statement on Her Majesty's Government's policy towards the establishment of family courts, in the light of the statement by the Lord Chancellor in the February issue of "Family Law".

The Solicitor-General (Sir Nicholas Lyell): The Lord Chancellor endorsed the strength of the arguments for both a unified legal framework for child and family law and for a unified court structure. The latter is dependent on the former, upon which officials from a number of Departments are actively engaged.

Mr. Sims: I am grateful to my hon. and learned Friend for that reply, but, alas, it does not really get us much further. Is he aware that many individuals and organisations went to a great deal of trouble to respond to the Government's consultative document on family courts? Also, our noble and learned Friend Lord Havers seemed to demonstrate some sympathy for the idea of family courts. Indeed, from time to time, my hon. and learned Friend and my right hon. and learned Friend the Attorney-General have said that work is proceeding on proposals for family courts. The tone of the present Lord Chancellor's statement suggests that he is now looking for all sorts of reasons not to proceed with the family court. Will my hon. and learned Friend take the opportunity to clear up the situation and make a statement, so that we

know exactly where we stand? If he could do that in a debate that he could persuade our right hon. Friend the Leader of the House to hold on the subject, so much the better.

The Solicitor-General: My hon. Friend should take heart. We must seek to deal in a rational, comprehensive and integral way with child law, both public and private, including harmonisation of the available remedies and reform of court procedures. That objective is necessary in itself and will provide an essential foundation for any reform of court structures. We must get the law right first and then look at court structures.

Mr. Anderson: Does the Solicitor-General accept that the long delays over the past 16 years since the Finer recommendation are a sad commentary on the prospects for achieving legal reform of any sort in this country? Will he now get some steam behind his proposal, as hardly any serious legal body is opposed to it?

The Solicitor-General: It is not steam that is needed, but a bit of clear thinking. Child care law and family law are in a great muddle, as the hon. Gentleman knows. We intend to get child care and family law right. We shall then have set the legal framework against which to provide the court framework, if that seems appropriate.

Mr. Lawrence: May we take it that the article that was written by the Lord Chancellor does not demonstrate that the Government's real thinking is that too much else on the statute book needs to be done before there is a reform of family law? As it is agreed by hon. Members of all parties that speedy action should be taken along the lines that my hon. and learned Friend has stated, does he agree that we should not have to keep coming back year after year asking the same questions on this important subject?

The Solicitor-General: My hon. and learned Friend has seen and made the point. Child care law is receiving high priority.

Mr. Fraser: In a somewhat unusual — although welcome—article in "Family Law", the Lord Chancellor appears to be saying that he believes that the present system is unduly complicated and that he would welcome reform, but is he also saying that he rejects reform because it is too complicated, or that the reform is rejected by other colleagues in the Cabinet because of other business? What is the answer?

The Solicitor-General: The Lord Chancellor is not saying either of those things. He is saying that reform in the form of clarification and harmonisation of the many different strands of child law is badly needed and that we should get on with it, and that is what he proposes to do.

Mr. Hind: Will my hon. and learned Friend bear in mind the widespread support for family courts among hon. Members of all parties, and, bearing in mind that there is good will for reforming child law, will he exert pressure on the business managers of the House to bring in what many others feel is a long-overdue reform that will receive widespread support?

The Solicitor-General: Again, my hon. Friend should take heart. We intend to get child care law right. As he knows, it is a large and complex subject that needs to be tackled. Once that has been dealt with, we can move on to the concomitant of the actual court structure, if that seems appropriate. The concept of a family court embodies getting right both the law and the court structure.

Prosecution Policy

48. **Mr. Janner:** To ask the Attorney-General when he next expects to meet the Director of Public Prosecutions to discuss matters relating to prosecution policy.

The Solicitor-General: In the near future.

Mr. Janner: When the hon. and learned Gentleman sees the Director of Public Prosecutions, will he please discuss once again the question of the Director's failure to prosecute the perpetrators of "Holocaust News". In that context, does the hon. and learned Gentleman agree that it is monstrous that the law is too weak to allow people who are stirring Fascist and racist ill will in this decent country to be brought to book?

The Solicitor-General: I advise the hon. and learned Gentleman that this matter has been considered with great care, not only by the Director's office, but by the Director himself, with the benefit of advice of senior Treasury counsel, and by both Law Officers. Having regard to all the material factors, including the nature and effect of the defences likely to be open to and relied on by the defendants, the likelihood or otherwise of a conviction, and the circumstances as a whole, it is not thought appropriate to prosecute.

Mr. William Powell: When my hon. and learned Friend meets the Director of Public Prosecutions, will he draw to his attention a "Today" radio programme of a few weeks ago in which it was asserted that a number of abortions are being carried out in this country because the parents do not wish to give birth to a baby girl? The programme said that baby girl foetuses are being aborted. Does my hon. and learned Friend agree that that is a most serious allegation, involving crime? Will he ensure that the DPP carries out a thorough investigation and that those who are alleged to be involved are brought before the courts?

The Solicitor-General: I quite understand what my hon. Friend says. It is most important to emphasise that any evidence that is available should go straight to the police.

Mr. Alex Carlile: When the hon. and learned Gentleman next meets the DPP, will he express his concern at the increasing acquittal rate in the Crown courts, which shows one of two things: either too many innocent people are being prosecuted, or cases are being underprepared by the prosecution, or possibly both? Does he recognise that there remains the problem that the starting salaries for new recruits to the Crown Prosecution Service simply do not compare with salaries in the private sector?

The Solicitor-General: I cannot accept that there are any reliable trends that are capable of yet being established. As to the second part of the hon. and learned Gentleman's question, that matter is under close consideration.

"Spycatcher"

49. **Mr. Adley:** To ask the Attorney-General if he will make a statement on the latest development in the various cases relating to the book "Spycatcher".

The Attorney-General (Sir Patrick Mayhew): I refer my hon. Friend to my answer of 10 March to the hon. Member for Holborn and St. Pancras (Mr. Dobson).

Mr. Adley: I recognise from that reply that neither the circumstances nor the principle have changed. Does my right hon. and learned Friend agree that Wright's behaviour has been to exchange his oath of loyalty for a substantial royalty? Is my right hon. and learned Friend aware that most of my constituents believe that Wright's behaviour is clear and despicable? In spite of the difficulties, will my right hon. and learned Friend continue to pursue the matter vigorously?

The Attorney-General: I am certain that my hon. Friend speaks with complete reliability about the responses from his constituents. I will not comment personally upon Mr. Wright, but I draw my hon. Friend's attention to the fact that all judges in this country who have pronounced on the case have described Mr. Wright as being in flagrant breach of the duty of confidentiality that he owes to the Crown.

Mr. Winnick: Does the Attorney-General consider it appropriate that, as the senior Law Officer, he should have sent out a propaganda letter to all Conservative Members explaining the position on the "Spycatcher" case? Is that not incompatible with his position as Attorney-General?

As regards the amount of money that has so far been spent on the case, is it not a fact that, at the end of the day, the cost will be, not the sum that he told me previously, but millions of pounds that will have been wasted on this totally futile case?

The Attorney-General: The "Spycatcher" proceedings are civil proceedings instituted by the Government as a result of a collective decision in pursuance of their policy to uphold the duty of confidentiality owed to the Crown by former members of the security services. In those circumstances, it is entirely proper for the Government to communicate on the subject with their parliamentary supporters—[HON. MEMBERS: "Ah!"]—as it is on any other subject. I communicate with this House every three weeks, and more often on demand.

Mr. Richard Shepherd: Is not the difficulty for the Government the fact that they have chosen to emphasise the lifelong duty of confidentiality to the grave as being more important than the right of the public to know and the press to report on crime, fraud or the possibly mooted causes of treason as reported in Mr. Wright's book? Does my right hon. and learned Friend agree that one cannot enjoin any public servant to a lifelong duty of confidentiality to the grave without the caveat that that cannot cover fraud, crime or possible treason? Is it not in the interests of the House to know about those circumstances?

The Attorney-General: The first thing to establish in these difficult matters is the law of the country. My hon. Friend is aware that considerable importance is attached to the fact that former and serving members of the security services owe a duty to the Crown. The question whether that duty is owed in all circumstances, including the circumstances to which my hon. Friend has referred, is before the courts at the moment. We shall have to see what the House of Lords says when it hears that appeal on 7 June. Then will be the time to consider what, if any, changes should be made to the law by other means. The first thing, however, is to protect that duty because, if we do not, and if we are not prepared to pay the cost that is required in money, it will not be very long before that cost is payable in lives as well as money.

OVERSEAS DEVELOPMENT

Debt Refinancing

54. **Miss Lestor:** To ask the Secretary of State for Foreign and Commonwealth Affairs if Her Majesty's Government have considered proposals to use additional aid funds to refinance outstanding debts owed to the International Bank for Reconstruction and Development by low-income developing countries; and if he will make a statement.

The Minister for Overseas Development (Mr. Chris Patten): What counts is that the bank should be making more money available for those countries than they are due to repay to it. We believe that we can more effectively support low-income countries following adjustment programmes by using our aid to finance the imports they desperately need now.

Miss Lestor: I thank the Minister for that reply. Would he care to comment on the recent proposal of Nordic countries to create a facility to ease the debts owed to the IBRD by many low-income African countries? Will the Government support that proposal at the meeting of the bank in Washington in the spring?

Mr. Patten: It is one of several interesting proposals that have been made about indebtedness. Of course, there is nothing to stop individual donors from taking that action without setting up a special fund to do so. What is important is that any new initiative should represent additionality in flows of aid to African countries. We have taken a number of steps ourselves—the contribution to the enhanced structural adjustment facility, the major contribution to the World Bank's special programme and the Chancellor's own debt initiative.

Mr. Wells: Would it not be better if these long-dated loans from the IBRD to the poorest countries—because they must have pre-dated the International Development Association—were to be re-financed by the World Bank through the IDA itself and, by so doing, have the right kind of conditionality attached to their renewal, so that we do not have a repetition of the poor economic policies in some of the countries concerned?

Mr. Patten: What I am anxious to do, as I tried to explain just now, is to ensure that any new initiatives are accompanied by additional funds for countries in Africa. We must also make sure that we protect the credit rating of the World Bank, which is extremely important to the developing countries, as well as to the rest of us.

Mr. Alex Carlile: Will the Minister tell the House why the Government are not following the policy clearly set out in the Vancouver communiqué of October last year, to which the Prime Minister was a signatory, which advised that we should write off official development assistance debts to all low-income countries and also give renewed priority to reaching the United Nations assistance target?

Mr. Patten: I am afraid that the hon. and learned Gentleman is a little confused. This country had written off, rather before that statement was made, aid loans to the tune of £280 million for 14 African countries. What the

hon. and learned Gentleman could have gone on to do was to read out the endorsement of the Chancellor's debt initiative by not only the Commonwealth Heads of Government but the Commonwealth Finance Ministers.

Ghana

55. **Mr. Robert G. Hughes:** To ask the Secretary of State for Foreign and Commonwealth Affairs what further support he proposes to give to Ghana's economic recovery plans.

Mr. Chris Patten: I announced on 26 February a further £20 million of grant-aid to Ghana, which is linked to the continued maintenance of Ghana's economic recovery programme agreed with the International Monetary Fund and the World Bank. We have pledged a total of £69 million in support of the programme since it began in 1983.

Mr. Hughes: I thank my hon. Friend for that answer. Will he reassure the House that the full effects of that programme will not fall on the poorest groups in Ghana?

Mr. Patten: Yes, we regard that as particularly important. We commend the efforts being made by the Government of Ghana to try to design a programme which takes account of its impact on the poor. I very much hope that the health sector review which we are currently undertaking in Ghana will come up with proposals for work in primary health care, particularly regarding the health of mothers and children, and in family planning, both of which can make a considerable impact on the poor and poor groups.

Mr. Campbell-Savours: Has the Minister noted that a number of British clearing banks have this year written off a substantial amount of Third-world debt? I presume that customers in Ghana have had their debts written off as well. Does he accept that in many ways this is a form of overseas aid? If so, would it not be better if the money were directed through decisions taken by the Government rather than by the private banking system?

Mr. Patten: The hon. Gentleman must distinguish between the commercial debt owed by a number of countries and the debt owed to Governments and international financial institutions. In Africa overwhelmingly — the hon. Gentleman referred to it — one is talking about debt owed to Governments and financial institutions. There is, therefore, a particular onus on Governments to do something about that debt, as the Chancellor has made clear. What commercial banks do is a matter for their own judgment.

Bilateral Aid

56. **Mr. Spearing:** To ask the Secretary of State for Foreign and Commonwealth Affairs, what changes in procedure he has adopted concerning the effect of bilateral aid provisions on the poorest income groups in recipient countries since his reply to the Select Committee on Foreign Affairs report on bilateral aid of October 1987 (Cm. 225)

Mr. Chris Patten: I continue to keep under review those procedures designed to examine the impact of projects on the poorer groups. Our bilateral aid procedures already include an assessment of poverty orientation, and explicit consideration is given to the impact of adjustment programmes on vulnerable groups.

Mr. Spearing: Does the Minister recall that the Select Committee made a specific recommendation in paragraph 54 that greater priority should be given to aid which would directly attack poverty and include sustainable measures for that to be continued into the future? By saying that he keeps matters under review, is he not saying that he does not agree with the recommendation? If he does not agree with it, will he tell us why? If he does, what has he done about it?

Mr. Patten: The hon. Gentleman is overlooking a number of projects that we already have that have a direct impact on poorer groups. I refer him to the Hyderabad slum improvement project, the Vishakhapatnam slum improvement project, the resettlement programme in Zimbabwe, and a score of others. However, I accept that we need to make sure that the impact on poverty is part of the routine evaluation, and we are ensuring that that is the case. I would be happy to share more of the information about that with the Select Committee and with all those who are interested. This year we intend to commission specific evaluation studies on the subject of poverty impact.

Mr. Tom Clarke: Does the Minister accept that it is very difficult to target aid at poverty in Third-world countries when we still have not resolved the problem of international debt? Bearing in mind what he said about the World Bank, does he accept that many African countries see the World Bank and its demands as part of their problems rather than as a solution to them? Would it not be better for the bank to come up with a strategy of debt relief instead of dealing with default in the interests of its own credit rating?

Mr. Patten: Nothing would make us happier than to convince by tomorrow morning a number of other countries of the importance of implementing the sort of measures that we have been talking about since the spring of last year, such as writing off aid loans, rescheduling commercially guaranteed debts and lowering interest rates on those debts by countries which are pursuing sensible economic reform programmes. I agree with the hon. Gentleman that the sooner there is progress on that, the better.

Refugees

59. **Mr. Holt:** To ask the Secretary of State for Foreign and Commonwealth Affairs what further relief aid for refugees is planned for the current financial year; and if he will make a statement.

Mr. Chris Patten: I have just agreed to provide £5 million, to be divided equally between the United Nations High Commissioner for Refugees and the International Committee of the Red Cross, for their refugee programmes in Ethiopia, Sudan and Malawi.

That is in addition to the £1·25 million package of assistance I announced last month for these agencies' important programmes in Africa and Asia.

Mr. Holt: Those additional funds in the current financial year will be very much welcomed. Will my hon.

Friend assure the House that the money is being properly spent and is in no way being misused by some of the people to whom it is sent?

Mr. Patten: I can give my hon. Friend that important assurance. A sum of £2·5 million will be used by the International Committee of the Red Cross for work in Ethiopia. Another £300,000 will be used by the UN High Commissioner for Refugees in Ethiopia, and £700,000 in Sudan, and £1·5 million will go to help Mozambican refugees in Malawi.

AIDS

60. **Mr. Hayward:** To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has for supporting the World Health Organisation's programmes for AIDS prevention in African countries.

Mr. Chris Patten: Subject to parliamentary approval, we shall contribute £4·5 million this year to the central budget of the World Health Organisation's global programme on AIDS, which is currently working with 44 countries in Africa. In addition, we have so far agreed to provide £3·6 million over five years, through the World Health Organisation, for national AIDS control programmes in Kenya, Tanzania and Uganda.

Mr. Hayward: Has my hon. Friend any intention of giving further assistance to Africa, particularly to developing countries in Africa, during the next financial year or in future?

Mr. Patten: Yes, we certainly intend to make further contributions to national programmes in African countries. For example, I hope that we will shortly be able to announce a reasonably substantial contribution towards the programme in Zambia. As my hon. Friend may know, at the moment we are the third largest contributor to the WHO global programme on AIDS. I hope that we shall continue to make a major contribution to that important programme.

Mr. Charles Powell

3.33 pm

Mr. Tam Dalyell (Linlithgow): On a point of order, Mr. Speaker. It is rare at any time for *Hansard* to put in a corrigendum, because it makes very few mistakes. It is even more rare for it to tuck in to column 840 on 11 March a corrigendum about which the Member concerned was unasked and unconsulted. It says:

CORRIGENDUM

Official Report, 8 March, Written Answers, c. *122:* At line 10 from end of column, insert the following:

"**Mr. Charles Powell**

Q10. **Mr. Dalyell:** To ask the Prime Minister when Mr. Charles Powell was appointed to her Private Office; and for how long he is expected to serve in that office.

The Prime Minister: Mr. Powell was appointed to my office in June 1984, and will serve until the time comes for him to leave."—[*Official Report*, 11 March 1988; Vol. 129, c. *840.*]

[Laughter.] We are talking about a man who is so powerful that he is known in the Foreign Office, from whence he came, as the deputy Prime Minister.

Mr. Speaker: Order. If the hon. Gentleman will address his point of order to me, I think I can deal with it.

Mr. Dalyell: Anything to do with the Prime Minister's Private Office is of increasing curiosity to many of us. The last thing she wants is this question on the Order Paper, which leads to the direct question of how Mr. Powell stays in office, basking in the Prime Minister's——

Mr. Speaker: Order. I cannot answer matters of that sort. It may be helpful to the hon. Gentleman for me to say that this was a mistake by *Hansard* which, I agree, is a rare occurrence. If he tables a further question, he will not be penalised as a result of this.

Mr. Dalyell: Further to my point of order, Mr. Speaker. Could we have some explanation how this has happened on this sensitive subject? As you say, *Hansard* makes few mistakes——

Mr. Eric Forth (Mid-Worcestershire): The hon. Gentleman is paranoid.

Mr. Dalyell: Paranoid possibly about the whole question why the Prime Minister's Private Secretary, according to the Select Committee, knew all about what had happened to the right hon. Member for Richmond, Yorks (Mr. Brittan).

Mr. Speaker: Order. That is as may be, but I have had the hon. Gentleman's complaint investigated. *Hansard* made a mistake. I regret that I do not know how it came about. I have already said to the hon. Gentleman that if he tables another question on this matter, it will certainly not be in jeopardy.

Mr. Dalyell *rose*——

Mr. Speaker: I cannot do anything else about it. *[Interruption.]* I shall take one more point.

Mr. Dalyell: Further to my point of order, Mr. Speaker. Is not this an area where there are many curious mistakes? How on earth did a letter from the Prime Minister's Private Secretary to the Secretary of State for Education and Science find its way to my hon. Friend the Member for Blackburn (Mr. Straw)? Anything on this subject becomes a most extraordinary parliamentary happening and some of us do not think that, on this subject, that just happens by accident. These things happen for reasons——

Mr. Speaker: Order. I have nothing else to add. I have investigated the hon. Gentleman's complaint and I cannot help him further.

Social Security Bill (Allocation of Time)

3.37 pm

Mr. Robin Cook (Livingston): On a point of order, Mr. Speaker. Before we proceed with today's business may I invite you and the Table Office to confirm whether the proceedings adopted in today's business are within the precedents followed by the House? Page 456 of "Erskine May" deals with the provision of allocation of time orders and observes that such an order

"is not usually moved . . . until the rate of progress . . . has provided an argument for its necessity."

There has been no debate and no commencement to the proceedings on Lords amendments to the Social Security Bill, so there can be no argument founded on the rate of progress, or lack of it, on Lords amendments, for the necessity of this order.

Secondly, Mr. Speaker, I draw your attention to the fact that the Bill was not subject to a guillotine motion when it was before this House. May I invite you and the Table to confirm that there is no precedent for a guillotine motion being applied to Lords amendments to a public Bill for which there was no guillotine motion when it was before this House?

You are charged, Mr. Speaker, with defending the rights of minorities in this House. The use of the guillotine motion is the most extreme affirmation by the majority of its rights over minorities. If it is indeed the case that on both those counts today's motion breaks the precedents of this House and represents a substantial extension of the powers of the guillotine, would it not be appropriate to invite the Government to reflect on whether it is desirable to take this unprecedented step and, if necessary, to suspend the sitting so that they may reflect on it?

Mr. Speaker: As the House knows, I was present on Friday when this matter was raised, when the Leader of the House confirmed that this was an unusual procedure. However, I also noted the comment made by the shadow Leader of the House, who welcomed what was about to happen. So I do not think there is any reason why we should delay today.

Mr. Frank Dobson (Holborn and St. Pancras): Further to that point of order, Mr. Speaker. It will be within your recollection, and certainly it is in *Hansard*—with due deference to my hon. Friend the Member for Linlithgow (Mr. Dalyell)—that I said we thought it was regrettable that the Government were seeking to introduce a guillotine, and that on the day before I had said that we were dismayed at the short notice that my hon. Friends would have for putting forward amendments to the Bill.

Mr. Speaker: I would not wish in any way to misinterpret what the hon. Gentleman said but I draw his attention to his comments in column 783 of *Hansard*.

Several Hon. Members *rose*——

Mr. Speaker: Order. Nothing else arises.

As I was asked on Friday to look with careful consideration at the starred amendments on the Order Paper, I have selected them all. I must however, say to the hon. Member for Bristol, South (Ms. Primarolo), who tabled a manuscript amendment just before Question Time that I have considered her amendment with great care but I regret that, for reasons unconnected with the shortage of time, I have been unable to select it.

Mr. Max Madden (Bradford, West): Further to that point of order, Mr. Speaker. You have rightly referred to the statement made by the Leader of the House at 11 am on Friday, for which I was present. You will recall that, at that stage, he was seeking to persuade the House that the guillotine motion applying to the Lords amendments to the Social Security Bill had been agreed through the usual channels. I was therefore surprised to hear the 1 pm Radio 4 news, which quoted Government spokespersons as saying that the reason why the guillotine was being advanced was that the Government were afraid that Labour Members were going to seek to disrupt the proceedings of the House to the inconvenience of the Government.

So it would seem that the Government were most concerned that, because there was no time limit on the Lords amendments to the Social Security Bill, which were going to come after a debate on a Scottish housing measure, there would be some difficulty for the Budget. Therefore, we must question the true motives of the Government for putting forward the guillotine. It had nothing to do with the agreement of the Opposition and everything to do with the Government's concern that they might have been caused some inconvenience by Labour Members trying to debate a Bill that does great hardship to vast numbers of our constituents.

I ask you, Mr. Speaker, to reflect on whether this business should be allowed to proceed. I urge you to suspend the House to enable you to do that and to give the House an adequate opportunity to debate these amendments to the Bill, which does grave damage to a vast number of our constituents.

Several Hon. Members *rose*——

Mr. Speaker: Order. I am bound to have regard to what was said on Friday. I call the Leader of the House.

Several Hon. Members *rose*——

Mr. Speaker: Order. All these matters are exactly what should be debated on this motion.

Mr. Andrew F. Bennett (Denton and Reddish): On a point of order, Mr. Speaker.

Mr. Bob Cryer (Bradford, South) *rose*——

Ms. Dawn Primarolo (Bristol, South) *rose*——

Mr. Speaker: Order. The hon. Member for Denton and Reddish (Mr. Bennett) must not get on his feet and shout in that way.

Mr. Bennett: On a point of order, Mr. Speaker——

Mr. Speaker: Order. I do not know whether the hon. Gentleman was here on Friday. If he had been, he would know that every hon. Member who rose to question the Leader of the House had an opportunity to do so. I shall not take questions now that might well have been asked on Friday. I have already called the Leader of the House to move this motion. If the hon. Member for Denton and Reddish seeks to take part in the debate he may get a chance, but he must not make his point on a point of order.

3.44 pm

The Lord President of the Council and Leader of the House of Commons (Mr. John Wakeham): I beg to move,

That the following provisions shall apply to the remaining proceedings on the Bill:—

Lords Amendments

1.—(1) The proceedings on Consideration of Lords Amendments shall, if not previously brought to a conclusion, be brought to a conclusion six hours after the commencement of the proceedings on this motion.

(2) Paragraph (1) of Standing Order No. 14 (Exempted business) shall apply to those proceedings.

(3) No dilatory Motion with respect to, or in the coure of, the proceedings shall be made except by a member of the Government, and the Question on any such Motion shall be put forthwith.

(4) If the proceedings are interrupted by a Motion for the Adjournment of the House under Standing Order No. 20 (Adjournment on specific and important matter that should have urgent consideration), a period equal to the duration of the proceedings on the Motion shall be added to the period at the end of which the proceedings are to be brought to a conclusion.

(5) If the House is adjourned, or the sitting is suspended before the expiry of the period at the end of which the proceedings are to be brought to a conclusion, no notice shall be required of a Motion made at the next sitting by a member of the Government for varying or supplementing the provisions of this Order.

2.—(1) For the purpose of bringing any proceedings to a conclusion in accordance with paragraph 1 above—

(a) Mr. Speaker shall first put forthwith any Question which has already been proposed from the Chair and not yet decided and, if that Question is for the amendment of the Lords Amendment, shall then put forthwith the Question on any further Amendment of the said Lords Amendment moved by a Minister of the Crown and on any Motion made by a Minister of the Crown, That this House doth agree or disagree with the Lords in the said Lords Amendment, or, as the case may be, in the said Lords Amendment as amended;

(b) Mr. Speaker shall then designate such of the remaining Lords Amendments as appear to him to involve questions of Privilege and shall—

(i) put forthwith the Question on any Amendment moved by a Minister of the Crown to a Lords Amendment and then put forthwith the Question on any Motion made by a Minister of the Crown, That this House doth agree or disagree with the Lords in their Amendment, or, as the case may be, in their Amendment as amended;

(ii) put forthwith the Question on any Motion made by a Minister of the Crown, That this House doth disagree with the Lords in a Lords Amendment;

(iii) put forthwith with respect to the Amendments designated by Mr. Speaker which have not been disposed of the Question, That this House doth agree with the Lords in the said Amendments; and

(iv) put forthwith the Question, That this House doth agree with the Lords in all the remaining Lords Amendments;

(c) as soon as the House has agreed or disagreed with the Lords in any of their Amendments Mr. Speaker shall put forthwith a separate Question on any other Amendment moved by a Minister of the Crown relevant to that Lords Amendment.

(2) Proceedings under sub-paragraph (1) above shall not be interrupted under any Standing Order relating to the sittings of the House.

Stages subsequent to first Consideration of Lords Amendments

3. The proceedings on any further Message from the Lords on the Bill shall be brought to a conclusion one hour after the commencement of those proceedings.

4. For the purpose of bringing those proceedings to a conclusion—

(a) Mr. Speaker shall first put forthwith any Question which has already been proposed from the Chair and not yet decided, and shall then put forthwith the Question on any Motion made by a Minister of the Crown which is related to the Question already proposed from the Chair.

(b) Mr. Speaker shall then designate such of the remaining items in the Lords Message as appear to him to involve questions of Privilege and shall—

(i) put forthwith the Question on any Motion made by a Minister of the Crown on any item;

(ii) in the case of the remaining items designated by Mr. Speaker, put forthwith the Question, That this House doth agree with the Lords in their said Proposals; and

(iii) put forthwith the Question, That this House doth agree with the Lords in all the remaining Lords Proposals.

Supplemental

5.—(1) In this paragraph "the proceedings" means proceedings on any further Message from the Lords on the Bill, on the appointment and quorum of a Committee to draw up Reasons and the Report of such a Committee.

(2) Mr. Speaker shall put forthwith the Question on any Motion made by a Minister of the Crown for the consideration forthwith of the Message or, as the case may be, for the appointment and quorum of the Committee.

(3) A Committee appointed to draw up Reasons shall report before the conclusion of the sitting at which it is appointed.

(4) Paragraph (1) of Standing Order No. 14 (Exempted business) shall apply to the proceedings.

(5) No dilatory Motion with respect to, or in the course of, the proceedings shall be made except by a member of the Government and the Question on any such Motion shall be put forthwith.

(6) If the proceedings are interrupted by a Motion for the Adjournment of the House under Standing Order No. 20 (Adjournment on specific and important matter that should have urgent consideration) a period equal to the duration of the proceedings on the Motion shall be added to the period at the end of which the proceedings are to be brought to a conclusion.

Interpretation

6. In this Order 'the Bill' means the Social Security Bill.

This motion is both familiar and novel.

Mr. Andrew F. Bennett: On a point of order.

Mr. Speaker: I am not taking points of order. I too heard on the radio today what were purported to be the tactics of this matter.

Mr. Bennett: *rose*——

Mr. Speaker: Order. The hon. Gentleman is a Front-Bench spokesman, and this kind of behaviour is not a good reflection on the Opposition.

Several Hon. Members *rose*——

Mr. Speaker: Order. These are just the matters that we should properly discuss in the debate and not in points of order.

Mr. Wakeham: It is familiar in that it is customary to provide a timetable for consideration in the House of amendments made——

Mr. Dobson *rose*——

Mr. Cryer *rose*——

Mr. Bennett *rose*——

Mr. Speaker: Order. I will take only the point of order from the shadow Leader of the House.

Mr. Dobson: On a point of order Mr. Speaker. I feel that some of my colleagues have been put at what can only

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be described as a singular disadvantage. It was not until Friday morning that many hon. Members could possibly have known that the Government were to make a business statement at 11 o'clock on Friday. As the House recognises, on Fridays many hon. Members have engagements or go to their constituencies to meet engagements. Some of my hon. Friends find themselves in some difficulty when they are told that they should have raised points on Friday when the statement was made.

In particular, my hon. Friend the Member for Bristol, South (Ms. Primarolo) was aware that on Thursday, Mr. Speaker, you said that you would look sympathetically at manuscript amendments. She was in her constituency on Friday and submitted a manuscript amendment today as soon as she possibly could. She has some entitlement to raise this matter. *[Interruption.]* She is not arguing about the selection, because the original selection was made before she had the opportunity to submit her manuscript amendment. She is not challenging the first selection of amendments. However, she is trying to get the Bill used to benefit someone in connection with a problem in her constituency. It seems unreasonable to have expected her to attend on Friday when nobody had any reason to believe that on that day there would be a Government statement about business.

Mr. Speaker: I have already said that the reason I have not been able to select the hon. Lady's manuscript amendment is unconnected with the time element. If she comes to see me I shall gladly explain the matter to her.

Ms. Primarolo *rose*——

Mr. Speaker: Order. I cannot do that publicly. I will gladly explain to her why her manuscript amendment was not selected.

Several Hon. Members *rose*——

Mr. Speaker: Order. May I quote to the whole House, and especially to hon. Members who are rising and who, perhaps, were not here on Friday what the hon. Member for Holborn and St. Pancras (Mr. Dobson) said at that time. I hope that he will allow me to do that. He said:

"I thank the Leader of the House for making this late adjustment to our proceedings next week. It has the merit of providing a proper opportunity for the House to consider the Lords amendments to the Social Security Bill, and in particular it gives us the opportunity to endorse their proposals for the annual uprating of child benefit, which I hope will be agreed."

In fairness to the hon. Gentleman, he went on to say:

"We regret that the Government have decided that they need a guillotine motion to complete the business on Monday, which we think rather extraordinary. However, we welcome the opportunity to debate the important Lords amendments, and our amendments to them, without prejudicing the proceedings on the equally important Housing (Scotland) Bill at a later date." — [*Official Report*, 11 March 1988; Vol. 129, c. 783.]

Mr. Andrew F. Bennett: On a point of order, Mr. Speaker.

Ms. Primarolo: On a point of order, Mr. Speaker.

Mr. Speaker: Order. No point of order arises. The hon. Gentleman is a Front Bench spokesman and should seek to set an example to his Back-Bench colleagues. I am not prepared to call him on this matter. I call Mr. Wakeham.

Mr. Wakeham: It is customary to provide a timetable for consideration in the House of amendments made to a Bill in another place.

Ms. Primarolo: On a point of order, Mr. Speaker.

Mr. Speaker: I have told the hon. Lady that if she will come and see me I shall gladly explain. She is a new Member. It has never been the practice for Mr. Speaker to give reasons for the non-selection of amendments in the Chamber. Exceptionally, I say to the hon. Lady that I will explain to her why I have been unable to accept the amendment that she submitted today. If she is patient, she may be able to make her point during a debate on one of the other amendments. I call Mr. Wakeham.

Ms. Primarolo: It is not that. On a point of order, Mr. Speaker.

Mr. Wakeham: It is unique in that it has been possible to reach agreement on the amount of time for all stages of the Bill——

Mr. Dave Nellist (Coventry, South-East): There is a point of order over here.

Mr. Wakeham: I leave it to the hon. Member for Holborn and St. Pancras (Mr. Dobson) to deal with the question that raises about whether an Opposition generally find it effective tactics to agree that amount of time for almost all the consideration of a Bill except that stage when there is the least scope for a wide-ranging debate.

The timetable motion was laid before the House on Friday——

Mrs. Audrey Wise (Preston): On a point of order, Mr. Speaker.

Mr. Speaker: Order. I say to the hon. Lady, who is also a Front Bench spokesman, that I can only——

Mr. Cryer *rose*——

Mr. Speaker: Please sit down.

If the hon. Member for Preston (Mrs. Wise) is seeking to delay these proceedings, which have already commenced, it will be to the detriment of her colleagues. I will take the point of order only if it is a point of order for me.

Mrs. Wise: On a point of order, Mr. Speaker. I understood that it was our responsibility to protect the rights of Back Benchers. Therefore, may I inquire how it happens that, in your wisdom, you take a point of order from a Front Bench spokesman, which relates to the point that my hon. Friend the Member for Bristol, South (Ms. Primarolo) wishes to raise, and do not let her speak for herself? Is it now the position in the House that some Back Benchers must speak via surrogates?

Mr. Speaker: I shall remember carefully what the hon. Lady has said, if that poisition arises in her case. However, on the matter of her hon. Friend the Member for Bristol, South (Ms. Primarolo), I know what her point of order is about. I am sorry that I have been unable to select her amendment.

Mr. Nellist: You are not Gypsy Rose Lee. You are the Speaker.

Mr. Speaker: All right. If the point of order has nothing to do with my non-selection of the amendment, of course I shall hear the hon. Member for Bristol, South.

Ms. Primarolo: The point of order that I wished subsequently to raise is exactly the one raised by my hon. Friend the Member for Preston (Mrs. Wise). I understood, Mr. Speaker, that I was entitled to make my points of order to you and to ask you to reconsider a ruling that you had made. I was seeking to establish my right as a Back Bencher to raise a point of order. I would have thought that it would at least have been accepted that, as a Back-Bench Member, I could have put my point of order to the Chamber as well so that hon. Members would know why I wished to submit a manuscript amendment. I consider it quite out of order that I——

Mr. Speaker: Order. That is just the point. I cannot accept amendments that are drafted as the hon. Lady has drafted hers. Mr. Wakeham.

Mr. Wakeham: The timetable motion was laid before the House on Friday, and provides for a total of six hours' proceedings from the start of this debate. The minimum amount of time for consideration of the amendments will be three hours. If the Opposition really wish to debate the issues rather than the modalities, and keep the debate on this motion short, more time will be available for the amendments themselves. Either way, the motion provides a most generous amount of time when one considers that many of the 33 amendments made in another place are technical or uncontroversial, and that the Government are not seeking to reverse or amend the amendment providing for an annual review of child benefit.

In total, the Bill has already received just over 90 hours' consideration in both Houses, including 19 sittings in Standing Committee. I am pleased that, like us, the Opposition regard this amount of time as satisfactory, and I trust they will be able to agree to today's arrangements also.

The circumstances that have led us to move this motion will be fresh in the House's mind. On 3 March I announced that it was the intention we should be considering Lords amendments to the Social Security Bill today, and the Leader of the Opposition made no comment on that proposed arrangement. On 10 March I again announced this as the business to be taken today following the Housing (Scotland) Bill. The hon. Member for Holborn and St. Pancras then complained that we would be considering the Lords amendments today when the Bill's Third Reading in the other place occurred on 10 March. There then followed further discussions through the usual channels, and in response to my business statement on Friday 11 March the hon. Gentleman said that this adjustment to our business provided a proper opportunity for the House to consider the Lords amendments to this Bill.

Mr. Madden: Will the Leader of the House confirm or deny that he authorised any information, following his statement last Friday, to be passed to the BBC on the reason why the motion was to be put today?

Mr. Wakeham: I am not in the habit of talking about what I may or may not say to the BBC. I did not hear the programme at 1 pm, and I certainly said nothing of the sort to the BBC.

I shall deal first with the original complaint, that the Bill comes before us too hastily from another place. As the House will be aware, a marshalled list of amendments was available from the Vote Office on Friday morning. Twenty-nine of the 33 amendments have been available from 3 March or before—indeed, about two thirds of them have been available for the past month. Of the four amendments passed on Third Reading on 10 March, one was an amendment promised by the Government, one was simply a clarification and two were technical. None was opposed by the official Opposition.

In any event, as I said on Friday, it is a perfectly usual practice for Lords amendments to a Bill to be taken in this House just a day or so after the Bill has left another place. Indeed, there have been occasions when they have been taken on the same day. Hon. Members who recall the debates on the Aircraft and Shipbuilding Industries Bill in November 1976 will be well aware of that, and, of course, there are other examples too.

The revised complaint of the Opposition, as I understand it, is that the business as originally agreed would not have provided for the Lords amendments to this Bill to be debated in "prime time". The hon. Member for Holborn and St. Pancras set great store by this. Perhaps he should have a word with the present chairman of the parliamentary Labour party, the right hon. Member for Salford, East (Mr. Orme), who was less squeamish about these matters when we were debating the Lords amendment to the Labour Government's Social Security Bill on 19 March 1979. The right hon. Gentleman led the debate on the Lords amendments to this Bill—a debate that started at 10.17 pm. Nor were those proceedings a formality, with all the Lords amendments being agreed: on the contrary, there were Divisions, and the Government reversed one of the amendments.

In conclusion, Mr. Speaker, I should like to remind the House why it is important that this Bill should receive an early Royal Assent, and thus why we have arranged to take the Lords amendments immediately after the proceedings on this motion. The House has already agreed that 11 April should be the date on which the new schemes of income support and family credit should be implemented, and has approved the main regulations providing for this. But as a result of the proposals in this Bill, further regulations, subject to affirmative resolution, will be needed. Those regulations can be laid only after Royal Assent. We need to ensure that there is a proper opportunity for them to be considered by the Joint Committee on Statutory Instruments before they are debated in both Houses. Thus, it is important for us to proceed with this Bill today.

On Friday last, before he had even seen the terms of the motion, the hon. Member for Holborn and St. Pancras welcomed the revised business that I announced. I thanked the hon. Gentleman for his words then, and I hope that he will be able to carry his colleagues with him today.

3.58 pm

Mr. Frank Dobson (Holborn and St. Pancras): This is the fourth guillotine motion in recent weeks. The first three were designed to limit the debate on lengthy and complicated measures: the poll tax Bill, and the Bill to impose direct rule on our schools and colleges. Today, we have a guillotine just on the Lords amendments to the 19 clauses of the Social Security Bill.

Why the rush? The answer is simple. A large part of the present Bill corrects cock-ups in the Social Security Act 1986. Much of that Act is timed to come into operation next month, so the Government are desperate for these

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changes to go through before then. Not for the first time, we find ourselves in Westminster assembled to apply large dollops of parliamentary correcting fluid — legislative Tippex — to the Government's shoddily drafted and ill-thought-out social security laws: those laws that have been pushed through to rob the poor to give to the rich.

Originally, the Government intended that these proposals should slip through in the dead of night, when it would be inconvenient for newspapers to report what had happened. Indeed, at the time of night originally envisaged, the number of journalists in the Press Gallery could probably have been counted on the fingers of one hand and, at a later hour, probably on the fingers of the Venus de Milo.

The Government did not want these sordid, Scrooge-like proposals to receive publicity today because they did not relish the contrast to be made with how badly they are treating the badly off today with how well they intend to treat the well-off tomorrow on Budget day.

On the day before the Chancellor of the Exchequer intends to line the pockets of his friends and colleagues, what does the Social Security Bill do? The Prime Minister recently preached that Budget day was about taking, not giving. She should know. This Bill is about taking away rather than giving. It takes away many existing rights of people in need — rights that they have received through existing laws, through paying tax and national insurance, and which were secured in court when they were denied them by mean-minded Ministers and the humiliating bureaucratic machinery of the DHSS.

Among the people who will lose are epileptics, who will lose a maximum attendance allowance of £30 per week. People with severe industrial injuries will lose £19 a week. Young people aged 16 or 17 will be deprived of their right to benefit — a right that their parents have paid for for years.

Decisions about uprating of child benefit will depend on the whim of the Secretary of State. In future, tens of thousands of children will not receive free school meals. People who are forced to retire early will have their unemployment benefit abated if their occupational pension is more than £35 per week. People who have paid in for benefits will have them taken away by a process that amounts to nothing less than legislative theft.

Among the groups who will suffer most are police and fire fighters who are forced to retire early. I have received representations about this matter from the Soho fire station, whose crews played so heroic a part in the King's Cross underground fire. How typical it is of the Prime Minister and other Ministers to praise those fire fighters in front of the television arc lights but stab them in the back a few weeks later.

My hon. Friends have done a magnificent job in highlighting the cruel consequences of the Bill and tabling amendments to secure justice for defenceless and vulnerable people.

Mr. David Winnick (Walsall, North): Does my hon. Friend agree that, at a time when the press is widely expecting the Chancellor to announce tax cuts and other benefits for the rich, it is almost obscene that we should be discussing Lords amendments to a Bill that will hit hard at some of the poorest people in the community, take away housing benefit and penalise those who have saved £6,000 for their retirement? The poorest will, at most, receive loans from the DHSS instead of the present arrangements for bedding, furniture and other such matters.

Mr. Dobson: I entirely agree with my hon. Friend. I am sure that he and others will take this opportunity to highlight the contrasts.

Unfortunately, the work of most of my hon. Friends in changing this Bill has been in vain. But it is never in vain to speak the truth and to defend the defenceless, and I commend their spirited opposition. They will deal with much of the detail of the Bill, so I shall confine myself to two aspects — a universal benefit and a means-tested entitlement.

Child benefit has not been uprated with inflation. As a result, mothers lose about £30 per year per child. Some Tories have argued that universal benefits, such as child benefit, should be abolished and as an example, they say that the Duchess of Westminster does not need the few pounds of child benefit. I concede that she does not but, by the same token, her husband, the Duke of Westminster, did not need the tax changes that have added millions of pounds to his wealth over the past few years. He received those tax cuts, and they were worth a lot more than anybody's child benefit.

The House of Lords has passed an amendment that requires the Government to review the level of child benefit in April each year, taking account of increases in the retail price index and other factors. That is a welcome improvement to the Bill, but it does not oblige the Government to take any action after they have carried out the review, so my hon. Friend the Member for Livingston (Mr. Cook) has tabled an amendment to require the Government to increase child benefit in line with a review.

If the Government refuse to accept that amendment, they will reveal their grotesque priorities by rejecting today a non-means-tested universal benefit paid to the mother so that they can selectively put even more money into the pockets of the super-rich tomorrow. The Tories talk of targeting rather than universal benefits. People should not forget that they have a long-term target — to line the pockets of their friends by means of tax handouts and tax fiddles.

In even more stark contrast to the much-heralded Budget bonanza is the fact that in April almost 500,000 of the poorest children in the country will no longer be able to have free school meals. Children from families currently on family income supplement will no longer receive free school meals. Instead, the parents will receive £2·55 per week in lieu of free school meals. That works out at 51p per day. That 51p will buy a primary school meal in just nine education authorities in England, Scotland and Wales — all of which, I need hardly add, are Labour-controlled.

Tories argue that because the £2·55 is paid all year and not just during term time it in some way makes up, but even if we share the annual total only over term time it comes to just 66p per school day. The princely sum of 66p per day will not buy a primary school meal in the following authorities: Bexley, Enfield, Harrow, Merton, Isles of Scilly, Avon, Berkshire, Cambridgeshire, Cheshire, Cornwall, Devon, East Sussex, Essex, Gloucestershire, Hampshire, Hertfordshire, Isle of Wight, Leicestershire, Northamptonshire, Oxfordshire, Shropshire, Somerset, Staffordshire, Suffolk, Surrey, Warwickshire, West Sussex, Wiltshire, Bolton, Stockport, Sefton, Rotherham,

Dyfed, Powys. In none of those areas will 66p buy a primary school meal. Ministers may smirk, but 66p would not even buy the starters for their average meal. The weekly payment of £2·55 probably would not buy it. They should not smirk at the fact that those skinflint authorities, nearly all of whom are Tory-controlled, will ensure that some of the poorest children cannot buy a meal for 66p.

At least families on family credit will receive some money in lieu of the free school meals. Whether that money will reach all the children concerned is a different matter. Tories talk about targeting, but if they want to target food into the stomachs of the poorest children, surely the best way is to put food into their mouths.

Families on family credit will not be the worst sufferers from these changes. The worst off will be those children — over 170,000 — who at present receive free school meals at the discretion of their local education authority. This centralising Government are to take away that local discretion, on the grounds that already many skinflint Tory authorities do not use it. As a result, over 170,000 children will not receive free meals any more. Those children include over 21,000 in Strathclyde, over 15,000 in ILEA, over 9,000 in Lancashire, over 8,000 in Manchester, over 6,000 in Cleveland, over 5,000 in Birmingham, Sheffield, Sunderland and Leicestershire, over 4,000 in Bradford, Liverpool, Derbyshire and Humberside, over 3,000 in Leeds, Newcastle upon Tyne, Avon, North Yorkshire, Gwent and West Glamorgan and over 2,000 in Barnsley, Kirklees, St. Helens, Sandwell, Wakefield, Wigan and Cheshire.

When people see film of yuppies celebrating their tax concessions after tomorrow's Budget, they should remember that the champagne will be paid for from money that should be spent on giving poor chidren a decent midday meal. All this comes from a Government who claim to promote family life and Christian values.

Of course, we know that the Prime Minister subscribes to some peculiar theological views. These were best demonstrated when she amazed Sunday viewers of "Weekend World" in 1980 with the words:

> "No one would have remembered the Good Samaritan if he'd only had good intentions. He had money as well."

What will the badly off people affected by the Social Security Bill think of tomorrow's Budget? Tomorrow will show that the Chancellor has the money but lacks the good intentions. The Government fall a long way short of the standards of the Good Samaritan. They do not even live up to the standards of the Levite and the priest who just passed by on the other side. The only characters in the Good Samaritan parable whom the Government resemble are the thieves who mugged the poor traveller in the first place.

4.10 pm

Mr. Nicholas Fairbairn (Perth and Kinross): I declare an interest: the Scottish Labour party spent the weekend in my constituency and that, I assume, is why no members of that party were here on Friday. When the new business was announced by my right hon. Friend the Leader of the House, the only Scottish Member to raise the extremely important matter of why Scottish business had been summarily postponed was the right hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel), the leader of his party, whatever name it has now. The right hon. Gentleman made, for once, a righteous expression of indignation but he directed it to the wrong person. He said that my right hon. Friend the Leader of the House

> "owes Scottish Members rather more of an explanation and an apology for disrupting the business of the House at such short notice."

He said that that was because

> "The Housing (Scotland) Bill is both complicated and contentious."—[*Official Report*, 11 March 1988; Vol. 129, c. 783.]

I do not think that that was an explanation which, with his usual diplomacy, my right hon. Friend the Leader of the House was willing to give, so perhaps I may speculate on what I believe my right hon. Friend would have said with integrity and honesty if convention had not prevented him. He would have said that the business of the House was announced by him on Thursday, as usual, having been agreed, as usual, through the usual channels.

That matter was not challenged — [HON. MEMBERS: "No."] If it was not agreed, it is extraordinary that it was not challenged by the Leader of the Opposition before he set off to my constituency the following day to give a speech which those present said was either too long, by about 50 minutes, or was wrong in every other way. I must, however, distinguish the right hon. Gentleman; of all the Labour party members who went to my constituency, he was the only one who had the civility to say that he was going to do so.

Mr. Kenneth Hind (Lancashire, West): On my hon. and learned Friend's point about the usual channels, perhaps my hon. and learned Friend would like to look at the bottom of column 785 of Friday's *Hansard*, when my hon. Friend the Member for Elmet (Mr. Batiste) said to my right hon. Friend the Leader of the House:

> "The contribution from the hon. Member for Bolsover (Mr. Skinner) demonstrated clearly the difficulties faced by the usual channels in reaching agreement on business."

From a sedentary position the hon. Member for Bolsover (Mr. Skinner) said:

> "The usual channels—what do they matter?"—[*Official Report*, 11 March 1988; Vol. 129, c. 785.]

Mr. Fairbairn: I appreciate that that is the position, but I do not think that even the bucking bronco attitude of the hon. Member for Bolsover (Mr. Skinner) gave rise to the difficulties. The Leader of the Opposition found when he spoke in my constituency at the weekend that he could not prevent Scottish Labour Members from promising, threatening and insisting that it was their duty to break the law rather than pay the community tax, which is already provided for in legislation, and he also found himself in difficulty in the House the night before.

It is obvious that the agreement among the usual channels to have Scottish business considered today could not be delivered by the Opposition Front Bench. Why could the Opposition Front Bench not do so? After all, we are in one of those marvellous situations when the hon. Member for Livingston (Mr. Cook), who has a Scottish seat, leads for the Opposition on the Social Security Bill and the hon. Member for Glasgow, Garscadden (Mr. Dewar) leads for the Opposition on the Housing (Scotland) Bill. We were told in Committee on the Housing (Scotland) Bill that this was a vital and essential matter. Therefore, the subject narrows not to the bucking of the hon. Member for Bolsover about the usual channels but to two Scots, each preening for superior position today.

[Mr. Fairbairn]

The hon. Member for Livingston imagined that he could keep the House up all night and defeat the Budget, through some spurious tactical activity, similar to today's day of action, which is depriving hundreds and thousands of patients of operations and care — [HON. MEMBERS: "Rubbish."] Yes, indeed. So far this year up to the day of action, 2,447 operations have been postponed in Scotland, and those patients will have to suffer pain, thanks to health workers who do not give a fig for them.

Let us be clear that here was a little jousting between two tartan Socialists — one who wanted to carry out what he imagined was a clever tactical ambush, by having the Social Security Bill considered late at night, and the other who did not want that to happen because he would be deprived of the opportunity to consider the Housing (Scotland) Bill. Alas, these two tartan Socialists in the end deprived their party of the ordinary integrity of the usual channels and brought the House to cancel Scottish important business and to this guillotine motion.

Mr. Sam Galbraith (Strathkelvin and Bearsden): Will the hon. and learned Gentleman give way?

Mr. Fairbairn: I shall give way in a moment.

We were told that it was a matter of great importance. We were told that it was important that the Opposition should have a whole day's debate on the matter. Where are they? How many are here?

Mr. Peter Thurnham (Bolton, North-East) *rose*——

Mr. Fairbairn: There was an article to whose terms I did not subscribe.

Mr. John McAllion (Dundee, East) *rose*——

Mr. Galbraith: The hon. and learned Gentleman is quite wrong. The Housing (Scotland) Bill, has not been cancelled. It has been postponed. Does he agree that that is to our advantage? Opposition Members do not want the Housing (Scotland) Bill, and the longer we postpone it, the better for the people of Scotland. It is a victory for Opposition Members and the hon. and learned Gentleman should realise that.

Mr. Fairbairn: I regret to say that it is not a victory for any members of the Scottish Labour party, first, that they have frustrated their Front Bench, as they so consistently do, and, secondly, that they did so after a weekend in Perth in which they spent their time saying that they were not interested in Parliament, but were going to take the law into their own hands. They said that they would have assemblies and Select Committees of their own and that they were going to break the law, whatever the Leader of the Opposition said. It will be of no advantage to the Scots when they are "liberated" from having to live in a council house if they cannot move from their job.

Mr. Winnick: On a point of order, Mr. Deputy Speaker. My point of order is not the one made by my hon. Friend the Member for Bradford, West (Mr. Madden), which may or may not be relevant, as you consider appropriate. Perhaps you could remind the hon. and learned Member for Perth and Kinross (Mr. Fairbairn) what business we are debating at the moment.

Mr. Deputy Speaker (Sir Paul Dean): I am sure that the hon. and learned Gentleman will address himself to the motion before the House.

Mr. Fairbairn: The remarkable thing is that, of course, I know what business we are debating at the moment, but the majority of the Labour party clearly does not, because it is absent.

As I was saying before I gave way, there was an article which alleged that matters that the Labour party claimed to be matters of principle were not sufficiently important for them to come to the Chamber and debate them. If the Opposition spokesman, the hon. Member for Holborn and St. Pancras (Mr. Dobson) was speaking with any integrity, I assume that the Lords amendments to the Bill and the timetable motion are matters that go deep to the heart of Opposition philosophy and their political, democratic fight in this Chamber, yet the whole of the House is brought back, important Scottish business is interrupted and there is almost no one here. That speaks for itself. It shows that it was humbug.

It shows that, the usual channels having agreed business, the deal was broken because of a petty squabble between two Scottish Members of Parliament who spend the week proclaiming that they speak for Scotland so much that they will set up little Governments of their own and have them travelling around Scotland, pretending that they are running the country when they cannot even turn up for Scottish business. They wreck the business and do not even turn up for the business for which they wrecked it. If that is not hypocrisy, I do not know what is. Once again, the Opposition, Scottish and English, is disgraced.

4.23 pm

Mr. Ronnie Fearn (Southport): Last week, Mr. Deputy Speaker, you heard a number of points of order about the timetable for the Local Government Bill. Several hon. Members said that they had been given insufficient time to table amendments to the Lords amendments to that Bill. I believe that there had been about three days between Third Reading in the Lords and our debate on their amendments. There was not much time adequately to draft amendments to the Lords amendments which, as my hon. Friend the Member for Southwark and Bermondsey (Mr. Hughes) said, are, by their nature, extremely difficult to draft.

However, that timetable was a positive luxury compared with the proposal for the Social Security Bill. The Minister for Social Security and the Disabled wrote to the hon. Member for Derby, South (Mrs. Beckett), outlining the Government amendments, on Wednesday and sent me a copy of the letter, but the Third Reading in the Lords took place on Thursday and those amendments were not published until Friday, which did not allow even two working days before this debate.

Many hon. Members, particularly those who come from the north, like myself, have to make prior travel arrangements and attend to business in their constituencies on a Friday. It makes it extremely difficult for us to work effectively if parliamentary business is conducted in this way. To make matters worse, the business was changed on Friday when many hon. Members could not even be present.

The powers of Parliament in respect of the Executive have been consistently eroded by the Government, and their cavalier attitude towards the business of the House is one of the worst examples of that. The Government have deliberately set out to frustrate the Opposition parties' attempts to analyse the Bill and to present effective and well-considered amendments. The Government may

consider that the Bill is just another part of their crowded legislation package which can be forced through at high speed, but it is an extremely important piece of legislation that will push many people, particularly young people, into unacceptable poverty. The Bill should be properly debated in a democratic way in which all the arguments can be heard. Sadly, that has not been the experience today.

In a few days' time, the full force of the Social Security Act 1986 will be experienced. All the fears that I and my colleagues have expressed about that legislation will no longer be a matter of conjecture, but a chilling and unpleasant reality for millions of people. Young people will probably be the hardest hit by those measures. In the next few months, this country will see juvenile destitution on a scale not witnessed since the Victorian era. Many young people will simply be left with no alternative but to live by begging, petty theft, debt or even prostitution. The Bill, with its proposal to remove income support from most 16 to 17-year-olds, will greatly worsen the situation.

In a previous debate, I said that the measure is using a sledgehammer to crack a walnut because it is aimed at the so-called workshy, yet the evidence is that the workshy are few and far between. I have not changed my opinion during the Bill's progress. It will unfairly penalise many young people and force them into dependency on their parents and to take up YTS places that may be wholly unsatisfactory. In an enlightened age, we should be giving our young people greater choice. The Bill does the very opposite.

Mr. Madden: On a point of order, Mr. Deputy Speaker. Can the records show that, although the hon. and learned Member for Perth and Kinross (Mr. Fairbairn) castigated the House for the very poor attendance, he has himself just left the Chamber?

Mr. Deputy Speaker: As the hon. Gentleman knows, that is not a matter for the Chair.

Mr. Fearn: I know that it is not up to me to accept that point of order, but I realise that there is a great deal of truth in it.

Mr. Hind: Further to that point of order, Mr. Deputy Speaker. Can the record now show that my hon. and learned Friend has returned from the Vote Office?

Mr. Deputy Speaker: Both hon. Members now have their points on the record.

Mr. Fearn: My greatest fear is for young people who may have escaped the family home to avoid child abuse or domestic violence or who may have been thrown out by a step-parent. They may still be able to claim income support at the discretion of the Secretary of State, but they may be too distressed or too immature to tackle that complicated process.

I am also worried about the position of young people who may be living in sheltered housing while they are on probation or fighting drug abuse. I have spoken to charities which are able to provide support for young people in difficult circumstances because they are claiming supplementary benefit. Charities are extremely worried that when 16 and 17-year-olds are no longer eligible for income support they will no longer be able to pay their rents.

Such charitable institutions will not be able to provide a refuge for nothing. Much as they will regret it, they will have no alternative but to turn people on to the streets. I shall be interested to hear what the Secretary of State has to say on the matter.

There will be considerable anger and frustration when income support is introduced in April, and, to their amazement, young people discover that they are expected to live on less money than others who are perhaps a few days older. That is ridiculous. There are many grotesque examples of what the changes will mean. In a few weeks, we shall see the reality of the situation.

For example, there will be cases in which two brothers in the same circumstances sharing a flat might find themselves on different rates of benefit, purely because one is a year older. They will simply not understand the reason for that, because there is no good reason.

It was no surprise to me to read reports in the newspapers that some benefit officers are being fitted with strengthened glass screens. Regrettably, frustration will sometimes manifest itself in physical violence. I am concerned—I expressed this worry in Committee—that DHSS employees may have to bear the brunt of that anger.

People under 18 will be in a worse position, even if they get benefit. It is estimated that, after deductions for heating and lighting, they will have just £6.20 a week on which to live, including buying food and clothes. That is an absolute disgrace to a civilised society.

The nature of the social fund and the cuts in housing benefit will exacerbate the growing poverty in this country. It will hit the poorest people in Britain. That the Government can do that and claim to have clear consciences amazes me. I presume that, tomorrow, the Government will cut taxes for the better-off in our society. What a grim irony it will be that, in three weeks, they will start cutting benefits for the worst-off in our society. A Marplan poll today shows that 84 per cent. of the British public can think of better things to spend extra money on than tax cuts. The country will make a judgment about the legislation and will find the Government guilty of a lack of compassion.

4.32 pm

Mr. Simon Burns (Chelmsford): I am grateful to you, Mr. Deputy Speaker, for calling me. I confess that I feel a certain sadness at having to speak to a guillotine motion, not only because of its sudden appearance in our business but because it demonstrates that something has clearly gone wrong. I am a new enough hon. Member still to believe that, when business questions are announced on a Thursday, there has been consultation with what is known as the usual channels. It seems odd that, less than 24 hours after business questions last week, the Social Security Bill business was changed. There was no mention of it by the right hon. Leader of the Opposition during business questions on Thursday.

Mr. John Battle (Leeds, West) *rose*—

Mr. Burns: I shall finish this part of my speech, and then give way.

There is much speculation about what has been going on behind the scenes. But, from reading newspapers and hearing people talk, it seems that there was a concerted plot by certain Opposition Members to try to sabotage tomorrow's debate on the Budget—a Budget which, presumably, will be good for all people. We do not know

[Mr. Burns]

its contents, so it is ridiculous to speculate until we have heard it. It seems that there was a concerted plan by certain Opposition Members to string out tonight's business until tomorrow and sabotage the Bill. The Opposition Chief Whip discovered the plot. Being an honourable man, he had to go to the Government and say that he could not stand by the undertakings that were given about the business.

Mr. Robin Cook: I intervene if only to introduce a note of reality into the debate. The hon. Gentleman is the second Conservative Member to say that the matter was not raised during business questions. I do not know whether the hon. Gentleman was present for business questions last Thursday, but, if he consults *Hansard*, he will find that the first thing that was said by my hon. Friend the shadow Leader of the House was:

"Will he reconsider his proposal that we debate the Lords amendments to the Social Security Bill on Monday? . . . Surely that is unreasonable."—[*Official Report*, 10 March 1988; Vol. 129, c. 521.]

Mr. Burns: It is quite—*[Interruption.]* Opposition Members are speaking from a sedentary position. I should never have had the foolishness to give way to the hon. Gentleman to make his intervention.

It is sad that we must waste three hours this evening debating the guillotine motion. That time could have been better spent discussing housing in Scotland and social security measures. That is the issue. The Opposition are trying to be irresponsible and mess up the business. Opposition Member should not treat the House in that way.

Mr. Battle *rose*—

Mr. Hind *rose*—

Mr. Burns: I shall give way to my hon. Friend.

Mr. Hind: It will not have passed the notice of my hon. Friend's that, because of what took place on Thursday, the Opposition Chief Whip has had the good grace to absent himself from the debate and prevent himself from suffering any further embarrassment.

Mr. Burns: I am grateful to my hon. Friend for that intervention. The Opposition Chief Whip's position is up to him. I suspect that there is an element of truth in what my hon. Friend said.

Mr. Dobson: On a point of order, Mr Deputy Speaker. Is it in order for the Lancashire, West sneak to smear—

Mr. Deputy Speaker: Order. I am sure that the hon. Gentleman realises that that was not a parliamentary expression. I ask him to rephrase his remark.

Mr. Dobson: If it is out of order to call the hon. Gentleman a sneak, I happily withdraw, Mr. Deputy Speaker. I remind you that he was the hon. Member who ran to tell the press that he saw one of my hon. Friends and one of my right hon. Friends having an argument in the Tea Room. Nevertheless, it is surely not in order for him to peddle untruths about the reason for the absence of my hon. Friend the Opposition Chief Whip. My hon. Friend has an engagement in his constituency today. He has had that engagement for a considerable time—long before Friday, when the Government changed today's business.

Mr. Burns: As a member of the Standing Committee that examined the Social Security Bill, I can confirm what my right hon. Friend the Leader of the House said. In this House and in another place, there have been 90 hours of debate on the Bill. It was exhaustively discussed in Committee. I suspect that no Opposition Member who served on the Standing Committee could say that enough time was not given to discussing all the points that the Opposition wished to raise. Cynical politics brought us to the position in which we must debate a guillotine motion, to stop us from being dragged through the night to stop tomorrow's business.

Guillotine motions that are forced upon the Government raise serious questions about certain aspects of flow business is conducted in the House. I strongly recommend hon. Members to read the speech by my hon. Friend the Member for Gedling (Mr. Mitchell) in the previous guillotine debate. He rightly suggested that we should debate the procedures of the House.

Of course everyone will accept that it is the Government's duty to propose legislation and get it through the House of Commons and on to the statute book. It is the Opposition's duty to oppose legislation. We would accept that responsible opposition to Government proposals is part of our constitution. However, I would argue that it is not part of our constitution or the workings of this House that the Opposition—or certain factions of the Opposition—should try to make political capital, to disrupt our proceedings and to cause the problems that we were to face today, until the Government stepped in. For those reasons, I shall support the Government in getting the guillotine.

4.39 pm

Mr. Bill Michie (Sheffield, Heeley): I did not realise that one small meeting of one or two of my Front Bench colleagues, and a few of my Back Bench colleagues, could have so much power and influence that it could make the Government change the business for the day. It is the first time that I have known that. Obviously, we are beginning to make an impact in this House. It is absolutely incredible —*[Interruption.]* Well, Conservative Members say that we are thin on the ground, but we need only two of us to take the lot of them on. That is all we need because the Government do not have a leg to stand on.

When the debate started, in points of order, Mr. Speaker actually quoted what the Leader of the House said, which was that it was unusual—*[Interruption.]* No, it was what the Leader of the House said on Friday morning.

Why did the Government have to do this? Is it because they are afraid of the Housing (Scotland) Bill? I do not think so, but perhaps they are. However, it was not because we could "knacker up" the Budget day debate, if that is the right word, Mr. Speaker. No, it was because we could expose more and more of the Social Security Bill's inequities and the effect that it will have on our people.

This afternoon we have the diabolical situation when my hon. Friend the Member for Bristol, South (Ms. Primarolo), who has an amendment which is very much relevant to the debate, could not even table it. That is a shame because we are talking about the devastating effects of the Bill on many thousands of our people. Those effects will be unbelievable, yet we are not even allowed to debate it for as long as we should. There are 32 Government

amendments, but we have a guillotine before we even start. That is the sort of courage that the Government demonstrate today.

The Secretary of State is so courageous that he does not think it important to be here — *[Interruption.]* Never mind our Chief Whip. The Secretary of State is not even here — [HON. MEMBERS: "Yes, he is here. Withdraw."] Well, I will apologise, but I have seen him so little, and never in Committee, that I did not recognise him. I now know the Secretary of State's face and will not make that mistake again. Is that him?

The Secretary of State for Social Services (Mr. John Moore) *indicated assent.*

Mr. Michie: Yes, it is.

The effects of the Bill are, to say the least, wide-ranging. It will have effects on income support, housing benefit, single payments, and night-time attendance allowances. *[Interruption.]* Some of the Conservative Members who are speaking about the Bill's virtues never opened their mouths in Committee. Night-time attendance allowances mean that one must prove whether one is up all night, not going to bed but looking after one's loved ones. Those are the mean issues in the Bill.

The Bill also relates to industrial injuries. It does not matter now whether one loses a finger or two—it is all par for the course. Death benefits have already gone out of the window so far as industry is concerned. The Bill will give discretionary powers to the Secretary of State, just like in local government legislation and in many other pieces of legislation. When discretionary powers are given to the Secretary of State, some poor individual who already has problems because of unemployment or injury, has to go through the hoops of trying to get to the Secretary of State to have a statement or at least a judgment made in his or her favour.

The Bill also provides for the cash-limiting of the social fund. I thought that any indivdual in this country had the fundamental right at least to appeal to an indepdent tribunal to ascertain whether the Government were being unfair to him. However, that has now gone out of the window also and yet we have a guillotine.

We discussed those issues chapter and verse in Committee without any hope of getting them through. Even now, when the Bill has been discussed by the House of Lords, we are not allowed the long debate that we believe is necessary. The Bill is being railroaded through on a guillotine on the day before the Budget.

Before the debate started I went to the Library and asked, "How much has the DHSS building across the road coast?" Does anyone have any idea?

Mr. Madden: £37 million.

Mr. Tony Banks (Newham, North-West): £46 million.

Mr. Michie: Yes, it is nearly £46 million.

Mr. Banks: Yes, I have got it right.

Mr. Michie: It has cost £41,800,000, from an estimate of £29 million. It has cost £41 million for a luxury building to house the Secretary of State's staff so that they can bring more and more diabolical legislation to rob the poor — [AN HON. MEMBER: "The Secretary of State is to have his own bathroom."] Yes, he needs his own bathroom to have a bath every five minutes because of the crap that we have to put up with——

Mr. Deputy Speaker: Order.

Mr. Michie: I have no doubt that the people who will suffer from the legislation will get to know exactly what this is about. I shall not apologise to them and say, "We fought the good fight in the House," because, frankly, we have not been given the opportunity to do so.

I should like to vote on many of the Lords amendments because I want to be able to name those hon. Members who vote against amendments, which would at least protect our people.

When it comes to the crunch, if Conservative Members believe in democracy, in freedom and in people having democratic rights, they should give us the opportunity to debate those rights and at least win the argument on a fair basis.

4.46 pm

Mr. John Redwood (Wokingham): We are witnessing today a drama which I think has been plotted for many weeks. It is a drama that the Opposition have long-planned, because they cannot bear the fact that we are about to see a Budget which will lower borrowing, cut taxes and endorse large increases in public spending, all at the same time. Those public spending increases were announced in the usual way in the Autumn Statement.

We are also witnessing the Opposition's blind folly in trying to oppose the detailed regulations and amendments to the social security legislation at a time when staff in DHSS district offices throughout the country need to know the shape of those regulations so that their advance plans can go ahead and people can receive the benefits that they need—the loans and grants that are affected by the system. Let us look——

Mr. Nellist: Is the hon. Gentleman aware that the regulations that he is so afeared that the district offices of the DHSS will not be able to understand are products of a 1986 Act, and that it is the fact that the Government could not get it right in 1986 that has brought forward these amendments to the 1988 Bill?

Mr. Redwood: I am well aware of that. I am sure that the hon. Member for Coventry, South-East (Mr. Nellist) is also well aware that the amendments are changed by the provisions of this latest piece of social security legislation. The district offices are well aware that social security legislation is making its way through the House. They need to know exactly what has been agreed by the House in good time for the April deadline.

Mrs. Margaret Beckett (Derby, South) *rose——*

Mr. Redwood: I should like to deal with this point first and then I shall give way.

Mrs. Beckett: The hon. Gentleman said that he was worried about people in those offices not knowing; but is he aware that his case would be stronger if the Government themselves were not amending the legislation as late as Thursday night in the House of Lords?

Mr. Redwood: The amendments are necessary to make the system clear and effective. It is important that the offices know the final wishes of the House in good time. I went to my local office to see what was planned because I had heard Opposition Members making such a fuss about alleged attacks on the poor and those who need benefits.

I asked my local district office manager, first, how much he was budgeting under the social fund for grants

[Mr. Redwood]

and interest-free loans for the next financial year. He said that they had been allocated £147,000. I then asked him how much the office anticipated spending in the current financial year. That should be a fairly accurate figure because there is little of the current financial year left. He said that the anticipated spend in 1987-88 was £120,000.

Of course, circumstances have changed through those two years as unemployment has fallen further. In any case, I am blessed to be in an area of low unemployment. Therefore, one of the main categories of need is reducing at exactly the point when the budgeted spend could rise by as much as £27,000 on a budget of £120,000.

Mrs. Alice Mahon (Halifax) *rose*——

Mr. Redwood: I find it difficult to understand why Opposition Members claim that they are trying to break the bank and show how mean it is when there are such large increases in the social security budget.

Mr. Nellist: In this case the budget for the loans that will be set from April for social security offices is apparently £27,000 higher than the expected spend this year, but that budget is based on the fact that, within the past 12 months, substantial cuts have been made in the areas for which grants and loans are given. The single payments system, for example, has been radically changed this year. The hon. Gentleman is not comparing like with like. The actual needs in his area probably far and away exceed the budget of £147,000 that he has quoted.

Mr. Redwood: One can hardly say that the system is ungenerous when there has been such a large cash increase. I am aware of the changes in the nature of the benefit—*[Interruption.]* The Opposition are behaving absurdly. They do not want to listen to what I say in answer to the interventions that I have taken, but they should. I am well aware that there have been changes in the system of benefit payments. However, I hops that the hon. Member for Coventry, South-East is aware that a series of premiums have been introduced to deal with special needs and special categories so that such people will receive more in their basic benefit than they did before.

Mrs. Mahon: The hon. Gentleman has spoken about preparing for April. They are preparing well in my constituency. Security has been strengthened at benefit offices against the fear of increased violence towards staff. Reinforced glass has been introduced. DHSS staff say that many people will be sent away empty-handed. That is especially true in my constituency where, in spite of last year's cut, we will lose more than £500,000. Not everyone's constituency will benefit as much as the hon. Gentleman's. The hon. Gentleman should thank the Minister for that because the Minister was politically selective about who got what.

Mr. Redwood: The hon. Lady does not mention that unemployment in her constituency is down to 7 per cent., and falling. Therefore, one of the main categories of need in her constituency has also been reduced. I am not aware of the exact figures in her constituency, but the national figures show that, once again, the totals to be dispersed under the social security budget are to increase.

Those increases are occurring at a time when the main category of need in the past, the unemployed, is reducing rapidly across the country. Opposition Members do not wish to recognise that, because it is another example of the economic success that they detest.

Mr. Nellist *rose*——

Mr. Redwood: I have given way twice to the hon. Gentleman, and I must make some progress because we are talking about the timetable motion and time is short.

Mr. Nellist *rose*——

Mr. Redwood: The hon. Gentleman must resume his seat because I am not giving way again. He has had a fair crack of the whip on this occasion. Indeed, I wish that some of the Whips on the Opposition Benches would give him a fair crack of the whip so that we would have more discipline regarding business in the House.

There is a large amount of circumstantial evidence with regard to the Budget-wrecking strategy adopted by the Opposition. I began my speech by saying that I believed that this drama had been plotted for a long time, and I invite the House to consider the evidence.

First of all, we have had the long-running campaign about money for the Health Service. That demand followed a huge increase in resources in the autumn, another injection of cash around Christmas and a clear statement from the Chief Secretary to the Treasury about the need to consider financing the pay awards when we know the magnitude of those pay awards. Many Conservative Members welcomed that statement from my right hon. Friend, and they agree that the right time to consider money for the Health Service in relation to the contingency fund is when we know how much the wages bill will cost the Health Service budget.

Opposition Members pretend to forget the way in which Government business is conducted and say that Budget day should be Health Service day, but everyone knows that, under our constitution, Budget day deals with taxes. The Autumn Statement is to do with spending. The Opposition's deliberate unwillingness to accept those facts is a sign that they cannot stand the thought of a good Budget that produces reductions in taxation.

The second part of the drama has been the Opposition's efforts to promote the debate on welfare benefits following 90 hours in Committee, extensive debate on Second Reading and extensive debate on the 1986 Act — the genesis and main departing point for the existing benefit system. Again, I am forced to believe that the Opposition are trying to ensure that the Budget is, in some way, pre-empted by a debate that has already taken place about legislation that is well advanced in its passage through the House.

What is even more disconcerting about this deliberate plot is that it is augmented by backtracking on what is or is not agreed by the usual channels concerning the business of the House. Judging by the empty Opposition Benches, it is especially inconvenient to many Opposition Members to have this change in business. However, it was at the Opposition's instigation that the business was changed. I am sure that the Government were happy with the business as proposed. We would have been quite happy to deal with Scottish housing. We always hear from Scottish Opposition Members about how important Scotland is, and we were happy to have an early and timely debate on Scottish housing. We would have been happy to stay up until a reasonable hour tonight to debate the important amendments to the social security legislation.

Mr. Battle: If the hon. Gentleman's argument is correct, why did the Government change the business and call us back? The Opposition do not control the agenda. Surely the truth of the matter is that the Government wanted to squeeze out our opposition to the measure and ensure that it is not properly discussed in the House.

Mr. Redwood: I am sure that the Government changed the business because they believed that the Opposition could not deliver, through the usual channels, the agreement that the Government thought had been struck. It is impossible to conduct sensible democratic debate and give everyone a fair hearing if the usual channels cannot deliver some order to our proceedings. Of course, time will always be limited and it is a precious commodity. To have a successful Opposition as well as a successful Government one needs a disciplined Opposition who can deliver their votes and marshal their resources at the right time to make their contribution to the debate.

As a direct result of the Opposition's inability to discipline their troops, they will have less time to debate the important measures relating to social security than they could have had under the previous arrangements. It was a suspicion that they were not interested in debating those measures and more interested in filibustering and extending business to make the Budget fall that led to this timetable motion.

I am sure that the Opposition will now criticise the fact that I am about the leave the Chamber — [HON. MEMBERS: "Oh!"] I must see constituents who have come a long way——

Mr. Cryer *rose*——

Mr. Redwood: I shall give way in a minute.

I have a pre-arranged meeting with my constituents about health. That subject is extremely important to my constituents and to me. Rest assured, the Opposition will not have to contain themselves for long because, as soon as I have concluded that meeting, I shall be back to listen to this important debate and support the Government in their motion to produce order out of disorder.

4.57 pm

Mr. Bob Cryer (Bradford, South): This afternoon's debate is an example of the elective dictatorship trampling on Back Benchers' rights. That occurs frequently, but it is an outrage when it involves legislation that affects the poorest of our nation.

The legislation that we have been asked to rush through as a result of the timetable motion abolishes single payments for essential items. Those absolute luxury items include such things as, curtains, carpets, ovens and beds. I recently approached the DHSS on behalf of a constituent to ask that a single-parent family with two children under three should be given money for carpets and curtains. My constituent said that, without curtains, she had no privacy and that if her children fell on bare boards they could be injured and that therefore there was a serious risk to health. However, it was pointed out that she had been in the tenancy longer than 28 days and that therefore she did not qualify because of the existing tight rules.

Mr. Tony Banks: My hon. Friend mentions single payments and the fact that they are to go. Is it not ironic that the Prime Minister, who is behind all this, receives free curtains, free bedding and free televisions for No. 10 Downing street and in her other residence provided by the taxpayer? However, the Government are prepared to take that payment away from poor people in my borough of Newham.

Mr. Cryer: That is why it is such an outrage that the people who are pushing through this timetable motion have no regard for the poor, and are busy, in many instances, not only receiving their parliamentary salary but lining their pockets from parliamentary directorships of one sort or another. The hon. Member for Wokingham (Mr. Redwood) who has just exhibited such singularly tender mercies for the poorest of our nation has directorships in two companies — Norcross plc and N. M. Rothschild and Sons. It would have been a better measure of his concern if he had told us what income he receives from these directorships so that we may know what experience he has of life and of the difficulties of getting by on a few pounds a week.

There will be others voting in the Lobby tonight for the legislation and for the curtailment of debate to limit the information coming out of this place when we use it as a platform to demonstrate to people just how vicious and mean-minded the Government are — and these other hon. Members are doing very well indeed.

The Lord President of the Council, who moved this timetable motion to speed the legislation through this place, is an underwriting member of Lloyd's, which means that he has disposable capital of at least £100,000 or thereabouts. He needs this amount of disposable income to become a member of one of the tightest, richest clubs in the world. Incidentally, it is a club that has been given special legal privileges and immunity from legal action by this Conservative Government. Yet he has now moved a timetable motion that attacks the poorest people in the land.

Of course it attacks them. The Minister shakes his head. He knows full well — and he can intervene and deny it if he chooses — that the stress that will be caused in his Department by this legislation has meant that in a number of Department of Health and Social Security offices the grilles have been strengthened in the public part of the offices to preclude the possibility of violent confrontations when benefits are being discussed and applications are being made and refused, and when angry and penniless people go down to the offices to try to find a solution.

The Minister for Social Security and the Disabled (Mr. Nicholas Scott): The hon. Gentleman played no part in the Second Reading of this legislation, in the Report stage or in the Third Reading. He now comes here on Lords amendments, not one of which was contested in another place, to produce synethetic indignation about this legislation across the board.

Mr. Nellist: On a point of order, Mr. Deputy Speaker. Will you clarify whether, since a number of Tory Members who have contributed to the debate so far played no part in Committee, the Minister should be allowed to make such an allegation against an elected Labour Member who is here to represent his constituency?

Mr. Cryer: It is an interesting observation by the Minister. I would have great difficulty in commenting on every bit of legislation going through this place. As a matter of fact, one of the complaints of Mr. Speaker is that I speak too much in this place. The Minister's hon. Friends

[Mr. Cryer]

echo these sentiments. So his comments are set at naught not by me but by the comments and endorsements of his hon. Friends.

In fact, his comment will not deter me in the slightest. What I will try to do is make sure that no item of legislation goes through this place without a contribution from me. If it involves, for example, speaking on money resolutions when it is 10 o'clock and Government Members want to get away, let me assure the Minister that there will be speeches; and when people want to get a little deal organised to finish at 11 or 12, if there is an opportunity I will not let it go by. I will make sure that the Minister realises that I am prepared to give my observations on each aspect of legislation.

My difficulty is that if I put my name in to speak and go to see you, Mr. Deputy Speaker, or Mr. Speaker, a whole list of occasions when I have spoken is produced and I am told that it is a rather long list, so it is very unlikely that I will be called.

Mr. Jacques Arnold (Gravesham) *rose*——

Mr. Cryer: I will give way in a minute. I have not finished with the Minister.

So the Minister's observations about me are rather odd, particularly in view of my request that he intervene, not to speak about my humble part in this place, but to deny my claim that this legislation is so serious, is oppressing the poor so savagely, that DHSS offices have been strengthened in order to protect the civil servants who work in them, and who dole out the terrible decisions that this legislation will produce.

I do not blame the Civil Service, I blame the Ministers and the clique of Tories—and I have not yet finished with them — who are pushing through legislation of which this timetable motion is but an example.

Mr. Arnold: If the hon. Gentleman the Member for Bradford, South (Mr. Cryer) is going to cast so many wild aspersions about second jobs done by hon. Members, will he perhaps tell us when he will give up his own second job?

Mr. Cryer: I am delighted that the hon. Gentleman has mentioned this. If he had troubled to look in the Register of Members' Interests, he would see that I have put down that I am a Member of the European Assembly. I am not terribly proud of that, but it was the best Government job creation scheme that I could find at the time. It says in brackets—I do not want to keep the hon. Member in suspense — that one third of my MP's salary received was donated after tax to the Labour movement. I do not seek to gain advantage out of the extra salary that I receive.

Mr. Robert N. Wareing (Liverpool, West Derby): My hon. Friend has been attacked for speaking too much. Is he aware that the hon. Gentleman the Member for Chelmsford (Mr. Burns), who spoke earlier, and the hon. Member for Gravesham (Mr. Arnold) were Trappist monks for five solid weeks in Committee? Is he aware that there were 18 Tory Members on that Committee and that, apart from the Ministers, not one of them opened his mouth in defence of the poor people who are being flattened into the ground by this evil Government?

Mr. Cryer: I am grateful to my hon. Friend for giving me this information.

The problem is that the Minister wants me to serve on every Committee in the House of Commons, and it is a physical impossibility to do so—although I would be quite willing to go round by rotation and make a speech in every Committee in the House.

Mr. Andrew F. Bennett: I wonder if my hon. Friend would just stick to his own Select Committee on Statutory Instruments and reflect that, over the years, the Department which has got most statutory instruments wrong has been the Department of Health and Social Security with its social security regulations. Will he agree that one of the most worrying things about this Bill is that, having had to change it in the House of Lords only last Thursday, the Government will have introduced further errors which will worry my hon. Friend's Committee in the future?

Mr. Cryer: I am very grateful to my hon. Friend. When the Leader of the House moved the timetable motion, he said very courteously that he was doing so, in part, to meet the wishes of the Joint Committee on Statutory Instruments, so that we would have more time. The reality is that the Joint Committee has very little power to initiate a debate in this place when an instrument is reported. My hon. Friend the Member for Denton and Reddish (Mr. Bennett), the former Chairman of the Committee, is quite right to say that the DHSS makes a number of errors in statutory instruments, partly because of their nature and complexity.

The complexity arises because the Department is very anxious to ensure that no fiddling goes on. I wish that it would apply the same enthusiasm and ingenuity to the City when it comes to the insider dealing which seems to be under perpetual review. We have had no legislation on that issue subjected to a timetable motion. The usual channels on the Opposition side of the House would be only too happy to encourage such legislation through the House if we were able to pick out some of the fraudsters who operate in the City and who make such generous contributions to Conservative party political funds.

I wish to say something about the question of appeal.

Mr. John Marshall (Hendon, South): The hon. Member for Bradford, South (Mr. Cryer) pointed out that he donates to the Labour party his European salary less tax. He could save the taxpayer even more if he did as I do, and claimed no salary as a Euro MP.

Mr. Cryer: The problem with that is that the Labour movement is poor because it does not get money, as does the Tory party, from the international and national capitalist organisations. Therefore, I would rather that the Labour movement benefits from my diminishing activities in the Common Market.

The hon. Member for Hendon, South (Mr. Marshall) raised the question of Members' activities. Only a few Conservative Members are here to support the timetable motion. When I look through the Register of Members' Interests, I wonder how any of them actually manage to get here at all, and how they can spare some time from the directorships.

Mr. Martin Flannery (Sheffield, Hillsborough): I have spent 120 hours or so discussing the Education Reform Bill. The Minister has said something which I find prositively alarming for democracy. Did the Minister imply that, when a Bill reaches the Floor of the House,

only members of the Standing Committee should speak, or be allowed to speak, and that other hon. Members have no right to speak because they were not on the Standing Committee? Is that what the Minister implied, because it seems absolutely disgraceful?

Mr. Cryer: I am grateful to my hon. Friend the Member for Sheffield, Hillsborough (Mr. Flannery). The fact that you, Mr. Deputy Speaker, did not intervene, showed that the Minister was completely out of order in making that suggestion. It shows the brutal and anti-democratic way in which many Conservative Members view the House. That is precisely what they want to do. They want to diminish the rights of hon. Members because they find them extremely inconvenient.

Before turning to the legislation and the timetable motion, I wish to make two important points. I wish to pick out some choice people who will be voting for this timetable motion dealing with a Bill which will cut down the award that keeps the poorest people of our nation barely afloat. That is all the Bill does. It does not give them much hope, it does not give them much of a life.

In my advice surgeries, I, like no doubt many of my hon. Friends, have met people on supplementary benefit who are oppressed by gas and electricity bills and who are facing cut-off. The Government are to increase electricity bills by 15 per cent. People have come to me saying, "Mr. Cryer, I cannot see any hope in life. I have actually thought of doing away with myself because there does not seem to be any point in pressing on." That is perfectly accurate and true. It has happened not on one but several occasions. It happens because the web of debt which sucks people into such terrible situations is relieved only moderately by the DHSS provisions. The legislation will take away even that tiny means of assistance which is provided by existing law and which has already been cut by the Government.

Those who will vote tonight for the timetable motion, who no doubt will walk gleefully through the Lobby to vote for it, include the hon. Member for Shipley (Sir M. Fox). How on earth can he manage directorships of Westminster (Communications) Ltd., Care Services Group, Rigidized Metals Ltd., Ceema Group and companies, Tele-Stage Associates Ltd., McCarthy and Stone Ltd., Malibun Estates Ltd. and Grantham O'Donnell Estates Ltd.? He also has offices in, or is employed by 3M(UK) Ltd., Shepherd (Construction) Ltd., Alcrafield Ltd. and Sherwood Homes (Southern) Ltd. He is also the Chairman of the Committee of Selection. It is not surprising that he cannot find much time to comment in debate. He is not unique. The list is not repetitious, because they are all different directorships.

The hon. Member for Norfolk, North (Mr. Howell) has always claimed that the level of supplementary benefit and employment benefit are a disincentive to work, and no doubt will gleefully vote for the legislation. He is a farmer. He does not say how many acres he has, whether he has a smallholding of 30 or 40 acres or whether he has 500 or 1,000 acres. However, he is also an underwriting member of Lloyd's, like the Leader of the House. So one assumes that he is in a decent way of activity as a farmer, and has several hundred if not several thousand acres. He also has land and property and is the owner-occupier of farms in Norfolk.

One could continue with a rich, lively and varied demonstration of the way in which greed is elevated to a high principle by Conservative Members. They count the revenue from their directorships and their property, the grants from the common agricultural policy if they are farmers, and the grants that they receive from the common agricultural policy for storing food, yet they will vote for legislation that attacks the poorest of the poor and which robs poor people of the right to appeal.

The system of appeal whereby people have the right to argue their case in front of three people will go out of the window. The people who are supposed to be concerned with justice will be robbing the poorest of their right of appeal. Four thousand children in Bradford will be deprived of free school meals. The right to single payments is to go out of the window. In every case, the Government are cutting back so that tomorrow they can give people who are already well off an increase in the amount of money that they will receive through tax concessions, when the nation is crying out for more money to be spent on the National Health Service and on social security so that people can be given some hope that they have some collective provision. That is the basis of the timetable motion, because to some degree it represents collective provision. *[Interruption.]*

The hon. Member for Staffordshire, South-East (Mr. Lightbown) who is leaning negligently on the Front Bench below the Gangway, said that the poorest get more. He is wrong. He has not been poor and he does not know what a struggle it is to get an extra pound from the DHSS. He has not seen the forms that have to be filled in and the supplications that have to be made. Conservative Members do not have a clue. They will vote for the timetable motion, but such action will be part of the erosion of their position in the country, which is building up to the time when they will be crushed.

Millions of people see that time coming soon. We have to suffer a burden on our backs for the moment, as the Government won the election because of divided opposition. There is no question but that the plethora of legislation that bears down on the poorest of the poor will make people realise that the Government are a wretched, selfish Government for the greedy.

5.18 pm

Mr. Kenneth Hind (Lancashire, West): Behind the protests of the Opposition there are more fundamental arguments than those that they have put forward. I would not like my hon. Friends to feel that the protests about the contents of the Bill are really the root of the argument. That really has little to do with it. Many Conservative Members appreciate that the Bill contains fundamental changes, and we are interested in debating them. If the Opposition had been able to discipline themselves and get their act together, they would have plenty of time to argue about the Lords' amendments to the Social Security Bill and the Scottish housing Bill. They could not, and that is the simple reason for this debate.

Before I address the fundamental arguments, I shall put into context some of the points that have been made. The Opposition are using their indignation as a smokescreen for the real arguments that must be addressed. They have talked about help for low-income families. Under the Bill an extra £220 million will be spent on the new family credit. It will cost more than twice as much as the existing family income supplement and associated benefits. Most important, 470,000 low-income families will benefit, which is more than twice the number that are being helped at present.

[Mr. Kenneth Hind]

Some £100 million will be spent on families receiving the new income support, which is not being spent at present. The Opposition have not addressed the overall position because they want those who are receiving these benefits to think that they are badly done to and that the Government do not care.

Mrs. Beckett: Will the hon. Gentleman give way?

Mr. Hind: No. *[Interruption.]* The truth will out. Eighty-six per cent. of couples with children and 67 per cent. of single parents will gain or be unaffected after taking inflation into account.

Mrs. Beckett: Will the hon. Gentleman give way?

Mr. Hind: I shall give way to the hon. Lady when I have made my point and I shall have no objection to her answering it.

On average there will be a gain in real terms of £1·50 for couples with children and of £2·60 for single parents, even taking into account the average 20 per cent. contribution which low-income families will make to the rates, and, in future, to the community charge. It is no good the Opposition complaining about those points and saying that people will be worse off. They should read the information available to them and see the truth for themselves.

Mrs. Beckett: If the hon. Gentleman had had the opportunity to attend any of our social security debates, he would know that those figures have been wholly exploded. Most of them are theoretical and the ones that have any basis have been completely disproved. The Government have admitted that in many cases they are not providing the increases that they have claimed. The figures are invented by the Government and if the hon. Gentleman had been to any previous debates, he would know that.

Mr. Hind: I should be surprised if the hon. Lady could admit that tomorrow was Tuesday.

We talk about the social fund. For the past eight months it has been my privilege to be a parliamentary private secretary in the Department of Employment and I have seen the figures for unemployed people falling like a stone. That means that in the past 12 months about 650,000 people have obtained a job.

Mr. Nellist: Rubbish.

Mr. Hind: The hon. Gentleman shouts, "Rubbish."

Mr. Nellist: Absolute rubbish.

Mr. Hind: The authentic voice of Coventry speaks.

Mr. Nellist *rose*——

Mr. Deputy Speaker: Order. The hon. Member for Coventry, South-East (Mr. Nellist) must not persist if the hon. Gentleman has made it clear that he will not give way.

Mr. Hind: I should like to make my point—

Mr. Nellist: A coward is speaking.

Mr. Hind: I am sure that abuse will not improve the quality of this debate.

Mr. Nellist *rose*—

Mr. Hind: However one looks at this, one must be like the proverbial ostrich with its head in the sand not to realise that there has been a large decrease in unemployment. My hon. Friends know that in simple terms that means that there will be a large reduction in the number of people eligible to claim under the social fund. It is vital to bear that in mind.

Mr. Nellist *rose*—

Mr. Hind: To take Opposition Members—

Mr. Nellist: The hon. Gentleman is a coward.

Mr. Hind: I shall give way to the hon. Gentleman with the greatest of pleasure when I have made my point. I assure him that the abuse which he hurls at me will not do him any credit.

In 1980, about £40 million was spent on individual payments under the old regulations. Upgraded for inflation to today's figures, it is £60 million. Today, the grants under the social fund and clause 10 alone amount to £60 million, not including the loans and so on, and that must be considered. Side by side with that, we have a major reduction in the number of people who are eligible. Is it sensible to put money into a fund for which the demand will fall in the long term?

Mr. Nellist *rose*—

Mr. Wareing *rose*—

Mr. Hind: I would normally give way to the hon. Member for Liverpool, West Derby (Mr. Wareing), but I give way to the hon. Member for Coventry, South-East.

Mr. Nellist: Can we nail this canard? According to the hon. Gentleman there has been a reduction in the unemployment figures because 700,000 people have found jobs. If he had attended any of the Committee sittings and listened to the debates on clause 4 and youth unemployment, he would have heard the Under-Secretary of State claim that there has been a 55,000 fall in the number of 16 to 19-year-olds registered unemployed. He would have heard me produce the fact that over the same period there was a rise of 77,000 in the number of 16 to 17-year-olds on YTS schemes.

If he totalled the community programme, the restart interviews, the job clubs, YTS and the other ways in which the Government are fiddling unemployment, he would realise that it is a blatant lie for the Government to claim that a reduction in unemployment means that more people are in paid employment. The Government are fiddling figures to confuse people and the hon. Gentleman is an accomplice to that.

Mr. Hind: If I have to choose between the 400,000 Department of Employment civil servants with their computer and the hon. Gentleman, I would prefer the gentlemen at the DOE.

Mr. Tony Favell (Stockport) *rose*—

Mr. Nellist: Those are DOE figures.

Mr. Deputy Speaker: Order. The hon. Gentleman must restrain himself.

Mr. Hind: I make these points merely to show that there are two sides to the argument and that much of the huff and puff to tell those on low incomes and the unemployed how badly off they are and how much we shall persecute them is wholly unfounded. Hon. Gentlemen are seeking to conceal the important facts.

Mr. McAllion *rose*——

Mr. Hind: I shall give way to my hon. Friend the Member for Stockport (Mr. Favell).

Mr. Favell: Does it not strike my hon. Friend as extraordinary that at one moment the Opposition bemoan the lack of training for young people and the next they condemn the Government for establishing the best training scheme ever?

Mr. Hind: I hear what my hon. Friend says and he makes the point extremely well.

To come to the crux of today's debate——

Several Hon. Members *rose*——

Mr. Hind: I have given way often and other hon. Members wish to speak.

The crux of the matter is simple: on 3 March the Leader of the Opposition accepted the timetable for today, and it was not until almost midnight on Thursday that there was any change in the timetable. The reason for that is also simple—the normal channels that operate in this place and which make life orderly and bearable for most hon. Members broke down, not on the Conservative side but because the Labour Chief Whip, an honourable man, had to go to the Government and tell them that he could not deliver the agreement that had been made a few days before, to which the Leader of the Opposition was a party. That is at the root of this matter.

So the Government, faced with the clear intention of certain out-of-control Labour Back Benchers to destroy Budget day tomorrow, a day that is important to most people in this country——

Mr. Andrew F. Bennett *rose*——

Mr. Hind: The Labour Chief Whip could not deliver, so the Leader of the House and the Government had no choice but to bring in this guillotine motion.

Mrs. Wise: On a point of order, Mr. Deputy Speaker. As the hon. Members who served on the Standing Committee that considered the Social Security Bill could be held to be those most likely to want to take part in this debate—it should have occurred at midnight tonight—will you inform the hon. Member for Lancashire, West (Mr. Hind) that it is not in order for him to refer to us as being out of control?

Mr. Deputy Speaker: That is a matter for argument, not for the Chair.

Mr. Hind: The problem goes much further than this. Unless we can control our proceedings in an orderly way we shall never achieve any of what the public voted us here to do. They look to us to legislate and to run the country properly, and that is what we are here for.

Mr. Fairbairn: My hon. Friend said that Opposition Back Benchers were out of order. He forgets that they were in league with the Front Bencher who was leading on this matter. When it came to a choice of whether a Left-wing Scottish hon. Member representing an English seat or a more moderate Opposition Front Bench Member representing Scotland was to lose out in the battle, it was obvious whom the Opposition chose.

Mr Hind: If we are to have comments made from a sedentary position from Opposition Members such as the hon. Member for Bolsover (Mr. Skinner) — [HON. MEMBERS: "Where is he?"] — who, when the usual channels were mentioned asked, "what do they matter?"—[*Official Report*, 11 March 1988; Vol. 129, c. 785.], how shall we maintain any form of discipline? I made a note of what the hon. Member for Bradford, South (Mr. Cryer) said about the normal procedures. He said that if a deal were struck at 11 pm he would not let it go by. When he said that he would stand up and speak on money resolutions, the implication was that he would do so in order to disrupt the proceedings of the House. If that happens, we shall never achieve anything.

The logical conclusion is that there will have to be more timetable motions, which I would deprecate. Conservative Members do not want more such motions, but if Opposition Members are not under the control of their Whips and Front Bench, we shall have to have them whether we like it or not. The public must recognise that the situation is out of control——

Mr. Cryer: On a point of order, Mr. Deputy Speaker. Can you confirm that any attempt to curtail the rights of hon. Members to speak in this Chamber by means of intimidation and threats would be a serious breach of privilege?

Mr. Deputy Speaker: That is correct.

Mr. Hind: I accept what the hon. Gentleman says, but he fails to realise that it is not only Opposition Members who have been prevented from speaking on the amendments to the Social Security Bill — Conservative Members have also been prevented from making what they regard as important points.

Dame Elaine Kellett-Bowman (Lancaster): My hon. Friend has observed that Conservative Members do not like guillotines. May I point out that there is quite a strong argument for having an earlier guillotine so that the whole Bill is discussed in an orderly fashion and we do not have to leave too much to be digested in the Lords?

Mr. Hind: I shall take that point on board.

Mr. Robin Cook: Will the hon. Gentleman give way?

Mr. Hind: I am sure that the hon. Gentleman will have plenty of time in which to put his case. I want to bring my remarks to a close.

Mr. Cook: Put the truth on the record.

Mr. Hind: The hon. Gentleman will have plenty of opportunities to do that.

I want to put on record my regret at being involved in wasting parliamentary time on this debate. The public need to realise that our time-wasting is wholly the responsibility of the Opposition.

5.37 pm

Ms. Dawn Primarolo (Bristol, South): If I may return to the discussion on the guillotine motion, when I was small and my grandmother thought that I might not have been telling the truth, she used to say:

"O what a tangled web we weave,
When first we practise to deceive!"

We have watched the progress of the Social Security Bill through Parliament — on Second Reading, in Committee, on Report and Third Reading and through the other place — and seen the mess that the Government have got themselves into, having constantly to amend their legislation and bring it back to us in great haste with the amendments that they tabled in another

[Ms. Dawn Primarolo]

place and which they are now seeking to guillotine. The Bill is a parliamentary deception, and what has been said about its provisions is a lie.

I remind Ministers of some of the claims that they made about the review that led to this and the previous Bill. Some of the letters were written to you, Mr. Deputy Speaker, in response to inquiries made by the county of Avon, where I was a county councillor at the time. Some were sent to the hon. Member for Bristol, West (Mr. Waldegrave), who is a Minister, and some to my predecessor. They outlined the reasons for the review of social security and what the Government were attempting to do—*[Interruption.]* Hon. Members should shut up.

The first reason for the review, it is claimed, is

"to ensure the level of help available to claimants is fair in comparison with others in society on low incomes who have to manage without any single payments."

The second aim is

"—to balance the available help more effectively between claimants, while giving special protection to those who are elderly, chronically sick or disabled.

—to produce clearer rules which enable staff to process claims more quickly.

—to put the single payment scheme on a proper financial and manageable basis."

For that we should read, "Cut the budget and make it a loan and not a single payment." It is simple to make it easier for staff to process claims — people are not allowed to qualify.

People on low incomes and the Government's economic strategy have been debated many times in the House. I should like to return to the point about more effectively distributing help to claimants who are elderly, chronically sick or disabled. The Government's haste to draft the Bill and bring it back to the Floor of the House and their substantial cuts in welfare benefit the day before a Budget that will give tax cuts to the rich, are good examples of the obscenity of the principles under which the Government operate.

The Government continue to tell lies by saying that everyone will be better off and that more money will be available. It is like a riddle. We should ask, "When is a welfare state safety net not a welfare state safety net?" The answer is: when the Government take a pair of scissors to the net and make the regulations much simpler so that nobody qualifies because everyone falls through the safety net.

An example of that is a case that has come to light in my constituency. It results directly from the calculations of benefit for one of my constituents in preparation for the changes that will occur on 11 April. I attempted to put down a manuscript amendment about this because it was the first opportunity that we had to examine the sort of case that would arise as a result of the amendments from the other place.

The constituent in question is a married mother. Her husband is in employment and they live in accommodation that is tied to her husband's job. They have a disabled 19-year-old son who lives in a special hospital most of the time and returns home at the weekends. They have three young daughters, aged eight, five and two. They are a hard-working, industrious family and they do their best to make do in tied accommodation on a low budget. The husband works long hours and has one day a week off —Wednesday.

The misfortune for the family was that the mother was diagnosed in 1984 as having multiple sclerosis. Under the current social security regulations, the benefit office calculated that, even though the mother did not work, she was entitled to receive supplementary benefit in her own right. That benefit was to pay for the home helps that the family have to employ seven days a week in order to keep the family unit together. That benefit amounted to £48 a week. They received additional payments for heating, diet requirements and laundry for the three daughters.

The social security office in Bristol ruled that all the husband's net take-home pay could be offset against the family expenditure for home helps. As a result of the Bill, that family will lose £50 income per week. That has been taken away from a family in which there is illness, and we could name many other such families. This illness strikes indiscriminately at families who have worked hard and struggled to keep the family unit together. Yet the Government have the audacity to tell us that they are directing benefit to those who need it most. That is a lie, and we cannot say that any more frequently than we do in the House and elsewhere.

The change on 11 April will mean that the only way in which the family can be cared for is if the husband gives up his job. If he does that, the family will lose their home. We will then have a family with an unemployed husband, and the family will be homeless and wholly dependent on the state. That will come about as a result of the Government's deception about targeting benefit on those who need it.

It is fortuitous for us that the debate is taking place the day before the Budget, because we can say that the Government do target money. They target benefit away from those who need it and then play the numbers game with us. Instead of looking at the reality of what is going on in people's lives, the Government quote endless figures. I cannot believe that Conservative Members do not meet in their surgeries people who face the same problems of cuts in benefit as we meet in ours. The Government's idea of targeting is to take money out of the welfare state and to give it through tax cuts tomorrow to those who can afford to do without such tax cuts.

As a result of letters received from former Members of Parliament about these reviews, the county council spent six months looking at the changes that took place before the ones in this Bill to see what would happen. I shall give some examples of the cases that now occur as a result of the Government's targeting to the rich through tax cuts.

The first is that the DHSS refused to pay funeral benefit to a family because it believed that a child in the family was working and could afford to pay for the funeral. There were two young people in that family. One was 18 and unemployed and the other was 19 and on a youth training scheme. They did not get the funeral benefit because of the regulation. Payment for a cot mattress was refused to a young woman because she had received a similar grant three years before. That is what Government targeting is about.

A mother who had been receiving supplementary benefit died. She had one 17-year-old on a youth training scheme, who had to make all the arrangements for the funeral, but Government regulations forbade a funeral grant to that young woman to bury her mother. The list is endless.

The Government should be honest and say that they wish to cash-limit social security payments and to remove

the safety net that we know as the welfare state. They do not have the guts to remove it completely because they know how much it is accepted and wanted by the community. They hope to destroy that net and leave just the rim round the edge so that most people do not get the benefit to which they are entitled.

In spite of all the smooth talk and the figures, people will be worse off as a result of the Bill. The guillotine shows the appalling rationale under which the Government operate. They do not want to face debate after debate on the facts and realities of people's lives. They want the Act on the statute book so that benefit will be cut in April.

5.49 pm

Mr. Allan Stewart (Eastwood): Some of my hon. Friends may wish to comment on the points made by the hon. Member for Bristol, South (Ms. Primarolo).

I should like to return to the effect of the guillotine on the business of the House. That subject was raised by my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn) in his excellent speech. He referred to the consequences for Scottish business. It is worth recalling the fact that the business for today was first announced on Thursday 3 March. Therefore, there was plenty of time for discussions between the usual channels to take place. It is fairly clear that this is yet another example of the Opposition playing parliamentary games, the consequence of that being the loss or deferment of Scottish business.

I do not know whether the widespread rumours of a blazing row between the hon. Members for Livingston (Mr. Cook) and for Glasgow, Garscadden (Mr. Dewar) about today's business are correct. They certainly seem to have been believed by many people. However, having heard the attitude of the Opposition to the original business tabled for today, it is astonishing that we have heard only one comment about that. That comment was made by the hon. Member for Strathkelvin and Bearsden (Mr. Galbraith), who said that the Opposition did not want to debate the Housing (Scotland) Bill. I find that ——

Mr. McAllion: My hon. Friend the Member for Strathkelvin and Bearsden (Mr. Galbraith) did not say that we did not want to debate the Housing (Scotland) Bill in the Chamber. He said that we do not want the Bill in Scotland. That is the point of view that has been put to us overwhelmingly by the Scottish people. If the Government are so concerned to debate the Housing (Scotland) Bill, why did four Ministers sit through Second Reading and in Committee and never once open their mouths in defence of the Bill?

Mr. Stewart: The answer to that is perfectly straightforward. My hon. Friend the Member for Edinburgh, West (Lord James Douglas-Hamilton) was wholly capable of handling the Bill himself, particularly given the level of argument coming from Opposition Members.

It is astonishing that hon. Members representing Scottish constituencies have not made a considerable fuss about the deferral of Scottish business. [HON. MEMBERS: "Why should we?"] Even if they do not want the Bill, I should have thought that they would want an opportunity to debate Scottish housing.

Mr. Donald Dewar (Glasgow, Garscadden): I am curious. The hon. Member for Eastwood (Mr. Stewart) —the Minister that was and who knows what next— would have an extremely valid point if the Housing (Scotland) Bill, having dropped out of today's programme, was not to be debated at some time in the future. Is that the point he is making?

Mr. Stewart: No. My point is that I thought that Scottish Members would be eager and enthusiastic, especially following their party conference, to put their views on Scottish housing.

This is not the first time that this sort of thing has happened. There was the deferral of the introduction of the devolution legislation and the abandonment of a Scottish Question Time. That was not done because of the wish of the Government but because English Labour Members talked right through——

Mr. Norman Hogg (Cumbernauld and Kilsyth): In a former role in the House, my object was to frustrate the Government in expediting their business. Why would the Opposition suddenly want to discuss a housing Bill that they do not want at all? There is no analogy between the Housing (Scotland) Bill and other matters to which the hon. Gentleman is referring.

Mr. Stewart: I am surprised that the hon. Gentleman does not think it was a matter of concern that Scottish Question Time was lost as a result of English Labour Members——

Mr. Hogg *rose*——

Mr. Stewart: I have the greatest respect for the hon. Member for Cumbernauld and Kilsyth (Mr. Hogg), and I shall give way again.

Mr. Hogg: We are not discussing the loss of a Scottish Question Time some time ago. The hon. Gentleman was referring to the Housing (Scotland) Bill and was explaining why we, as an Opposition, would wish to get that Bill on to the statute book and discuss it today. We are a trifle mystified at that, because we are against the Bill and want to hold it up. The hon. Member for Eastwood (Mr. Stewart), who has been a Member for some time, does not seem to have grasped the role of the Opposition. Clearly, he never understood the role of Government.

Mr. Stewart: On a personal basis, I am glad that the hon. Member for Cumbernauld and Kilsyth has managed to make his speech in the debate on an intervention.

There is no doubt that there have been a number of occasions when Scottish business has not proceeded as the Opposition planned and this is another example of that. I am surprised that Opposition Members do not wish to take the first possible opportunity of making their views on the Housing (Scotland) Bill known to the House.

I hope that my hon. Friend the Minister will be able to confirm that the Housing (Scotland) Bill will come to the House for its remaining stages and Third Reading at an early opportunity. The Bill is revolutionary and radical. It is in the interests of Scottish tenants that they should have more choice about landlords and that there should be more effective co-operation between the public and private sectors in Scottish housing. I hope that my hon. Friend will be able to give that reassurance to the House.

5.56 pm

Mr. Andrew F. Bennett (Denton and Reddish): I shall try to be brief because I know that many of my hon. Friends wish to contribute to the debate. In this debate we

[Mr. Andrew F. Bennett]

have seen another attempt by the Government to try to hide under procedure the reality of their legislation, which is an out-and-out attack on those with the lowest incomes in this country. It is an attempt to hide the decision by the Government to make the lives of those people even more miserable than they are already.

The Government are trying to claim that the guillotine motion is necessary for them to get their business through. This motion has nothing to do with the Government getting their business through, but is about them trying to manipulate the reporting of the affairs of the House outside. Clearly, the Government are concerned that the public should not be generally aware of two measures going through the House — this legislation on social security and the charges for the Health Service—at the same time as they are aware of the Budget. They do not want public attention to be drawn to the contrast between the way in which they are imposing cuts in benefits on one group of people and charges on another while they are giving tax handouts in the Budget. That is what all this is about.

When the Government discovered late last week that there was a possibility that, instead of being debated at midnight when there would have been very little media attention, this matter might have gone on being debated through the night and into the early part of Tuesday, they decided to change the business and push all this away to a time when it would receive less public attention. It would not have been possible for the Opposition to destroy Budget day under the proceedings of the House. The Government Whips know that it would have been perfectly possible to close the sitting at any time during the night.

Therefore, this motion is tabled simply because the Government do not want the media to report tomorrow morning that the House of Commons is talking about social security cuts at the same time as the Chancellor is ready to pose with his Box before coming to the House to announce tax cuts. That is what it is all about. Any suggestion about the Opposition trying to destroy Budget day is nonsense. Under the proceedings of the House that would not be possible. However, it would have been possible to draw attention to the contrast between tax cuts and cuts in benefit.

The other advantage that the Government obtain through this procedural device is that we have a procedural debate that lasts for the first three hours rather than a debate that draws attention to the nature of the cuts and to the meanness of the way in which the Government conduct themselves over social security matters. The Government have a pretty appalling record on social security. They have repeatedly brought forward legislation, always claiming that they have been trying to tune and reform they system. But behind all those changes has been a consistent pattern of cuts and contradictions.

The whole thrust of the Government's claims about the 1981 and 1982 social security legislation was that discretionary benefits were not satisfactory: people in one area would receive them, while others in another area would not. It was far better, they said, to give people a legal entitlement. Having put such an entitlement on to the statute book, however, the Government began to discover that some people were using their legal rights to obtain the benefits to which they were entitled, so they duly tore the whole thing up, bringing forward the 1986 legislation, which took away many of the statutory entitlements and returned a system of discretionary payments. But they were made cash-limited, so there is very little discretion for individual benefit offices—and also very little chance for individuals to appeal against a decision.

Mr. Tony Banks: Does my hon. Friend recall that Labour local authorities, in particular the Greater London council, had a welfare rights team that told people their rights? Because they were so successful, the Government decided to take those entitlements away. Let us contrast that with the way in which the Government go around telling business men, for example, what they can get out of the system. There is a welfare state for business men, and nothing for the poor.

Mr. Bennett: We must accept that argument.

This is a disgraceful example of the Government trying to change the rules of the House by stealth. We have always had a tradition in the House that the Opposition object to measures by talking at length and putting down substantial amendments. The Government's counter to that is a guillotine.

On this occasion, there is no evidence that the Opposition filibustered or extended the debate; they applied a timetable so that everything could be effectively debated. The Government have never had to push a closure on the legislation until this point, when the legislation is returning from the House of Lords. What are we discussing but 31 amendments that the Government carried in the House of Lords? Why is a guillotine necessary?

It appears that the Government have now introduced a procedure to guillotine their own extension of the debate. Why was it necessary for 31 amendments to be put down in the House of Lords? Because the Government made mistakes in drafting the legislation. For the first time, they are trying to restrict debate on their part of the Bill, as opposed to the activities of the Opposition. That is a dangerous precedent.

The history of social security legislation during the period in which the Government have been changing it so often is pretty bad. I do not blame the parliamentary draftsmen; I blame partly the instructions from the Government, and partly the complexity of the legislation. We have had legislation followed by amending legislation to correct the mistakes; we have had regulations which have had to be withdrawn because of the mistakes in them, and we have had continual confusion.

What do we have in this legislation? We have new amendments introduced in the House of Lords on Thursday, which are subject to amendment now, and which will be used to make regulations to come into operation in early April. The odds of there being more mistakes in that legislation are extremely high.

I suggest to the Government that, if they want to get their social security legislation right, they should take a good deal more time and trouble to ensure that there is proper debate in the House and proper scrutiny outside. What opportunity have any of the experts outside between Thursday and now to examine the legislation and to see whether it is correct? The main effect of guillotining these procedures is to stop proper debate and deny accuracy.

We have heard a great deal about the legislation and the regulations, but most of my constituents worry about what

is custom and practice. The most dangerous thing that the Government have done is to destroy any understanding of social security for most of my constituents, who are now bewildered by the continual changes. The one message that they receive from the Government is: "We are trying to stop you getting your benefits." The Government do that by changing regulations and causing confusion. They ought to take the legislation away and come back with a simplified system, which will also inject more money.

We are a rich country, as the Chancellor will prove tomorrow. Some of that wealth should be going into the provision of a decent social security system for all who are at present disadvantaged.

6.4 pm

Mrs. Gillian Shephard (Norfolk, South-West): Whatever the mysteries that surround the ordering of today's business—and I have listened carefully to what has been said without being much enlightened by either side—it should not be forgotten that the debate follows not only 90 hours of discussion in Committee, but a long and exhaustive review of the social security system, based on extensive consultations with all concerned groups.

From that consultation emerged a number of overriding concerns. One was that the system had—as the hon. Member for Denton and Reddish (Mr. Bennett) pointed out—become overwhelmingly complicated, with 16,000 paragraphs devoted to supplementary benefit alone. It is indeed true that confusion reigns.

One of the main aims of the legislation—to simplify the system to make benefits more comprehensible——

Ms. Primarolo *rose*——

Mrs. Shephard: Let me finish my point.

The aim to simplify the benefits system for the recipients must be one of the main aims, and it is an excellent one. For that reason, I shall certainly support the guillotine. However, the context in which the Bill is debated should also not be forgotten.

It seems unwelcome news to Opposition Members that there is a much more positive employment picture than when the review was undertaken. In my constituency, unemployment—even in the most difficult area—has fallen from 11 per cent. to 7 per cent. in the last year, and in some areas the problem is, paradoxically, that there is a surplus of jobs over people. The difficulty has become much more one of getting people into jobs, rather than compensating and helping them with the financial problem of being without work. I accept that my constituency may be exceptionally fortunate, but nevertheless that is the position.

One of the clauses that seem to have come in for some Opposition criticism is clause 4. Surely it must be right for young people who do not wish to stay on at school, and who do not go into employment, to take advantage of an enhanced youth training scheme, lengthened to two years and with extra money pumped in. In the past, two thirds of young people have gone into jobs from the YTS.

If we were raising the school leaving age to 18, there might be overwhelming support from Opposition Members. We are not doing that, but we are extending to all young people up to that age the excellent benefits of a YTS enhanced for two years. There is overwhelming support for the move because what taxpayers do not want is for young people who have the opportunity——

Mr. Deputy Speaker (Mr. Harold Walker): Order. The hon. Lady must resume her seat when I am on my feet. I find it very difficult to relate what the hon. Lady is saying to the motion before the House.

Mrs. Shephard: I accept your point, Mr. Deputy Speaker. Let me simply conclude that taxpayers do not wish to see young people turn down the chance of an enhanced and extended YTS, which will give them a better opportunity in the job market.

6.9 pm

Mr. Robin Cook (Livingston): I shall begin by referring to what the Leader of the House described as the modalities of the debate. The motion breaks new ground in the restrictions on parliamentary debate. I have checked with the Clerk of the House, and I am advised that there is no precedent for an attempt to impose a guillotine on Lords amendments in relation to a Bill that was not guillotined when it was before the House. I understand that Government advisers have been unable to find a precedent, which makes me all the more confident that that information is correct. I am sure that those advisers have been up all night every night since Thursday desperately searching for such a precedent.

We have been told that the reason for this extraordinary new precedent is the disruption and unruly behaviour of Opposition Members. Is it not strange that during two and a half hours of debate not a single complaint has been made about the propriety or behaviour of my hon. Friends or the legitimacy of their tactics when this matter was before the House, in Committee, or on Report? I remember the Minister causing two of my hon. Friends to squirm with embarrassment by praising their behaviour in Committee. So much for the allegations of disruptive and unruly behaviour.

In retrospect—perhaps my hon. Friend the Member for Liverpool, West Derby (Mr. Wareing) will agree—possibly we made it too easy for the Government. Perhaps there is a lesson here that we should not forget. On the next social security Bill we should remember that the last time the Government turned into the home straight they reached for the jackboots.

A number of Conservative Members have made reference to what allegedly passed through the usual channels. It is not customary for these matters to be debated in the House, but as they have been exhaustively referred to by Conservative Members I shall put the record straight.

I am the Opposition spokesman on the Bill. At no time did I enter into any agreement concerning tonight's business and at no time was any proposition made to me to which I was remotely likely to agree. On Thursday evening, at a late hour, I was given a demand by the Government that unless we undertook to dispose quickly after midnight of the Lords amendments—which had only that day proceeded through the House of Lords—they would introduce the guillotine.

There was no agreement; merely that summary and arrogant demand. I believe, and I hope my hon. Friends will stand with me on this matter, that I would have been failing the rights of the House and failing the 700,000 people whose benefit will be cut by the Bill if I had agreed to that summary and arrogant demand.

One may ask what the Treasury Bench is afraid of. There are 33 amendments before us, and all bar one are

[Mr. Robin Cook]

Government amendments. The guillotine motion has been moved to curtail debate on 32 of the Government's own amendments. There is not a single amendment on the Order Paper that the Government did not want to accept. Yet they say that the amendments must be rushed through with indecent haste in a debate that has been chopped off by the guillotine.

The Government say that they must have the Bill so that it can take its place in the barrage of April cuts in three weeks' time. As an argument to convince the Opposition to come to agreement, it is not particularly persuasive to say that the Government need it in place to play its part in the April cuts.

If the Government need this Bill so desperately, I have a simple piece of advice for them. They should not have clogged it up with three dozen amendments in the House of Lords. The Government drafted the Bill. If they had got it right they would not have needed to amend it in the House of Lords. I am bound to observe that a Government Department that is very swift to swoop on claimants who have filled in their forms incorrectly is remarkably easy-going about errors in Bills presented to Parliament.

Schedule 1 is concerned with putting right errors in the Social Security Act 1986 relating to industrial death benefit. Schedule 3 is entirely concerned with putting right errors in the 1986 Act relating to the social fund. The Bill may be better termed the Social Security Cock-Ups (Miscellaneous Amendments) Bill.

We recognise that any Government have a right to make good their own mistakes by fresh legislation, which is just as well because the Department of Health and Social Security makes so many mistakes. But they are not entitled to stop the House debating the correction of those errors.

Over the past two and a half hours, a number of Labour Members have referred, properly and correctly, to the wonderful aptness of tonight's debate. Tomorrow, the Chancellor of the Exchequer will finally reveal how he will dispose of the cash mountain on which he has been sitting for the past six months. Sunday newspapers fell over themselves yesterday trying to list the different ways in which he might give the money away. They generally agreed that he may cut income tax by 2p and that he may cut the top rate of income tax by a full quarter. Alone, that will cost the public purse £3,000 million. Tonight, on the eve of that largesse, we are debating this mean little Bill, which is full of mean little cuts for the people whom the Chancellor has forgotten.

Mr. Redwood *rose*—

Mr. Cook: I am delighted to see the hon. Member for Wokingham (Mr. Redwood) rising, as I was about to refer to him. The hon. Gentleman had the nerve to say that the Budget will increase public expenditure. Perhaps he will explain to the House how the financial memorandum for the Bill provides for £275 million to be saved in public expenditure at the expense of people whose benefits are cut by the Bill. Who are they?

Mr. Redwood: Does the hon. Gentleman agree that there will be a substantial increase in the social security budget next year, as set out in the White Paper on public spending? Will he tell the House when a Labour Government were able to increase spending and cut taxes at the same time and reduce borrowing? I do not think that a Labour Government have ever been able to do that.

Mr. Cook: The hon. Gentleman is perfectly correct to say that there is an increase in the social security budget for next year. However, that increase is less than the rate of inflation and, as Labour Member after Labour Member has reminded the House, there will be more losers than gainers as a result of the changes.

Mr. Jacques Arnold *rose*—

Mr. Cook: It was not my idea to guillotine the debate. However, it has been guillotined and there will be a vote at 6.43 pm. If the hon. Member for Gravesham (Mr. Arnold) will undertake to vote against the guillotine, I shall be delighted to give way. On the understanding that he will be voting for the guillotine, he cannot expect the rest of us to give up our time to him.

Three major groups are hit by the Bill. Unemployed teenagers will lose all right to benefit. The Government, who have put more teenagers on the dole than any other Government, are to solve that problem by taking the dole away from them. Men and women over 55 who are out of work will lose their right to unemployment benefit although they have paid for it for all their lives. Some 200,000 mothers of young children will lose their right to welfare milk. The party that claims to be the party of the family is clearly revealing itself to be the party of wealthy families.

The happy contrast between those hit by the Bill and tomorrow's Budget give away is paralleled by the contrast between a Government who this month will cut taxes and next month will cut benefits. The Government can afford to cut taxes, but apparently they cannot afford to maintain the special additions for diet and heating for the pensioner. They cannot afford to find 30p to maintain the real value of child benefit. Further, they cannot maintain free school meals for the 500,000 children who will lose them on 11 April. That is why the Treasury wants to silence debate on the Bill.

Lords amendment No. 28 provides for changes in the treatment of housing benefit. On 1 April any worker in receipt of housing benefit will lose 85p in benefit for every £1 increase in wages. That is effectively an 85 per cent. rate of tax. That is more than the rate of tax to be paid by the wealthiest members of society. It is more than the rate of tax paid by any member of the Cabinet that introduced that legislation.

Why is it right that the poor should face a marginal rate of loss of benefit twice as high as the marginal rate of tax on the wealthiest? After all, the poor do not have an army of accountants to help them to evade it. That is one debate which will be muzzled by the guillotine motion.

I express a particular regret about that muzzle because I had hoped that we might have an opportunity to hear a speech from the hon. Member for Mid-Kent (Mr. Rowe). The hon. Gentleman has been discovered in his constituency confronted by constituents who have been to see him to inquire why they are to lose all housing benefit because they have savings of more than £6,000. The hon. Gentleman has advised them at his surgeries that they should put a deposit on their funeral with the undertaker to get below the £6,000 ceiling.

Rather than make such ghoulish suggestions to his constituents and turn undertakers into bankers, it would

be more honest for the hon. Gentleman to take part in the debate and tell us what he now knows of how his constituents will be affected by the measures for which he voted only last November but which he is not now prepared to defend to his constituents.

A number of my hon. Friends and, indeed, a number of Conservative Members referred to the social fund. Lords amendments Nos. 19 to 23 provide for various changes in relation to the social fund. Ministers have described the social fund as a banking facility for the poor. It certainly will look a bit like a bank. In DHSS offices all over Britain they are now installing floor to ceiling security screens to protect the staff against the anger of desperate parents who are turned away. I must ask the hon. Members for Wokingham and for Lancashire, West (Mr. Hind), why, if the social fund is as popular as they described it to us and if their constituents are so eager to have it, DHSS offices need floor to ceiling security screens to protect the staff.

A key feature of the social fund is that it abolishes the right to single payments. Instead, claimants on the social fund will get only loans, to be repaid by compulsory deductions from their benefit. In that respect, the social fund is very unlike a bank, because no banker has the right to make compulsory deductions from benefit. Those deductions may be up to 15 per cent. of claimants' weekly benefit.

Here we have another stark contrast with tomorrow's proceedings. Tomorrow, we are told repeatedly in the press, the Chancellor of the Exchequer proposes to reduce the top rate of tax by 15 per cent. In other words, the top band of earners will have a reduction in tax of 15 per cent., whereas from 1 April there will be a new rate of deduction of up to 15 per cent. for families already on the breadline —families who are already living on an income that is necessary for subsistence, who, after they pay those deductions will be left, by definition, with an income below subsistence level, families who have children to feed and clothe and homes to heat. Each of those needs will now have to be balanced against the need to repay this banking facility. That is another debate that the motion will muzzle.

The motion is a confession. It admits that the Government are afraid to debate the hardship and the despair which their cuts will cause in April, that they are incapable of defending the injustice that those cuts will cost and that they want to cover up the glaring contrast between a give-away Budget for the rich and a take-away Bill for the poor. We shall vote against the motion. For once, I shall be happy to be defeated, because, if Conservative Members carry the motion, they will by their votes convict themselves of being afraid to be exposed for the damage that they are doing to the poor.

6.23 pm

The Minister for Social Security and the Disabled (Mr. Nicholas Scott): More than one of my hon. Friends has suggested that today's debate owes more to the Budget's proximity than to a sense of indignation by the Opposition about the Social Security Bill. I understand that this legislation arouses strong feelings, but it was possible in Committee to conduct the debate in an orderly way, in a spirit that reflected the concern about the measures to be taken and an understanding of the proper way to conduct the business of the House.

We are in our present position not so much because of the strength of feeling about the Bill as partly because of the proximity of the Budget statement of my right hon. Friend the Chancellor and partly because of the relationships between Members of the Labour Front Bench and a certain jockeying among them for position.

The hon. Member for Livingston (Mr. Cook) talked about muzzling debate. It would have been perfectly open to the Opposition Front Bench, if they had looked carefully at the timetable motion, which provides for six hours for the two debates — the timetable motion and the Lords amendments — to have curtailed discussion and the artificial indignation and rhetoric to which we have been treated for the past two and one half hours and to concentrate on a more detailed examination of the Lords amendments. I am not surprised that the Opposition chose not to take this step.

This is a short Bill. Of course, I understand that it is controversial but, when it left the House of Commons, it had already accounted for about 70 hours of discussion. Added to that, it received a further 21 hours' scrutiny in the other place. As has been said in this debate, that is some 90 hours in all, plus the time which we are spending on it today. I believe that there has been more than ample time to discuss a Bill of this size.

Mr. Tony Banks *rose*——

Mr. Scott: I shall give way in a moment.

If Opposition Members in the two Houses chose to spend 11 of the hours available seeking to insert new clauses into the Bill rather than to discuss the provisions before the two Houses, that was their choice. I do not argue with that, but the Opposition made the decision.

Mr. Nellist *rose*——

Mr. Scott: I have undertaken to give way to the hon. Member for Newham, North-West (Mr. Banks). If the hon. Member for Coventry, South-East (Mr. Nellist) will curb his impatience, no doubt he will have an opportunity to intervene.

The Opposition still managed to spend over 13 hours on clause 1, over 16 hours on clause 4, over four hours each on clauses 5 and 6 and 14 hours on clause 10 and the associated schedule 3. I do not believe that anyone can complain that there has not been an opportunity for proper debate on these measures in the various forum.

Mr. Tony Banks: It is a bit much for the Minister to say that we have wasted time since we have been debating the guillotine motion and therefore have not left ourselves with enough time during the next three hours. The guillotine motion provides for six hours' debate. The Minister could have made the guillotine provide for 12 hours' debate, so that we could have debated the legislation until 4 am, and tomorrow's business would still have been saved. Why not extend the guillotine until 4 o'clock tomorrow morning?

Mr. Scott: I shall refer later to the nature of the amendments and to why I believe that the provision which has been made is generous enough to permit discussion of those amendments.

Mr. Nellist: The Minister commented on how the hours had been spent in Committee. Is it not odd that the hon. Gentleman should complain of the 11 hours spent in trying to introduce a new clause — presumably he was referring to the debates on attendance allowance — when, as he

[Mr. Nellist]

said, on Third Reading, that was the only reason his Department was re-examining the position on payment of attendance allowance to children under two? If we had not made that 11-hour fuss, the hon. Gentleman's Department would not have admitted that it had to look again at the problem.

Mr. Scott: I made it clear that I did not complain about the Opposition's choice. I do not believe that the length of time persuaded us to look again at the provision of the two-year-old cut-off. The strength of the argument persuaded us to do so. At times, the sheer repetition of argument did not help the case.

I do not believe that anyone could claim for one moment that the Bill has not received detailed consideration. The hon. Member for Holborn and St. Pancras (Mr. Dobson) in common with others, including the hon. Member for Bradford, South (Mr. Cryer)—we would expect that from him—chose to spend the time in the timetable debate on a diatribe on the Bill rather than a discussion of the Lords amendments.

Some play was made by the hon. Member for Livingston about the number of Government amendments tabled. That number is not surprising when one considers the wide range of benefits covered in this small Bill and the fact that some of the clauses cover complex matters, as any hon. Member who served on the Committee came to know well. For the most part, the amendments are technical. They do not denote a change of Government policy.

For the sake of a smooth beginning to the reforms, it is important to get the legislation right. I am sure that hon. Members would not disagree with that as a reasonable aim. Of the 32 Government amendments, 10 are related to the same clause on NHS charges and travelling expenses but are concerned with only two main points which, alas, had to be spread throughout the clause, for drafting reasons. That is why there are so many amendments. The amendments to schedule 3 for the social fund have resulted from consultation with independent counsel and they ensure that the legislation is on all fours with our published policy.

Two amendments have been made in response to wishes expressed in the other place. They concern the social fund annual report and the inclusion of employees in the water industry and certain harbour authorities in the provisions of the 1986 Act which allow employees to leave their occupational pension schemes. I am sure that hon. Members on both sides of the House will welcome those amendments. Two further amendments follow an undertaking that we gave during the passage of the Employment Bill to allow unemployment benefit to continue to be payable while inquiries were continuing regarding a person's availability for employment.

None of the Government amendments that the House will be asked to consider shortly were contested in the House of Lords. Indeed, Lord Ennals greeted the first amendment in the following terms:

"My Lords, from these Benches I warmly thank the Minister for this amendment. It is good that he has made a commitment, and it is good that he has stood by that commitment. From our side we warmly welcome this."

On the second amendment, Lord Ennals said:

"My Lords, I welcome the amendment as far as it goes. I welcome any opportunity for additional guidance to social fund officers" — *[Official Report, House of Lords,* 10 March 1988, Vol. 494, c. 862-873.]

Those amendments, which were uncontroversial and uncontested by the Opposition Front Bench in the House of Lords, suddenly become a matter of great moment when they return to this House. Why do they become a matter of great moment?

Mr. Robin Cook: What has turned this into a matter of great moment is the Government's guillotine motion on the amendments. I am perplexed by the Minister's chain of reasoning, which he might now explain to the House. He stresses the technical and non-controversial nature of the amendments. If that is the case, why did he manage to pursuade his colleagues that it is necessary to guillotine a debate on them?

Mr. Scott: These matters have been decided through the usual channels and it would be unwise for other Opposition Members to criticise them. I am certain that this business would not have been announced on 3 March and reiterated on 10 March, unless there had been proper and serious consideration and agreement through the usual channels. It is only the behaviour of Opposition Members which has turned that agreement aside and placed us in this situation.

I wish to deal with a number of points raised during the debate about the Bill in general. The hon. Member for Holborn and St. Pancras referred to firefighters and, by implication, to policemen and members of the armed forces and others who retire at 55 and will have their occupational pensions offset against their entitlemant to retirement benefit when the full provisions of the Bill come into effect. That was one of the weakest cases put forward in Committee and I am surprised that the hon. Gentleman has bothered to return to that issue today.

People such as firefighters and policemen are able to earn for themselves a full retirement pension after 30 years' service in professions which many join at the age of 18, 19 or 20. They are still able to complete 30 years' service, obtain a full occupational pension and claim unemployment benefit for 12 months after that period. That was an extraordinarily weak case put forward by Opposition Members. *[Interruption.]* I shall try to deal with the points raised by the hon. Member for Holborn and St. Pancras, but it might be useful if he would cease exchanging pleasantries across the Floor.

The hon. Member said that clause 1 would make it more difficult for people with epilepsy to qualify for attendance allowance. I have said many times in Committee and on Third Reading, and I reiterate it now, that the purpose of clause 1 is to return the law to what we believed it to be before the Appeal Court judgment in the case of Mrs. Moran, and we are supported in that judgment by the independent Attendance Allowance Board. That judgment is right.

The hon. Gentleman also dealt with the question of free school meals. Far from taking away free school meals from children, we would expect 100,000 more children to benefit from the £2·25 in family credit than currently receive free school meals under family income supplement or the local authority discretion combined. That is better for the children and the families.

Mr. Dobson: Is the Minister's estimate produced by the same people who produced the wholly false statement in the White Paper that about one third of English education authorities did not use their discretion to give school meals, which is patently false?

Mr. Scott: The important thing is that 100,000 more families will be entitled to that cash benefit than now receive free school meals. Surely that is something that anybody concerned with the poorest in our society would welcome wholeheartedly.

Mr. McAllion: In the past week I have been approached by two organisations which represent mentally and physically handicapped children, who, at present, have access to free school meals under the discretionary powers of Tayside region. They will be denied access to those meals as a result of the change brought about by the Bill. How does the Minister justify to the parents of those children the fact that in future they will not receive free school meals?

Mr. Scott: Under the new system, 800,000 people on income support will receive free school meals and many more will receive the cash allowance.

Mr. Tony Banks: Is the Minister aware that I have just received an answer from the Chancellor of the Duchy of Lancaster, who says that free breakfasts will be provided for business men under the inner-city initiative, at a cost of £400 per head? I should prefer a free breakfast from the Chancellor of the Duchy of Lancaster to a free school meal from the Minister.

Mr. Scott: Perhaps the hon. Gentleman should check his mathematics.

The hon. Member for Holborn and St. Pancras asked what the Bill and the Government's record will do for the poorest in our society. As I close the debate, that is a question which I am only too delighted to answer. In 1986-87, benefit expenditure was £46 billion, an increase in real terms of 43 per cent. over the period that the Government have been in office. The real-terms increases in benefits level represent £5·35 billion of that and the increased number of beneficiaries some £8·4 billion of that. Social security spending rose from 25·6 per cent. of public expenditure in 1978-79 to over 30 per cent. in 1987-88. That is a measure of the Government's commitment to helping the poorest in our society.

On pensioners, expenditure has grown in real terms by 30 per cent., representing a £5·5 billion increase in expenditure. On the long-term sick and disabled, expenditure has grown by about 80 per cent. in real terms over the period that the Government have been in office. Nobody can accuse the Government of not having a proper concern for the poorest and those who need help in our society. The real-terms increase in supplementary benefit and housing benefit was about £2·5 billion. That is the Government's record. Whether one considers families, lone parents or others who have needed help, it has been given by the Government and will continue to be given in the future.

The hon. Member for Southport (Mr. Fearn) raised the question of 16 and 17-year-olds. He talked about us taking benefits away from those young people.

Mr. Dobson *rose*——

Mr. Scott: Perhaps the hon. Gentleman will restrain himself for a moment.

Assuming that they are not part of the lengthy list of exceptions which was discussed in Committee—I believe that the hon. Gentleman recognises the scope of those exceptions—the Government are saying to able-bodied 16 and 17-year-olds leaving education and going into the adult world that they should not have the option of going for idleness when proper, high quality training schemes are available to them. That would not be serving the interests of able-bodied youngsters, if we gave them that option. We have a clear undertaking from my right hon. and hon. Friends in the Department of Employment that those high quality schemes will be available.

Another question was raised during the debate.

Mr. Nellist *rose*——

Mr. Scott: I have given way generously. The hon. Gentleman will acknowledge that.

My hon. Friend the Member for Wokingham (Mr. Redwood) asked why we must get on with the legislation and get Royal Assent in the immediate future. The reason is that many sets of regulations are needed to bring in the social security reforms on time in April. The regulations, two of which are subject to affirmative resolution and nine of which are subject to negative resolution, cover occupational pension schemes, applications to the social fund, statutory maternity pay, social security overlapping benefit, social security dependency regulations, claims and payments regulations, attendance allowance regulations, negative resolutions concerning the NHS regulations, and welfare food regulations. Nobody would dispute the importance of having such regulations in place, as my hon. Friend the Member for Wokingham said, when the Bill becomes effective at the beginning of next month.

A great deal has been made about the impact of such social security reforms upon poor people in our community. I have talked of the Government's record, but we should also be aware of the actual cash position of people when such reforms are introduced at the beginning of April. A great deal has been said about hypothetical cases, so-called structural reforms, and comparisons of that sort.

But when we examine the cash position at the point of change, we shall see that the true position is that, out of a total 8·28 million recipients, 88 per cent. either gain or are unaffected, and 1·4 million gain at least £4. Of the 380,000 working couples with children, 76 per cent. gain over all. Of the 540,000 couples not in full-time work with children, 89 per cent. gain over all. Of the 810,000 lone parents, 89 per cent. either gain or are unaffected. Of the 410,000 sick and disabled people, 78,000 gain—of those, more than half gain at least £5 — and 80,000 are unaffected. Of pensioners aged 60 to 79, 63 per cent. gain and 22 per cent. are unaffected. They are all facts. I suspect that the cash position at the point of change will matter when people consider their individual circumstances.

The Bill has received full consideration in both Houses. Opposition Members have had every opportunity to debate it, and plenty of time will now be given to debate the uncontroversial Lords amendments. I commend the timetable motion to the House.

6.42 pm

Mr. Nellist: Several hon. Members have contrasted tomorrow's Budget — which, if all the rumours are correct, will provide tax cuts for the extremely wealthy in this country, particularly the 21,000 millionaires, 17,000 of whom were created since 1979—with the position faced not only by recipients of the social fund but by those who care for the disabled, and in particular the 500,000 16 and

[Mr. Nellist]

17-year-olds who, from April, will lose all right to supplementary benefit. Many hon. Members have said that the Bill has the support of the country——

It being three hours after the commencement of proceedings on the motion, MR. DEPUTY SPEAKER *proceeded to put the Question necessary to dispose of them, pursuant to Standing Order No. 81 (Allocation of time to Bills).*

The House divided: Ayes 293, Noes 194.

Division No. 212] **[6.43 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Aspinwall, Jack
Atkinson, David
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Cash, William
Chapman, Sydney
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cormack, Patrick
Couchman, James
Cran, James
Critchley, Julian
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Tony
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gardiner, George
Gill, Christopher
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorman, Mrs Teresa
Gorst, John
Gow, Ian
Grant, Sir Anthony *(CambsSW)*
Greenway, Harry *(Ealing N)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Hawkins, Christopher
Hayes, Jerry
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howell, Rt Hon David *(G'dford)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Hurd, Rt Hon Douglas
Irvine, Michael
Jack, Michael
Jackson, Robert
Janman, Tim
Johnson Smith, Sir Geoffrey
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
Knapman, Roger
Knight, Greg *(Derby North)*
Knowles, Michael
Knox, David
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Sir Nicholas
Macfarlane, Sir Neil
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Mariand, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Martin, David *(Portsmouth S)*
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, Rt Hon John
Morrison, Hon Sir Charles
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Parkinson, Rt Hon Cecil
Patnick, Irvine
Patten, Chris *(Bath)*
Patten, John *(Oxford W)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Allan *(Eastwood)*
Stewart, Andy *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stokes, John
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Thatcher, Rt Hon Margaret
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Tredinnick, David
Trippier, David
Twinn, Dr Ian
Vaughan, Sir Gerard
Waddington, Rt Hon David
Wakeham, Rt Hon John
Walden, George
Walker, Bill *(T'side North)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, Charles *(Bexhill)*
Watts, John
Wells, Bowen
Whitney, Ray
Widdecombe, Ann
Wilshire, David
Winterton, Nicholas

Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Ayes:
Mr. Robert Boscwen and
Mr. Tristan Garel-Jones.

NOES

Abbott, Ms Diane
Adams, Allen *(Paisley N)*
Allen, Graham
Anderson, Donald
Archer, Rt Hon Peter
Armstrong, Hilary
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Beith, A. J.
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Campbell, Menzies *(Fife NE)*
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Clark, Dr David *(S Shields)*
Clay, Bob
Clwyd, Mrs Ann
Cohen, Harry
Cook, Robin *(Livingston)*
Corbett, Robin
Cousins, Jim
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Darling, Alistair
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Doran, Frank
Duffy, A. E. P.
Dunnachie, Jimmy
Eadie, Alexander
Eastham, Ken
Evans, John *(St Helens N)*
Fatchett, Derek
Faulds, Andrew
Fearn, Ronald
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foulkes, George
Fraser, John
Fyfe, Maria
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Gordon, Mildred
Gould, Bryan
Graham, Thomas
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Haynes, Frank
Healey, Rt Hon Denis
Heffer, Eric S.
Henderson, Doug
Hinchliffe, David
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Howell, Rt Hon D. *(S'heath)*
Hoyle, Doug
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Hughes, Simon *(Southwark)*
Illsley, Eric
Ingram, Adam
Janner, Greville
John, Brynmor
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Lamond, James
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
Macdonald, Calum A.
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
McNamara, Kevin
McTaggart, Bob
Madden, Max
Mahon, Mrs Alice
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Molyneaux, Rt Hon James
Moonie, Dr Lewis
Morgan, Rhodri
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Owen, Rt Hon Dr David
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Primarolo, Dawn
Radice, Giles
Randall, Stuart
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Joan
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive
Spearing, Nigel
Steinberg, Gerry
Stott, Roger
Straw, Jack
Taylor, Matthew *(Truro)*
Turner, Dennis
Wall, Pat
Wallace, James
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Winnick, David
Wise, Mrs Audrey
Young, David *(Bolton SE)*

Tellers for the Noes
Mrs. Llin Golding and
Mr. Frank Cook.

Question accordingly agreed to.

Resolved,

That the following provisions shall apply to the remaining proceedings on the Bill:—

Lords Amendments

1.—(1) The proceedings on Consideration of Lords Amendments shall, if not previously brought to a conclusion, be brought to a conclusion six hours after the commencement of the proceedings on this motion.

(2) Paragraph (1) of Standing Order No. 14 (Exempted business) shall apply to those proceedings.

(3) No dilatory Motion with respect to, or in the course of, the proceedings shall be made except by a member of the Government, and the Question on any such Motion shall be put forthwith.

(4) If the proceedings are interrupted by a Motion for the Adjournment of the House under Standing Order No. 20 (Adjournment on specific and important matter that should have urgent consideration), a period equal to the duration of the proceedings on the Motion shall be added to the period at the end of which the proceedings are to be brought to a conclusion.

(5) If the House is adjourned, or the sitting is suspended before the expiry of the period at the end of which the proceedings are to be brought to a conclusion, no notice shall be required of a Motion made at the next sitting by a member of the Government for varying or supplementing the provisions of this Order.

2.—(1) For the purpose of bringing any proceedings to a conclusion in accordance with paragraph 1 above—

(a) Mr. Speaker shall first put forthwith any Question which has already been proposed from the Chair and not yet decided and, if that Question is for the amendment of the Lords Amendment, shall then put forthwith the Question on any further Amendment of the said Lords Amendment moved by a Minister of the Crown, and on any Motion made by a Minister of the Crown, That this House doth agree or disagree with the Lords in the said Lords Amendment, or, as the case may be, in the said Lords Amendment as amended;

(b) Mr. Speaker shall then designate such of the remaining Lords Amendments as appear to him to involve questions of Privilege and shall—

(i) put forthwith the Question on any Amendment moved by a Minister of the Crown to a Lords Amendment and then put forthwith the Question on any Motion made by a Minister of the Crown, That this House doth agree or disagree with the Lords in their Amendment, or, as the case may be, in their Amendment as amended;

(ii) put forthwith the Question on any Motion made by a Minister of the Crown, That this House doth disagree with the Lords in a Lords Amendment;

(iii) put forthwith with respect to the Amendments designated by Mr. Speaker which have not been disposed of the Question, That this House doth agree with the Lords in the said Amendents; and

(iv) put forthwith the Question, That this House doth agree with the Lords in all the remaining Lords Amendments;

(c) as soon as the House has agreed or disagreed with the Lords in any of their Amendments Mr. Speaker shall put forthwith a separate Question on any other Amendment moved by a Minister of the Crown relevant to that Lords Amendment.

(2) Proceedings under sub-paragraph (1) above shall not be interrupted under any Standing Order relating to the sittings of the House.

Stages subsequent to first Consideration of Lords Amendments

3. The proceedings on any further Message from the Lords on the Bill shall be brought to a conclusion one hour after the commencement of those proceedings.

4. For the purpose of bringing those proceedings to a conclusion—

(a) Mr. Speaker shall first put forthwith any Question which has already been proposed from the Chair and not yet decided, and shall then put forthwith the Question on any Motion made by a Minister of the Crown which is related to the Question already proposed from the Chair;

(b) Mr. Speaker shall then designate such of the remaining items in the Lords Message as appear to him to involve questions of Privilege and shall—

(i) put forthwith the Question on any Motion made by a Minister of the Crown on any item;

(ii) in the case of the remaining items designated by Mr. Speaker, put forthwith the Question, That this House doth agree with the Lords in their said Proposals; and

(iii) put forthwith the Question, That this House doth agree with the Lords in all the remaining Lords Proposals.

Supplemental

5.—(1) In this paragraph "the proceedings" means proceedings on any further Message from the Lords on the Bill, on the appointment and quorum of a Committee to draw up Reasons and the Report of such a Committee.

(2) Mr. Speaker shall put forthwith the Question on any Motion made by a Minister of the Crown for the consideration forthwith of the Message or, as the case may be, for the appointment and quorum of the Committee.

(3) A Committee appointed to draw up Reasons shall report before the conclusion of the sitting at which it is appointed.

(4) Paragraph (1) of Standing Order No. 14 (Exempted business) shall apply to the proceedings.

(5) No dilatory Motion with respect to, or in the course of, the proceedings shall be made except by a member of the Government and the Question on any such Motion shall be put forthwith.

(6) If the proceedings are interrupted by a Motion for the Adjournment of the House under Standing Order No. 20 (Adjournment on specific and important matter that should have urgent consideration) a period equal to the duration of the proceedings on the Motion shall be added to the period at the end of which the proceedings are to be brought to a conclusion.

Interpretation

6. In this Order 'the Bill' means the Social Security Bill.

Orders of the Day

Social Security Bill

Lords amendments considered.

6.56 pm

Mr. Deputy Speaker (Mr. Harold Walker): I have to inform the House that Lords amendment No. 1 involves privilege.

Clause 1

ATTENDANCE ALLOWANCE

Lords amendment: No. 1, in page 2 line 2, leave out "(bb) below" and insert "(a) or (bb) of the Social Security Act 1975"

The Minister for Social Security and the Disabled (Mr. Nicholas Scott): I beg to move, That this House doth agree with the Lords in the said amendment.

Mrs. Margaret Beckett (Derby, South): I should like the Minister to confirm whether, as it appears to us, the amendment seeks to ensure that the Attendance Allowance Board can review an award made in the interim period before the Act comes into force because of a change of circumstances and that the Government are bringing into play the phraseology of the Social Security Act 1975 about a

"change of circumstances . . . ignorance of a material fact . . . or . . . based on a mistake as to a material fact".

I should like the Minister to confirm, first, whether that is the purport of the amendment. Secondly, I should like him to confirm whether the introduction of such phrases into the Bill means that following the passage of the amendment—if, indeed, it is carried—people who are now able to draw attendance allowance—people like Mrs. Dorothy Moran, if not Mrs. Moran herself—will be under a continuing danger, if at any time the board decides to review an award, of losing that award. We should like it clearly on the record whether, when the amendment is incorporated into the Bill, those now receiving attendance allowance, under the new interpretation of the Act as given in the courts, will be perpetually at risk of losing the award until the board decides to remove it from them.

Mr. Dave Nellist (Coventry, South-East): As we are discussing an amendment to clause 1, will the Minister take this opportunity—given that he has received the Griffiths report—to give us the date upon which the promises that were given regarding the extension of the attendance allowance to those children under the age of two will be announced by his Department?

Mr. Scott: The Griffiths report is due to be published on 16 March. When I mentioned this matter before, I made it clear that other factors in the debate related to the OPCS survey of disability and the Government's subsequent view about a coherent set of benefits. Therefore, I am unable to give a date for that particular matter.

Mrs. Audrey Wise (Preston): If the Minister will not give my hon. Friend that assurance, I wonder whether he will take this opportunity to assure us about another

matter. On Report there was reference—the same point was pursued subsequently in another place — by the Front Bench to the interaction between attendance allowance and invalid care allowance. On studying *Hansard* I saw to my horror that the Minister's words could possibly be interpreted as suggesting that there might be some change for the worse for children over the age of two. He said:

"it is right to look at the interaction of attendance allowance and invalid care allowance, perhaps throughout childhood". —[*Official Report*, 12 January 1988; Vol. 125, c. 238.]

Will the Minister assure me that he does not intend to remove or in any way interfere detrimentally with attendance allowance for children between the ages of two and 16?

Mr. Scott: I said that the Government wanted to take a coherent look at disability benefits across the board. One should include any options, but I have no present intention to move in the direction mentioned by the hon. Lady. However, I would not wish to rule out anything at this stage until we have had the OPCS survey and the Griffiths report. We can then see what the needs are and how they can best be met in a coherent way.

In answer to the hon. Member for Derby, South (Mrs. Beckett), we have always made it absolutely clear that people receiving attendance allowance will not be subject to clause 1, unless and until claims have to be reconsidered on renewal or review in the normal course of events. That is not the purpose of the amendment.

The amendment is to correct technical mistakes in the drafting of clause 1(2)(c) of the Bill. First, it corrected a wrong reference. The reference to

"section 106(1)(bb) below"

was always intended to be a reference to section 106(1)(bb) of the Social Security Act 1975 which gives the Attendance Allowance Board power to review decisions. The amendment makes that clear.

Secondly, the board's review powers in section 106 of the 1975 Act are set out in section 106(1)(a) and (bb). Before the amendment, clause 1(2)(c) was deficient in that it referred only to section 106(1)(bb). The amendment corrected that deficiency by inserting a reference to section 106(1)(a).

Question put and agreed to. [Special Entry.]

Clause 3

COMMENCEMENT OF PAYMENT OF FAMILY CREDIT

Lords amendment: No. 1, in page 44, line 14, leave out

"(6) of the Social Security Act 1986"

and insert

"of the Social Security Act 1986—

(a) the following subsection shall be inserted after subsection (5)—

"5A) In subsection (5) above "the applicable amount" means the applicable amount at such date as may be prescribed,"; and

(b) in subsection (6)"

The Parliamentary Under-Secretary of State for Health and Social Security (Mr. Michael Portillo): I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker: I must inform the House that this amendment involves privilege.

Mr. Portillo: Clause 3 amends the 1986 Act to delete the requirement for family credit awards to start always from the week in which the claim is made, and instead leaves regulations to prescribe the date from which payment shall begin. This further provision to be added to clause 3 is to cover situations where payment is to begin from a date different from the date of claim and will allow cases to be assessed on the benefit rates applicable at the time the benefit is to commence. This will usually be to the claimant's advantage. This will be beneficial to claimants in enabling account to be taken of any increase in the relevant benefit rates during the intervening period—for example, if a child has a birthday and moves into a higher age band or if there is a general uprating.

Claimants can make applications for family credit four weeks in advance—indeed, they are encouraged to apply early when renewing — and we would not wish to penalise those early claimants for renewal.

Mrs. Wise: I notice that the Minister said:

"This will usually be to the claimant's advantage."

Are there circumstances in which it would not be to the benefit of the claimant?

Mr. Portillo: If the claimant uses the other flexibility, to apply late—within two weeks after the renewal date —the benefit rates that will be applied will be the rates that apply from the time that the claim should begin, not the time when the claim is made if the claim is made late. If an uprating occurs in the period between the due date and the date on which the claim is made, the benefit rates would be the rates at the date at which entitlement begins and not the date on which the claim was made.

Question put and agreed to. [Special Entry.]

Clause 4

INCOME SUPPORT AND CHILD BENEFIT

Lords amendment: No. 3, in page 5, line 38, leave out "this section" and insert "subsection (4A) above".

Mr. Portillo: I beg to move, That this House doth agree with the Lords in the said amendment.

This amendment to subsection (4J) ensures that there can be no misunderstanding about what "this section" means by specifying that the reference is to subsection (4A). It is a very minor drafting amendment which is made purely to ensure that there is no misunderstanding.

Subsection (4A) gives a power to the Secretary of State to direct that a young person may be entitled to income support if he considers that severe hardship would unavoidably result if benefit was not to be paid even though that young person would otherwise not be entitled. Subsection (4J) provides that the Secretary of State may, on revoking such a direction, certify whether there has been misrepresentation of a material fact or failure to disclose a material fact.

Mr. Ronnie Fearn (Southport): With regard to subsection (4A), can the Minister clarify what is meant by the power of the Secretary of State? Is that power designated through the officers of the DHSS, or does the application have to go direct to the Secretary of State in every case?

Mr. Portillo: The hon. Gentleman may recall from our Committee debates that we are talking about discretionary powers exercised by the Secretary of State. Those powers

[Mr. Portillo]

can be exercised by officers acting on his behalf. In those circumstances those officers are not acting as adjudication officers. In Committee we also gave the assurance that, routinely, such applications for the exercise of the Secretary of State's discretion would be referred to headquarters before they were made. Therefore, although the officers are acting on behalf of the Secretary of State, they will consult officers at headquarters before discretion is exercised.

Mr. Nellist: There is a plethora of attacks against working people contained in the Bill. The clause, even after the amendment that has been proposed by the Lords and which the Government have initiated, removes from half a million 16 and 17-year-olds all rights to supplementary benefit, notwithstanding the Minister's explanation regarding whether or not there is justification or a lack of information about the decisions taken when those youngsters have that benefit removed.

Today, around the country, there have been tens, if not hundreds, of thousands of those about to be effected by the clause who have demonstrated their opposition by attending rallies, marches and demonstrations.

In the debate on the guillotine motion it was said that the Bill and, indeed, this clause, had the wide support of people throughout the country—patently that was not true today. Youngsters at technical colleges will use the right to study part time and those on YTS feel constricted to stay on those schemes or otherwise they will lose their benefit. Students who will leave school at Easter and summer have demonstrated, as have the parents of those involved.

I want to take this opportunity to warn the Government that, among young people in this country, they are storing up an undying, deep and widespread hatred of the effects of the clause—notwithstanding the effects of Lords amendment No. 3—and the effects that the Minister has attributed to it in his brief remarks. The Tories may think that there is popularity in YTS conscription——

Mr. Deputy Speaker: Order. The hon. Gentleman really cannot seek to use this very limited amendment to open up the wide debate that he is now embarking upon on clause 4.

Mr. Nellist: No, Mr. Deputy Speaker. I seek to do it while I can keep within the rules of order which you, from the Chair, correctly determine.

I believe that the amendment to which the Minister has just spoken, Lords amendment No. 3

"Page 5, line 38, leave out 'this section' and insert 'subsection (4A) above'"

to clause 4 will not fundamentally alter the opposition which is widespread among young people. On a day when tens, if not hundreds, of thousands of young people have taken their last opportunity before the House finally passes clause 4 of the Bill, to demonstrate their opposition, it seems not outwith the bounds of debate here to attempt to finish making that point.

Mr. Deputy Speaker: Order. The Lords amendment before the House is to insert the words on the Amendment Paper. I do not see how that can in any way lend itself to the kind of wide debate that the hon. Member is engaging in.

Mr. Nellist: Earlier today, Mr. Deputy Speaker, on two occasions I spoke to several hundred young people in Coventry about the fact——

Mr. Deputy Speaker: Be that as it may, this is the House of Commons, and the hon. Gentleman must address himself to the amendment before the House. That he is not doing.

Mr. Nellist: I am just trying to tell the House that on two occasions, at 10 and between 12 and 1.30 today in Coventry, I spoke to several hundred young people about the fact that this Bill was completing its stages through Parliament, beginning at 3.30. I mentioned to them that Lords amendment No. 3 to clause 4 was coming before the House, and they felt extremely aggrieved about it.

What I am trying to do, Mr. Deputy Speaker, in my final brief remarks on this clause—because I am also concerned that there should be as full a debate as possible, particularly on the following amendments to do with child benefit—is just to tell the Government through you, Mr. Deputy Speaker, as the Chair of this particular stage of the Bill, that there is widespread and deep opposition among those about to leave school who, despite the Government's attempts to reform this clause by the introduction of Lords amendment No. 3, were not reassured at the meetings that we held in Coventry this morning and this lunchtime.

I warn the Government of this. There is widespread opposition to this amendment, to Lords amendment No. 3, to clause 4 of the Social Security Bill, and the Government will reap the reward of what they have sown by this clause in the weeks and months ahead, when those youngsters and their parents realise, in three weeks' time, that half a million young people lose their benefit and, in 24 hours' time, that 21,000 millionaires reap their reward from the Budget.

7.15 pm

Mrs. Alice Mahon (Halifax): I asked the Minister in Committee whether any allowances could be made under clause 4 to youngsters leaving care. I repeat that request now. Will the Minister find it in his heart to make any concessions whatsoever for a group of youngsters who are dreadfully disadvantaged and who have lots of things in society going against them? Will he please reconsider before this goes through?

Mr. Deputy Speaker: Order. The hon. Lady cannot open a wide debate on clause 4. We are addressing a very limited amendment from their Lordships' House.

Question put and agreed to.

After Clause 4

Insert the following new Clause—

Annual review of child benefit

" The Secretary of State shall review the level of child benefit in April of each year, taking account of increases in the Retail Price Index and other relevant external factors."

Read a Second time.

Mrs. Beckett: I beg to move amendment (a) to the Lords amendment, in line 2, leave out from "benefit" to end of Clause and insert

'in each tax year in order to determine whether the sums specified by virtue of section 5(1) of the Child Benefit Act 1975 have retained their value in relation to the general level of prices obtaining in Great Britain estimated in such manner as he thinks fit and, where it appears to him that the general level of prices is greater at the end of the period under review

than it was at the beginning of the period, he shall lay before Parliament in the same tax year the draft of an order which increases each of those sums, with effect from the week beginning with the first Monday in the next tax year or such earlier date in April as may be specified in the draft order, by a percentage not less than the percentage by which the general level of prices is greater at the end of the period than it was at the beginning; and if the draft order is approved by a resolution of each House he shall make the order in the form of the draft.'.

I want to begin by quoting, from the Green Paper published by the Government in June 1985, paragraph 4.37 on the study of the role of child benefit. The Government's conclusion from that study was

"that it had underlined the fact that there were two clear and distinct aims in helping families with the cost of bringing up children. The first is to provide help for families generally while the second is to provide extra help for low-income families. It would be a serious mistake to confuse these quite distinct purposes or to seek to restructure a benefit designed to meet one aim in order to meet the other aim. Child benefit is designed to meet the needs of families generally. As such it is . . . simple, straightforward, well understood and preferred as it is. The case for changing it has not been made out. The Government do not therefore propose to alter its basis or structure."

It seems wise, to put it no higher, to open a debate on the review of child benefits by quoting those words from the Government in June 1985, if only because so many, particularly, of the new Members on the Government Benches seem not to have read them.

What the paragraph makes very clear is that the policy and philosophy of the Government were that there should be no question of the help that comes generally to families, in recognition of the role that they perform—the help by means of child benefit—being in any sense confused with other help needed, particularly by the poor. The Government said that it should not be offset against the help that is given to the poor.

Since those wise words were written, the Government have strayed a trifle from the straight and narrow. They have failed twice to increase child benefit in line with inflation. On the first occasion they saved some £175 million a year and on the second, some £120 million, a total now of about £295 million a year. I hope that that will be particularly noted by Government Members, including the hon. Member for Lancashire, West (Mr. Hind), who spoke in our earlier debate about the vast amount of money that the Government were pouring in to help families. I hope, therefore, that he has noted that most of that money is coming directly from families. The amount of money that a family has lost on average is about £30 a year. It has been pointed out in our previous debates on this matter that £30 is enough to buy a coat or a couple of pairs of shoes, items which many families find it difficult to budget for—although that is particularly true of poorer families.

As well as the action of the Government in not actually uprating child benefit in line with inflation, the tone and words of the debate have both changed. The Government have talked about not being able to afford to increase child benefit in line with inflation. We understand, of course, that all Governments have priorities. Part of the purpose of these debates is to examine what the priorities of different Governments may be. Nevertheless, the Government have argued that, against those priorities, they have been unable to afford to increase child benefit.

In the context of saying that they are unable to afford it, the Government have also begun to talk of child benefit as not being a well-targeted benefit and finally to say that the Government have better means of helping those with the greatest needs.

Let us look first at that part of the Government's case that says that they cannot afford this increase in child benefit, particularly against the background of some of the recent studies of what is happening with regard to families with children, as opposed to the childless. I would like to draw the attention of the House to a very small booklet that any hon. Member would be able to find time to read. It is called "Family Fortunes" and it was produced by the Family Policy Studies Centre fairly recently. In it, the author examines, from official Government data, family expenditure surveys and so on, the trend of incomes in families. It focuses particularly on the way in which the pattern of income has developed among families with children as opposed to that among families generally.

The study shows that, in a household of two adults with children, after the effect of taxes and of all benefits, the income of the bottom fifth of families fell, and that the top fifth, with the pattern of benefits and tax changes as they have been under this Government, benefited from the largest rise in income. So it is the case, if we look at the overall pattern of tax and benefit changes, that it is still the better off who have done better under this Government. The fact that tax allowances have been increased far more than child benefit is a main contributor to that.

The incomes of all families with children showed a decline compared with the incomes of those who are childless, which I suppose one might accept, but it is nonetheless not insignificant when one considers that child benefit has not increased in line with inflation. In single-parent households where there is one adult with children, even after all the tax and benefit changes, and all the things to which hon. Members have drawn attention, implying that Government have compensated people in this position for other changes which have taken place, the average income of such families fell by 11 per cent. over the period studied.

There is little doubt, as many Opposition Members have observed, and as the study shows, that increased difficulties are being faced by families with children, although, sadly, they have not found their place among the Government priorities. During recent years, the value of personal tax allowances has been increased by 15 per cent., whereas in the same period the value of child benefit has fallen by 3 per cent. Tax allowances and other benefits have been increased at least in line with inflation, although the failure once in nine years to increase them by a ha'penny more than the legal formula has meant that the standard of living of those in receipt of pensions and benefits has been eroded compared with that of those in work.

During a period in which the Government said that they could not afford to increase child benefit, as we saw in the Joint Committee on Statutory Instruments last week, the Government have managed to build up a margin, room for manoeuvre, of some £8,000 million through income and expenditure from the national insurance fund. I do not mean to imply that that money is readily available to the Government. Indeed, lest the Minister feels that I have misrepresented what the Government have done, it is clear that that amount is only some £4,000 million above what the Government concede would be prudent to have as a notional balance in the fund. Nevertheless, that £4,000 million represents the

[Mrs. Beckett]

margin — the room for manoeuvre — that the Government have given themselves in their manipulation of the national insurance fund on a cumulative basis in recent years.

Tomorrow, we shall be debating the Budget, and we are all expecting — and some are eagerly anticipating — substantial tax cuts.

Mr. Eric Forth (Mid-Worcestershire): Hear, hear.

Mrs. Beckett: This year the Government are making a straight profit of £2,000 million on the national insurance fund. That £2,000 million has been raised through the contributions this year that are not being paid through national insurance benefit. Does the hon. Member for Mid-Worcestershire (Mr. Forth) still wish to say, "Hear, hear"?

Mr. Forth *indicated assent.*

Mr. Tony Marlow (Northampton, North) *rose*—

Mrs. Beckett: I am interested to hear that, and I am sure that the pensioners in the hon. Gentleman's constituency and others, such as the invalids who draw national insurance benefits will be interested to know that the hon. Gentleman is in favour of the Government making a profit of £2,000 million at their expense.

Mr. Marlow: As the hon. Lady said, tomorrow the Chancellor is about to hand back to the public some of the public money that he has already stuffed in his pockets because the economy is in such a positive and exceptionally buoyant situation. Will the hon. Lady congratulate the Government on their economic stewardship over our affairs in the past 10 years?

Mrs. Beckett: I should like to congratulate the Government on their extraordinary good fortune in being in receipt of thousands of millions of pounds from North sea oil. I doubt whether it is often his bedtime reading, but if the hon. Gentleman would look at the figures for the national insurance fund he would see the way in which national insurance contributions and benefits have been manipulated. I do not understand how any hon. Member, even the hon. Member for Mid-Worcestershire can congratulate the Government on so manipulating the national insurance fund that they made thousands of millions in profit at the expense of the people who should be drawing pensions and benefits. Is that what the hon. Member for Northampton, North (Mr. Marlow) considers to be a matter for congratulation? I can tell him that Opposition Members do not agree.

Therefore, as the hon. Member for Northampton, North said, there is money in the Government's coffers, much of it raised at the expense of pensioners and benefit, yet the Government still claim that they are forced to cut child benefit.

Mr. Kenneth Hind (Lancashire, West): Will the hon. Lady give way?

Mrs. Beckett: I shall give way to the hon. Gentleman rather sooner than he gave way to me in our earlier debate.

Mr. Hind: I was trying to finish my point. Does the hon. Lady concede that there are large falls in the number of people claiming benefit because they have jobs, which, as my hon. Friend the Member for Northampton, North has shown, is a sign of the success of the Government's policy? Surely the number of people claiming, and being eligible to claim, single payments under the social fund means that there is less need for such a large fund?

Mr. Deputy Speaker: Order. We shall be debating later in our proceedings amendments relating to the social fund. I hope that for the moment, hon. Members will stick to the amendments dealing with child benefit.

Mrs. Beckett: I was referring to the money raised through the national insurance fund and not to the social fund, which, as you, Mr. Deputy Speaker, pointed out, is not the subject of these amendments.

The Government have claimed that they have not been able to afford an increase in child benefit. They have also claimed that, in any case, child benefit is not well targeted. That is a peculiar argument. As child benefit is paid on account of having children, it is a particularly well-targeted benefit. It is almost 100 per cent. well-targeted since it is paid only to families with children.

That peculiar argument to some extent has been explained by Conservative Members by reference to what my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) described as the Duchess of Westminster syndrome — that, to excuse their wish to abolish the universal child benefit, Conservative Members have suggested that there is no need for someone in the position of the Duchess of Westminster to draw child benefit.

It is always noticeable that Conservative Members raise the argument that if child benefit were abolished, and instead the money were used in tax cuts, people with high incomes, and even the Duchess of Westminster, would benefit substantially more from tax cuts than from receiving child benefit. What appears to be an argument in favour of giving more to those in more need is actually in favour once again of giving money to those in less need under the guise of seeking to help the poor.

Mr. Dafydd Wigley (Caernarfon): Does the hon. Lady accept that we never hear from the Government arguments in favour of doing away with personal allowances, which are broadly set to give greater advantage to those on high incomes than to those on low incomes?

Mrs. Beckett: The hon. Gentleman is quite right. Some months ago, when the announcement about child benefit was in the pipeline, there was a most interesting letter in *The Guardian*. The person who wrote the letter quoted the way in which married man's allowance is paid and asked

"why it is all right for the state to give between £7·11 and £15·80 per week to a man to support his wife"—

the differential amount that it might be worth to people in different circumstances—

"but objectionable for the state to give £7·25 per week to a woman to support her child?"

That is a most worthy point and clearly emphasised the fact that tax allowances, as all hon. Members are perfectly aware, give more to those who already have more, whereas child benefit is a straight cash benefit paid to the mother.

The argument that has been put forward by Conservative Members about targeting is in all ways a spurious argument. I must admit that I have always suspected that those who put that argument were perfectly aware that cutting out child benefit would be of substantially more assistance to those on high income and that they are quite content that that should be the case. Certainly it is hard to see how they can refute any criticisms of that.

Apart from arguing that an increase in child benefit cannot be afforded, or that child benefit is not well-targeted, the third case that has been put of late is that it does not matter that the Government are not increasing child benefit in line with inflation because, through targeting help on those in the greatest need, they are doing more for the poorest families. I find that a rather strange argument. The Government are saying that they prefer to cut a benefit which reaches 100 per cent. of its recipients to put money into a benefit which, on the Government's most optimistic figures, will reach only 60 to 70 per cent. of its recipients. Indeed, there is no justification for the optimism that the Government expressed, unless one considers that a parliamentary answer saying that more people will receive family credit because more people will claim it is a justification. I do not believe that it is justified.

The Government claim that they are targeting help through family credit or income support. They have explicitly said that, since they cannot afford to increase child benefit and pay generous rates of family credit, the money cut from child benefit would fund, for example, the money going into family credit. Again, it is unfortunate that one has only to examine the way in which the family credit scheme works in practice to see that to claim that the scheme gives the greatest help to those in greatest need is wide of the mark.

A family with two children paying average rent and rates will be worse off on its combination of benefits from family credit and housing benefit until its earnings rise above £140 a week. A family with three children will be worse off, even with earnings as high as £170 a week. A single parent with children will be worse off on earnings up to about £120 a week. So it is simply not true to say that it does not matter that the Government are not inflation-proofing child benefit because money will go to those in the greatest need. Even on family credit, money is going to those whose earnings are already at the higher end of the scale.

7.30 pm

The hon. Member for Lancashire, West referred to the compensation that the Government are putting into income support. I am sorry, although I suppose it is understandable, that he has read only the briefings from Conservative Central Office and, perhaps, the Government, and that he has not followed any other arguments. It has obviously passed him by that the 20 per cent. bill for rates which everyone will face, for example, is not compensated for, as the Government claimed it might be, in the income support rates. The Government have failed to increase support on the illustrative figures announced in line with inflation and to add an average figure as compensation for the rates. So the cash sum being paid appears to be higher, but it does not meet even the average increase in rates, and in many areas the figure will be inadequate.

A great deal of emphasis has been laid on the fact that the family premium, or the availability of money through the social fund, in some way compensates for the loss of single payments or additional requirements. I refer hon. Gentlemen who think that this is compensation for not uprating child benefit properly, to the Social Security Advisory Committee — the Government's independent advisory group — or to the Select Committee, both of which made it plain that the proposed figure of £575— the illustrative figure as it was—and the actual figure of £615, which has broadly increased in line with inflation, are inadequate to compensate a family for what it will lose in single payments or additional requirements or, indeed, from the Government's general failure to make income support premiums payable and basic incomes payable at an adequate level.

The final argument we have heard from Conservative Members has been that tax cuts are as good for a family as child benefit, if not better. I remind the House that 2,250,000 families now receive more in child benefit than they pay in tax. There is no way that they could benefit from some switch back to tax allowances. The Library has calculated that for a typical family on earnings of about £130 a week, to be even 10 per cent. better off in work, it would need to increase its earnings by a further £60 a week to make up for the loss of child benefit. The case for child benefit is clear, simple, understandable and well targeted, like the benefit. The case for not increasing child benefit in line with inflation is weak.

Earlier this evening we were accused of wanting to impede the passage of Government business, as if it were shocking for an Opposition to want to do that. If what the Government are doing is beneficial, we are happy to facilitate the passage of their business. The Government have made it clear that they may be prepared to accept an amendment carried in the other place and to bow to the wishes clearly expressed in the amendment that child benefit should be uprated in line with inflation year by year, as so many other benefits are.

We understood from what was said in the other place that the amendment was defective, particularly in that it asked the Government to consider these matters but not to do anything about them. In line with the spirit of co-operation, for which many Tory Members were pleading earlier, we are happy to offer the Government amendment (a), which we feel confident they will accept, to replace the amendment moved in the other place.

We can see from the length of the Amendment Paper and the number of technical amendments that the Government have proposed, that they have had difficulty, although this is their third attempt in legislation, in getting the Bill right. Therefore, we understand that they did not have time to draft the sort of technical amendment that might be appropriate to increase child benefit every year, so we hope that our amendment will be of assistance to them.

We are a responsible Opposition, and nothing could be more responsible than to help the Government carry into operation what is clearly their intent. I commend this amendment to the House and I am sure that it will be welcomed by Conservative Members.

Mr. Timothy Raison (Aylesbury): Anybody who thinks about how the costs of social security have soared must recognise that the Government were bound to think again about the range of the provision. As many of my hon. Friends made clear on 12 January, there is considerable anxiety on this side about the decision not to uprate child benefit. There is no need to rehearse all those arguments again, because they were put eloquently in that debate, but four factors are particularly significant.

First, child benefit provides support for families with children and, perhaps increasingly, that is where poverty is likely to be found. Family credit is a generous measure and I praise my right hon. and hon. Friends for that, but

[Mr. Timothy Raison]

it is difficult to avoid the fact that today we are likely to find poverty in families with children, and child benefit has always been a valuable safeguard against that.

Secondly, when child benefit was introduced, it replaced the tax allowances available to those with children. Perhaps, as the Opposition have pointed out, that is particularly relevant and remains important today.

Thirdly, child benefit is paid to the mother. That is an important feature and it was fought for in the debates on this subject in 1944 and 1945. We must remember that the Government of the day made a concession on that. Fourthly, child benefit diminishes the extent of the poverty trap.

If, as the hon. Member for Derby, South (Mrs. Beckett) suggested, my hon. Friend the Minister is about to rise and say that the Lords amendment is acceptable, we shall welcome that. It would represent progress. I hope that that is what my hon. Friend will tell us. Obviously, it is important, because in doing so the Government would be accepting the maintenance of the principle of child benefit. I know that that was stated in the election manifesto last year, but acceptance of the amendment would be a further reiteration of the Government's position. It may be argued that that is to accept that we shall continue to have child benefit rather than to uprate it automatically, as many of us would like, but it would be a reaffirmation by the Government of their intention to keep child benefit throughout this Parliament.

It is important that the amendment should require an annual review of child benefit. That would be a real gain. Can my hon. Friend be more forthcoming? He may argue, as he did previously, that the Government must have power not to uprate if circumstances justify it and he may be right, but that is a matter for argument. We should like to hear that the Government do not intend as a matter of regular policy not to uprate child benefit. That is particularly important. Can my hon. Friend reassure us today that the Government do not intend to end the uprating of child benefit in future?

Mr. Wigley: I very much agree with the remarks of the right hon. Member for Aylesbury (Mr. Raison). The case for child benefit has been made on both sides of the House. Its great advantage is that it is directed to the mother and that it helps to overcome the poverty trap. It also exists whether or not people are in work, so it is an incentive for them to get work. It is also relevant because of the high rate for the large number of single-parent families.

Only this morning, in a constituency surgery, that point was brought home to me by a mother who had lost child benefit because her child had reached working age and was expected to contribute £10 a week for his keep, which was difficult to get from him, whereas child benefit had been coming through to the mother automatically — so she was feeling the difference.

The Lords amendment does not give us the categorical assurance that hon. Members on both sides should seek. It refers to the retail price index and other external factors. It is all very well taking those into account and sitting down once a year to think about child benefit, but that is not the same as ensuring that it is indexed and changed each year so that it does not fall behind. Once something begins to fall behind, it is that much more difficult for it to catch up. That was the reason behind the indexing of allowances.

As the right hon. Member for Aylesbury said, the background to child benefit was the child allowance. We are now, to all intents and purposes, at least indexing, and sometimes doing more for, personal allowances. Surely, at a time when the Government have a reasonable amount of resources at their disposal and profess that that is likely to be so for the next few years, we should think of those who are most vulnerable in our society—people on low incomes who are bringing up children, for whom child benefit is of such a great importance.

Even if the amendment does not go all the way, the Minister should give a categorical, bankable assurance, or I shall be inclined to support the Opposition amendment. I hope that we shall hear better news from the Government about their intentions.

Mr. Marlow: My right hon. Friend the Member for Aylesbury (Mr. Raison) spoke about the fact that we used to have child tax allowances and that, to a large extent, child benefit has taken over from those. Child benefit this year is static; it is not being increased. After inflation, that means that in real terms it is being reduced — even though only slightly.

We all know that because of the successful way in which the Government have managed the economy, it is no secret — there are usually Budget secrets — that there will be reductions in taxes tomorrow: reductions in the standard rate of tax. I am concerned here not with those in relative poverty or those who are relatively wealthly, but with those who are standard rate taxpayers — the vast majority of the working people about whom the hon. Member for Coventry, South-East (Mr. Nellist) speaks so often.

A household with a husband and wife will get the full benefit of the tax cuts that will come tomorrow, and good luck to them. However, another household with a husband and wife and children will have the benefit of the tax cuts, but also the reduction in the child benefit. So the first household will be better off by more than the second. The second might even, in its particular circumstances, be relatively worse off. So, by combining these two measures, we are taking money from those with children and giving it to those without. That cannot make sense, particularly in that middle band of people.

Therefore, I am delighted that the Government have seen fit to accept the amendment from another place. I reiterate the point made eloquently by my right hon. Friend the Member for Aylesbury: we hope that my hon. Friend the Minister, when he replies—we know him to be sincere, sensitive, generous, thoughtful, decent and warm-hearted — will give the assurance for which my right hon. Friend asked.

7.45 pm

Mrs. Mahon: Child benefit is a special benefit. It is some recognition by the state and society of the considerable cost of having and bringing up children. It is a welcome and good benefit because it is universal, it is not subjected to the hateful system of means testing and it has a 100 per cent. take-up. My hon. Friend the Member for Derby, South (Mrs. Beckett) was right to say that it is an excellently targeted benefit, and people appreciate it as such.

Conservative Members have complained about the cost of child benefit, but it is chickenfeed compared with the tax handouts that the Government have given to the better off. It is chickenfeed compared with the tax avoidance that goes on in this country each year. The Government use the argument that they are freezing child benefit to provide funds for the poorest families, but that is unjust and unfair. It is unfair that the poorest and those who carry the burden of poverty should have to tighten their belts even more, while the Government brag about how well their economic policies are working.

The latest DHSS figures show that 16 per cent. of all children are being brought up in families who are either on the margin of poverty or below it. That is a disgraceful record. I am aware that Conservative Members do not understand what poverty means. I draw their attention to Professor Townsend's definition of poverty. He is perhaps the greatest social scientist practising today. He said:

"Individuals, families and groups in the population can be said to be in poverty when they lack the resources to obtain the type of diet, participate in the activities and have the living conditions and amenities which are customary or at least widely encouraged or approved in the societies to which they belong. Their resources are so seriously below those commanded by the average individual or family that they are in effect excluded from ordinary living patterns, customs and activities."

I agree with that definition of poverty. It is a sad reflection on the Conservative party that there has been a massive increase in poverty because of its policies over the last eight or nine years. Child benefit is one obstacle in the way of that growing poverty.

It has been estimated, on Government figures, that the refusal to uprate will mean that this year 15,000 parents and 30,000 children will be pushed into dependency and means testing, which means more and deepening poverty. How can the Government justify that? I plead with the Minister to rethink this refusal to upgrade child benefit. How can the Government claim to be the Government of the family when they are deliberately reneging on their election pledge? The Chief Secretary to the Treasury is quoted as having clearly said:

"Child benefit will continue as a non-means tested universal payment paid to the mother and tax-free. There ought to be no doubt about this."—[*Official Report, House of Lords*, 3 March 1988; Vol. 494, c. 313.]

The spirit of that comment was thought by hon. Members on both sides of the House to mean that the benefit would be index-linked and not frozen.

The refusal to uprate is also a direct attack on women, who take the prime responsibility for caring. They lose out in almost every other area. Women's incomes are generally lower than their average male counterparts. Two out of three low-paid workers are women, and more women rely on state benefits than men—*[Interruption.]* Those are the facts. I am sorry that Conservative Members find them amusing. As one who has been in that position, I can tell hon. Members that it is not funny.

Nine out of 10 one-parent families are headed by women, and child benefit is often the only money that many married and cohabiting women have the absolute right to claim to spend on their children. That is for many reasons, but quite often it is because of the meanness of the partner or because his priorities are not for the children that the women needs access to that money as of right. We have heard much from the Government in previous debates about targeting, and no doubt we will hear much more about it in this debate. Child benefit is perhaps the most popular benefit and it has a 100 per cent take-up. I fail to see how anybody can argue that that is not targeting. It is stigma-free, easy to administer and easily understood.

An analysis by the social policy research unit at York university recently concluded:

"Child benefit clearly plays an important role in income maintenance for poor families. Low-income families not in receipt of supplementary benefit receive about a fifth of their net disposable income from child benefit."

The Government are attacking low-income families. If they do not change their mind about uprating, more children will go without a basic diet and more families will be forced to live in unsuitable housing, with all the health problems that go with those things. *[Interruption.]* There is no point in Conservative Members groaning and looking bored. That is a fact of life. Millions more have been pushed into poverty, and child benefit is a lifeline to many families. Conservative Members may not like the truth, but they will have to listen to it a little more often from the Opposition.

It is a damning indictment of the Government, and it will be indelibly stamped on them in history, that they wiped out the consensus to update and improve child benefit, and that, for the first time in our history, they were a Government led by a woman and mother. That is a disgrace and blot upon the Government.

Sir Brandon Rhys Williams (Kensington): We have had so many debates on the uprating of child benefit in recent years that it is difficult to find anything fresh to say. I think that my position is well known to the House. I regret that the Government have not seen fit to uprate child benefit this year. I hope, however, if it is true that they intend to accept Lords amendment No. 4, that it will be an earnest of their intention to uprate child benefit in line with the cost of living in future years. I certainly hope so, and, I look forward to what my hon. Friend the Under-Secretary has to say about that.

It is high time that the House worked its way towards a consensus on child benefit. We have such a consensus in regard to the Lawson-Rooker-Wise amendments in the tax system, and in regard to pensions and other national insurance benefits. We no longer have disputes on those subjects; but on child benefit there is always this uncertainty about the Government's intentions on uprating, and I think that that does the Government harm.

I am ashamed to say that I think there is an element in the Treasury that has a strong desire to end the advantage that has long been enjoyed by families with children, that at the end of their transactions over the payment of income tax and receipt of their statutory allowances their burden would be less than those of single people and of couples with no children to raise. My hon. Friend the Member for Northampton, North (Mr. Marlow) mentioned this point.

It was William Pitt's intention on the very inception of income tax at the end of the 18th century that there should be a child allowance, so that families with children had a lower tax burden than families without children. It is a pity that the Treasury seems to have a malignant desire to erode that advantage. Now that child benefit has taken the place of child allowance, there is this constant onslaught on it, because the Treasury insists on regarding it as expenditure instead of relief of tax, which is how it originated.

Unfortunately, Lord Skelmersdale in his speech in the other place opposing the amendment which is now before

[Sir Brandon Rhys Williams]

the House as Lords amendment No. 4, and which I understand the Government are now willing to accept, appeared to lean towards this Treasury view that there would be a good case for ending the differential between the tax burden on families with children and those without. That approach, if I understand Lord Skelmersdale correctly, is quite wrong. I hope that he will not continue to think along those lines.

It is a very long-established principle that taxation should be related to ability to pay. The burden of raising a family ought to be taken into account for families at all levels of income and not only for families at the bottom of the scale. The principle should apply throughout the scale; but of course it is particularly important for the millions who are entitled to means-tested benefits and who, for one reason or another, do not claim them but rely instead on the real value of the child benefit.

It is also very important for all those people who are just above the level of entitlement and who seem likely in the coming weeks, I am sorry to say, to be forced to consider extremely carefully whether they will be able to continue outside dependency on means-tested benefit or whether they will have to go through the humiliation of applying to the DHSS or to their local authority for means-tested benefits. It is particularly unfortunate when we are taking so much away in the form of the cuts in housing allowances that, at the same time, we should not be uprating the child benefit. We shall see how matters turn out.

The reluctance that is generally felt by some people, though I think not by very many, about receiving child benefit as a positive credit rather than in the form of a tax deduction, arises from the suspicion that it is money from nowhere. They are ashamed to draw it because they do not understand how they have become entitled to it. They do not see how they or their wives have qualified to receive a positive payment in cash. They would be quite happy to have an exactly comparable increase in spending power if they could understand how they had become entitled to it or, of course, if it appeared to come to them as a reduction in their tax burden.

I have long felt and I am now quite convinced that we shall not find our way out of this sterile controversy about child benefit while it appears to be a universal benefit that has not been paid for, but just falls as money from nowhere. We need a full-scale review of the national insurance system. Very many reasons are convincing me that that is urgently required in this Parliament, not only because of the difficulties of the social security system, but because of the difficulties that we are encountering in the administration of housing benefit and the further difficulties that we shall certainly encounter in the administration of the community charge.

It is very rare to meet anyone who is reluctant to draw his basic national insurance entitlements, such as the pension that he is paid towards the end of his life. That is because people feel that this flows to them because of a contract into which they have entered as citizens and to which they make their contribution, and that they draw their entitlements in exchange.

Child benefit should be incorporated in a revised and reconstructed national insurance system which should be put on a business footing with comprehensible accounts and a clear range of basic entitlements before, as well as during and after, working life. Child benefit ought to belong to the range of national insurance benefits. Then it would be seen as part of a comprehensible relationship between the citizen and the community, which at present it is not.

I referred to the association with the national insurance fund in the Bill that I introduced before Christmas and which, I am happy to say, was passed on an all-party basis with a substantial majority. I should now like to go further in regard to my recommendations for the revival of national insurance, but this would not be the appropriate time under the guillotine. I have undertaken to write to my right hon. Friend the Secretary of State with specific recommendations and I shall shortly do so.

The hon. Member for Derby, South (Mrs. Beckett) referred to the national insurance fund, but she has not followed it up in the Opposition amendment. The official Opposition amendment, therefore, does not seem to be a very well drafted or satisfactory counter to what the Lords have suggested in amendment No. 4. I shall not vote against the Labour amendment, because its intention of protecting the real value of child benefit is quite proper and entirely in line with my own thinking which I have expressed very often in the House. But I do not think that I shall find it in my heart to vote in favour of it because it does not appear to offer a satisfactory solution to the arguments. I feel that the time has now come when the House has to get out of these sterile debates and to find a solution that is acceptable on both sides of the House.

8 pm

Mr. Fearn: I am delighted that the amendment, which was moved by my noble Friend Lord Banks, was passed with all-party support in the other place.

I know that the Government are less than keen to uprate child benefit in line with inflation, and we have heard the Minister argue only recently that child benefit should be frozen and that the money saved should be targeted at poorer families. The problem with that argument, as the Minister well knows, is that the take-up of means-tested benefits such as family credit cannot hope to compete with the near 100 per cent. take-up of child benefit, which has been mentioned and which we see every day. I shall not go into all the arguments in favour of child benefit because we have heard them. However, the Government should acknowledge that their defeat on this issue in the other place gives a strong indication of the feelings of the nation on this matter.

It is fundamental that extra support should be provided for children, especially needy children, and child benefit is the most effective way at our disposal of making sure that money reaches those for whom it is intended. That argument is well understood by hon. Members on both sides of the House, and I urge the Government to take note of it.

The danger of Lords amendment No. 4 is that it requires the Secretary of State only to "take account of" any increase in the retail price index. The Government do not have an excellent record on taking action when they are not required to do so. However, I hope that the Secretary of State appreciates the true intention of the amendment and that in future he will uprate child benefit in line with the retail prices index.

I welcome and support the amendment in the name of the hon. Member for Livingston (Mr. Cook), which I believe greatly strengthens Lords amendment No. 4.

Mr. Tim Rathbone (Lewes): The hon. Member for Southport (Mr. Fearn) has got his facts about the Government completely wrong. The Government are only too ready to take action at any time. Some of those actions are extremely innovative, as we shall be discussing next week and in the weeks to come.

I endorse the speech of my right hon. Friend the Member for Aylesbury (Mr. Raison). He reminded the House of what the debate is all about. It is about the advantages of child benefit as a method of getting moneys to a family with children, directly to the mother, for the benefit of the children. That was one of the principles brought about, in the way that he described, by challenge to the Government in 1945. I am proud to say that it was a relative of mine, Eleanor Rathbone, who fought for that at that time. It is a great point of pride in our family that the principles of family allowance have seeped through the various stages that have now brought us to child benefit.

There was some concern when family allowances were amalgamated in the 1970s. The argument most strongly in favour of that amalgamation was that it would make administration much easier. I believe that that is a good principle to apply to the administration of benefits. Indeed, it is a good principle to apply to the taking of taxation. The only occasion on which I can foresee that it may be worth while even considering dropping child benefit is if we move into a full tax credit scheme. The House will remember that that was mooted by the Conservative Government in the 1970s and that, sadly, the idea ran into the sand when the Labour party came into office in 1974.

The great advantage of child benefit is that it has virtually a 100 per cent. take-up by the very people it seeks to help—mothers with children. It is not an instrument for the alleviation of poverty, as was suggested by the hon. Member for Halifax (Mrs. Mahon). It is not designed for that. It is designed to help families in their starting years, in the same way as the Government take it upon themselves to help families in their later years. I believe that that is an admirable principle to apply.

Future reviews must keep the value of the benefit clearly in mind. I hope that my hon. Friend the Minister will reiterate his and the Government's determination to do that. I look forward to the day when child benefit is uprated, not according to the Opposition's amendment, but in excess of the price increases year by year.

Mr. Frank Field (Birkenhead): Several hon. Members have made the point that nothing new can be said in this debate. The logic of holding that position is to make a brief contribution. I shall attempt to do that by addressing myself to two points that have emerged.

The first point is addressed to the hon. Member for Kensington (Sir B. Rhys Williams), whom I shall call my hon. Friend during this debate. I make a plea to him that, although he thinks that our amendment is defective, that should not be a reason for not voting for it. Given his logical mind, he ought to see that most issues can be taken in stages. The Opposition amendment says that there should be a regular review and that the Government should act on that review. It is quite possible, as a second stage, for my hon. Friend or us to come back to the House with ideas on how that review should be funded. Therefore, I hope that speeches made by Opposition Members will convince my hon. Friend the Member for Kensington that his impressive voting record on child benefit should be kept intact.

The next point I wish to make is addressed to the hon. Member for Northampton, North (Mr. Marlow) who is not in the Chamber now. With his usual delicacy, he attacked the Government and opened a wound. Therefore, it seems proper that, as an Opposition Member who is committed to consensus politics, I should bring a bucket of salt to apply gently to the Government's wound.

The hon. Member for Northampton, North made the valid point that so much of the Government's rhetoric and, indeed, their real beliefs, is that they are the party of the family. He asked the House to look at the Government's record towards the financial support of families. We see that over the past 10, 15, 20 or 30 years —this is not a party point—Governments of all parties have been more likely to push the tax system in favour of single people and married couples without children rather than married couples with children.

I hope that we will not look at the record of past Labour Governments on that issue, because it is not nearly as impressive as I should like. The Labour party has been guilty of pushing the tax system towards those without children, whether they be single people or married couples. Therefore, the hon. Member for Northampton, North was right in saying that, given that the Government believe that it is important that the cornerstone of our society is the family and that families should be able to manage their own affairs without state interference, it is crucial that we ensure that all families have sufficient income. The only way in which we can do that is to increase child benefit. If we increase tax allowances ahead of child benefit, we are making it more advantageous not to have children and making it more difficult for those who have children by reducing the relative living standards of families.

I want to end on a somewhat controversial note. The hon. Member for Caernarfon (Mr. Wigley) spoke about his surgery this morning and about a single parent and the importance of child benefit to her. I remind the House that we introduced the single-parent families benefit only because the then Labour Government ratted on their commitment to introduce child benefit and were scratching around to find some way of presenting to the House a face-saving formula. We often see that happen with the Conservative Government; it is not a new phenomenon. The then Labour Government came up with the cheap proposal of paying a benefit to single families with children.

As we move towards a day that I hope we shall see, when child benefit reflects adequately the cost of children, we shall be able to discuss phasing out the benefit for single-parent families. Its effect at present is to give an incentive to those who are not married, against those who are. Many of our constituents need that money; there is no dispute about that. But there is an expanding group of yuppies in the electorate who manage their tax and benefit affairs in such a way as to ensure that they receive every penny that they can.

I know of "stable relationships" in which one partner takes the other to court for maintenance payments, and claims single-parent benefit as well. That cannot be policed; such people cannot be chased, and to exhort them to behave better seems to have little effect. What is possible is to increase child benefit to a level generous enough to cover the major costs of children. When that has been

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done, it will be possible to begin to phase out the single-parent family allowance, which was introduced only because, when in government, we were not prepared to bring in child benefit on the date when Labour Back Benchers thought that it was to be introduced. In Committee, Labour Members asked whether they were right in assuming that child benefit was to start on such and such a date, and Labour Ministers replied, "Of course you are right, but we do not wish to tie our hands." As a consequence, child benefit was not introduced when it was said that it would be.

The House of Lords, in a slightly bumbling way, has passed this helpful amendment. But, without the key element of what happens after the review—and given that we know from press reports that the Government are fighting a battle to keep child benefit—I hope that the Government will act not only on the Lords amendment but on the Opposition amendment, which strengthens their hand against the Treasury. For once, I hope that the Secretary of State and the Minister will learn from Labour's mistakes, and will not trust the Treasury on the day when we want the payout.

Mr. Robin Squire (Hornchurch): It is always a pleasure to follow the hon. Member for Birkenhead (Mr. Field), who, even in short speeches, says more of substance than many of us manage in our longer efforts.

I should like to make three points. First, perhaps predictably, I wish to remind my hon. Friend the Minister that I am one of a number of fully paid-up members of "Brandon's Irregulars", who have in the past supported the uprating in full of child benefit. While we welcome the Lords' amendment as far as it goes, I know that my hon. Friend accepts, in the spirit that I put it to him, that it is the least that we would expect and that it will not stop us from pressing next year for the matter to be formalised.

Secondly, I should like briefly to tackle the question of tax cuts in the context of child benefit. I have no crystal ball, but I hope that tomorrow my right hon. Friend the Chancellor will indeed announce tax cuts. I hope that not so much for personal reasons – although it would be nice – but because many of my constituents earn about the average wage and quite a few earn less, and they will benefit.

The point that I wish to make is very simple. Tax cuts will give many people more spending power. They may spend the money on an enormously wide variety of things, both inside and outside the home, and no hon. Member – at least on the Conservative Benches—questions such spending. Once the subject of child benefit is raised, however, it is suggested that this strange benefit should be done away with. Hon. Members suddenly turn a funny colour and start to remonstrate, suggesting that the benefit should be abolished because it is going to people who do not need it.

8.15 pm

I find that very strange. The one undeniable fact about child benefit is that it goes to meet a known expenditure, whether the parent is very wealthy or among the poorest in the country. That argument that it should be done away with because some people do not need it, unlike tax cuts which, as I have said, I would welcome – surely has no real substance.

Thirdly, I ask whether, under our existing system, we can simply decide to phase out this non-selective benefit and uprate various selective benefits. I see the instant attraction of that approach, and I understand why a number of my hon. Friends see it as a way forward, but I have a counsel of care to offer. It relates to the take-up rate.

We must be clear about what we mean by take-up rate and about its impact. At the best estimate that the Government are currently prepared to offer, take-up of the new family credit will be 60 per cent., so more than half the families whom we wish to receive assistance will indeed receive it. The other side of the coin, however, is that two out of every five families measured as being in need, and entitled to the assistance, will not receive it. If we are asked to weigh in the balance whether assistance should be limited to those on low incomes, while take-up is nowhere near 100 per cent., I must say that I am happy—on balance—for the money to go to the better-off in the assurance that the worse-off still get that necessary assistance.

Mrs. Wise: Two necessary tasks must be performed. One is to help children in general; the other is to help children in poverty.

I regret very much that the Government, who boast that they seek to help poor families with children, are paying for that to the tune of 40 per cent. at the expense of children in general. The last time that we discussed the matter, the Minister said that families would receive £100 million more through family income support, and £200 million more through family credit. That, of course, assumes that take-up is as the Government anticipate, which can only be a guess. On the Government's figures, it means an extra expenditure of £300 million on children in poverty, of which £120 million—40 per cent.—comes from children in general.

As has been said so often—especially by Opposition Members—we are likely to hear tomorrow of vast sums being dispersed among people who may have no children at all, let alone children in poverty. This is a peculiar approach from a responsible Government who say that they are the Government of the family. In fact, it disproves their assertion utterly.

I have been present at the debates both here and in Committee, and I have read carefully the report of the debates in the other place. Some of the arguments are quite remarkable. For example, Lord Skelmersdale, the Government spokesman in the other place, said that benefits and tax allowances had different roles, but he did not explain to his noble Friends what the different roles were. He simply said that tax allowances help all taxpayers, but that is not exactly news. Tax allowances help all taxpayers. Some of them may have children, but they do not receive additional help because they have children. They are helped because they are taxpayers, and tax benefits, such as those that we may see tomorrow, help those with larger incomes rather than those with small incomes.

The Government have never explained, in this or the other place, why they give such priority to tax allowances and tax cuts but not to helping children. The Minister was reminded during the previous debate that this is not simply a matter of families. It is not the parents about whom we

are concerned; it is the children. I am sorry that all the arguments have not produced a change of heart by the Government.

I regret that, even if the Government accept the amendment that was passed in the other place, they will undoubtedly do so in the spirit of the Government's spokesman in the other place, who said that, if the amendment is passed, it will not mean uprating of benefits. Their Lordships said that the implication of passing their amendment would be that the nation would expect uprating. The Government spokesman said that uprating was not a consequence of the amendment passed in the other place. If the Government say that they now accept the amendment, they are doing so in the spirit of the contribution made by their spokesman in the other place.

That simply is not good enough. We are not asking for child benefit to be looked at annually and then for nothing to be done; we are asking for it to be looked at and raised in line with inflation. Someone said that that was not enough, and I agree; but at least a modest attempt to tie it to inflation should be beyond controversy.

One of their Lordships said that, if it is right to raise benefit one year, surely it is right the next year. That simple assertion is beyond doubt, unless the Government think that child benefit has up until now been paid at too high a rate. They have not made that assertion, but they are acting as though that is what they believe, which is regrettable.

This is not a matter in which the Government can say, "We are diverting resources to families and children in poverty," if some of the resources that they are diverting are not from the better-off, from people in general or from people without children, but are from children themselves. I have grown weary of asking Ministers to think better of proposals, to think again and to act in line with their oft-repeated assertions, but there is no alternative. In doing so, we should express the fact that people are looking for child benefit to be raised.

I believe that this is a party matter, but it goes beyond parties, because women who support the Conservative party have asked for the protection of child benefit. If the Minister does not listen to us, why on earth does he not listen to them? It would be better for his future fortunes if he were to do so. It is not for me to try to make him popular, but if that were an unwelcome consequence of the Government accepting our amendment, I would swallow it for the benefit of the children concerned.

Dame Elaine Kellett-Bowman (Lancaster): I was delighted when the Lords passed this amendment, and I very much hope that my hon. Friend the Minister will accept it.

If one asks the average person in the street which is the least well-off section of our society, I would bet a pound to a penny that he will say it is the pensioners. However, that has never been so throughout history. Going back to when the question was first asked during Rowntree's study of poverty, it has always been families with children who are the worst off. That has been the case right through since the tax credit Select Committee in the early 1970s to the present day.

My hon. Friend the Minister was right to say that child benefit was not simply designed to alleviate poverty. The fact is that it covers the entire scale of people and preserves a fair balance between couples with children and couples without children. If couples without children are casting an envious eye on this benefit, they should remember that it is our children who will pay their pensions.

I very much hope that the Government will accept the Lords amendment and jolly well put it into practice.

Mr. Donald Anderson (Swansea, East): I anticipate that I shall prefer what came from Kensington to what is likely to come from Chelsea, which is the other part of a bifurcated borough. I suspect that, if the Minister accepts the Lords amendment, he will do so with certain reservations. It is always too easy to take matters into account, but it is more difficult to ensure that there is a commitment to action.

This is a very timely matter. Like the hon. Member for Caernarfon (Mr. Wigley), I have a constituency interest, because on Saturday I received a petition from the West Glamorgan child poverty action group signed by over 5,000 people — mostly mothers — in West Glamorgan expressing their concern about the future of child benefit.

The petition is brief, so I shall read it. It says:

"We the undersigned believe that Child Benefit is crucial to the health and well being of children and a vital lifeline for many mothers. We are concerned that Child Benefit has been cut and that further reviews are threatened in the future. We call on the Government (i) to give a commitment that at a minimum, there will be no further cuts in the value of Child Benefit and (ii) to give priority to raising Child Benefit to a more realistic level."

That petition was signed by over 5,000 people in west Glamorgan. I helped to launch it, and I was very moved by the reception to it, even from one person who was completely disabled and who signed it by putting the pen between the toes of her feet.

The mothers of the child poverty action group have been collecting signatures for the petition in the country over the past months. That shows a commitment, and I should have liked the procedures of the House to allow me to carry the petition over to hand if personally to the Minister. However, I shall have to do so in spirit.

I shall quote to the Minister some of the comments that have been made by mothers who were asked to sign the petition. One said: "Child Benefit is a life-saver for many families."

Another said: "It's the one benefit that you don't have to beg for."

Another said: "It's in my name, I cash it so I control how it's spent."

Another said: "For the sake of everyone's future, the needs of children must come first."

It makes my blood boil to hear some individuals talk of the selective nature of child benefit and the fact that it may go to some who do not need it. Yet those same individuals may accept, without demur, mortgage and other tax relief that go to the fat cats of this world without any proof of need for them.

I recall Barbara Castle introducing this measure and saying—it may be rather sexist to say this now — that it was a measure that moved money from the wallet to the purse. We know that there is an almost universal take-up of child benefit.

The debate is timely for my constituency and its child poverty action group, which has made valiant efforts to collect evidence of public opinion. The debate is timely also in respect of a Budget in which the Chancellor, unusually, will have choice. The right hon. Gentleman will be able to show his priorities, and we shall be able to see

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by the response tonight and by tomorrow's Budget the Government's priorities and whether they take seriously the issue of child poverty — meaning family poverty — in our society.

8.30 pm

Mr. Hind: I welcome the Government's acceptance of this Lords amendment, as I am sure do my hon. Friends. It underpins one important factor — however we look at our system, there should be recognition of the fact that children need to be provided for and suitable allowances made within the tax system. We must not forget—I urge the Opposition to think carefully about this — that tomorrow, if tax relief is given to the better off, the Opposition will criticise the Budget on the basis that tax reductions are given to rich people who do not need them. The Opposition could make the same criticism of the way in which child allowance is structured. The same criticism might be made of allowances to the Duchess of Westminster and of mortgage tax relief.

I do not want to disappoint the hon. Member for Caernarfon (Mr. Wigley), who is not in his place, but it is important to note that a review is in place. In an atmosphere in which taxation is falling, we cannot help but look at the tax breaks paid to the community as a whole. We must have those matters in the forefront of our minds. What are tax breaks? They are allowances given to meet the special needs of particular sections of the community. There will always be children and there will always be a need for allowances or tax breaks for children, but we must have an open mind.

The hon. Member for Halifax (Mrs. Mahon) mentioned targeting, which is important. The hon. Member for Preston (Mrs. Wise) put her finger on it when she described the benefits paid for children on two levels — helping children and helping to alleviate poverty. My right hon. Friend the Secretary of State announced previously that he would not uprate child benefit. We must not lose sight of the fact that it was argued then that for every 10p by which child benefit was increased, those who were receiving income-related benefit would lose 10p while those who were not receiving any kind of income-related benefit would benefit totally from the increase.

Members of Parliament have the good fortune to earn £22,000 a year. I have two children, and I do not think that I need that benefit of £15 a week. I should much prefer to give away my £15 a week to those families who need the benefit. For that reason, targeting is important.

Mrs. Mahon: The answer is in the Minister's hands. He can give more to those who have least without taking it away from those who already get a popular universal benefit.

Mr. Hind: The only way to deal with that problem is to abandon the concept of a universal, across-the-board benefit. We must look at it in terms of the tax credit system, which was considered between 1970 and 1974. Our present system is probably the best of a group of bad systems. In future, as tax rates decrease, we should look at the two levels — meeting the basic needs of children and, as the hon. Member for Halifax said, providing more for those families in poverty.

Efforts have been made — the hon. Member for Halifax criticised me earlier on this point — through family credit, income support and the social fund to balance the needs of families with children who are worse off. I know that we shall not agree on that point. We have disagreed all evening, but we must consider those factors.

The other place has provided an opportunity for those hon. Members who want an uprating in child benefit which is inflation-linked to bring pressure to bear on the Government. From that point of view, I support the Lords amendment. In the long term, we must look carefully at the structure of the whole system and ensure that we get the benefits to those who are most in need.

Mr. John Battle (Leeds, West): Speeches such as the one that we have heard from the hon. Member for Lancashire, West (Mr. Hind) again raise fears about the future of child benefit, and especially its universality. There is a difference of view about whether child benefit should be universal or means-tested.

It has become increasingly known that the Government are conducting a review of child benefit. For all we know, the Government may be considering ways of limiting child benefit to low-income families, by taxing or means-testing it. That would remove universality, which is what the hon. Member for Lancashire, West advocates. The problem is that, in effect, we would return to some form of child tax allowance and be right back to square one. We should know whether that is the Government's long-term objective. The Minister might like to give the answer to the hon. Member for Lancashire, West so that he can be assured of the future direction of child benefit.

Would the Minister care to tell the House the terms of reference of the review? What is its likely timetable? How will any action proposed in the review be introduced in the Budget? I invite the Minister to open up the review and to turn it into a public exercise of real consultation rather than simply an internal examination by the Government behind closed doors of the options, which are then brought late to the House as amendments that we cannot properly discuss in or outside the House.

On 25 January this year, *The Times* reported that a Cabinet rift over the child benefit freeze had arisen between the Minister for Social Security and the Disabled and the Treasury. It has become more apparent during the past few days that rifts are all too familiar and at the centre of Government policy. It may be worth the Minister informing the House whether there is a rift. Can he assure the House that there is not a rift about the future of child benefit? On 12 January, the Minister assured the House that the benefit would be paid

"as a universal benefit, tax-free and to the mother . . . I believe that that obligation was right." — [*Official Report*, 12 January 1988; Vol. 125, c. 208.]

Given the rumours of the behind-the-scenes review, the Minister could take this opportunity to reaffirm his attitude to child benefit. Tomorrow's Budget, which ironically will be delivered within only 24 hours of this debate, could be used to increase child benefit at least in line with prices. As many hon. Members have pointed out, that would be exactly the same way in which tax allowances will be changed. The Government could use the Budget to restore the cut in the real value of child benefit which was imposed in November 1985. They could make good the effective cut which has resulted from the freezing of child benefit from April this year.

The hon. Member for Kensington (Sir B. Rhys Williams) referred to William Pitt, who introduced income

tax to pay for the Napoleonic wars. He was the Prime Minister who said that children should also be taken into account when assessing the ability to pay. He said:

"Let us make relief in cases where there are a number of children as a matter of right and a matter of honour."

I remind the House that that remark was cited by the right hon. Member for Sutton Coldfield (Mr. Fowler), the present Secretary of State for Employment, who was in the Chamber earlier, during a debate on the Bill which introduced child benefit in the 1970s.

Child benefit has emerged as the only means by which the ability to pay families can be recognised. It is therefore similar to tax allowances and should be reviewed, assessed and restored at the same time as they are. I urge the House to support the Opposition amendment and to use tomorrow's Budget debate as a means of beginning to put that amendment into practical effect.

Mr. Scott: As I rise to reply to the debate, I cannot but be aware of the unanimity which has developed across the Floor of the House in the course of the discussions. A Minister should be conscious of the unanimity which has appeared on the Benches behind him, as he comes to respond to the debate.

I should like to make it clear at the outset that the Government will advise the House to accept the Lords amendment, but it will not be any great surprise to the hon. Member for Derby, South (Mrs. Beckett), if I advise the House to reject the amendment that she and her Friends have tabled. I should like to make clear why that advice will be given to the House this evening on each of the two issues.

Perhaps I should start by making it clear why the Government are prepared to accept the Lords amendment. It is particularly important that the House should have no doubt about the effect of the clause. When it was debated in the other place, I suspect that many of those who spoke in favour of it were trying to secure the annual uprating of child benefit, but, during the debate, it was acknowledged that that would not be the effect of the amendment.

In its discussions today, the House has recognised that the amendment does not achieve that end. Indeed, if it did, for reasons that I shall explain later, we would not be able to commend it to the House. The Lords amendment confirms duties laid upon the Secretary of State, which already exist in legislation, although, in practice, the Lords amendment does not go as far as the existing legislation. The relevant current law is the Social Security Act 1986, specifically section 63. That section provides for the annual review and, in certain circumstances, the uprating of various benefits. As the House will know, that section also refers to child benefit.

8.45 pm

Mr. Anderson: If the Minister is saying that the effect of the Lords amendment is to do no more than confirm the duties of the Government, is he accepting the amendment only because it has no meaning in fact and gives total discretion to the Government to accept or, as happened last year to reject, an increase in child benefit?

Mr. Scott: I shall explain why the Government are able to accept the Lords amendment, but prefer the House to reject the Opposition amendment. I should like to set out the argument clearly and sequentially.

Section 63 already requires the Secretary of State to review child benefit in each tax year to determine whether it has retained its value in relation to the general value of prices and goes on to provide for the benefit to be uprated, if the Secretary of State considers it appropriate, having regard to the national economic situation and any other matters which he considers relevant.

The Secretary of State already has a statutory duty to review child benefit annually and, in some circumstances, he is empowered to increase it. The new clause does not add anything of substance to that. It requires the Secretary of State to review the level of child benefit in April of each year, taking account of increases in the retail prices index and other relevant external factors.

Whereas section 63 provides for child benefit to be uprated if the Secretary of State considers it appropriate, the new clause refers just to an annual review. It neither requires nor empowers anything beyond a review, so the duty that it places on the Secretary of State sits squarely within the duties that he already has under the Social Security Act 1986.

In reality, therefore, the Lords amendment is very close indeed to existing law and, for that reason, the Government are prepared to accept that it should remain in the Bill. However, I must make it absolutely clear that we are not prepared to accept the Opposition amendment.

Ms. Marjorie Mowlam (Redcar): Will the Minister confirm that, when the amendment refers to other external factors, he interprets that to mean the national economic situation to which he has just referred? If that is the case, in view of what the Treasury tells us about the present national economic situation, we should be able to look for positive uprating.

Mr. Scott: There are a number of issues which my right hon. Friend the Secretary of State for Social Services could take into account in deciding whether it is appropriate to uprate child benefit in all circumstances. I am sure that that does not come as any surprise to the hon. Lady. Of course, the use to which any resources which may be available in any particular financial year are put will be the responsibility of the collective decision of the Government year by year. I can assure the hon. Member for Leeds, West (Mr. Battle) that the Government are a totally seamless garment. We do not have divisions on such matters.

I am conscious of the strong arguments in favour of child benefit as it exists at present. I must also be conscious of the many disadvantages associated with it, and I wish to say something about each of those points. The hon. Member for Derby, South said that the Government could perfectly well afford to uprate child benefit this year; the resources are available in plenty, so the benefit could be uprated next month. That was the essence of her point.

However, the Opposition amendment proposes not that benefit should be uprated this year, but that there should be an absolute statutory obligation on the Government each and every year in the future, giving that commitment in advance, whatever the prevailing circumstances at the time. I do not believe that it is right to pre-empt the Government's decision on that for all future years, as the amendment would.

The hon. Member for Derby, South mentioned particularly the two aims that have been spelt out about help for families – first, help for families as families and, secondly, help for low-income families. She went on to say that the Government had said that those two aims should

[Mr. Scott]

not be confused, but I do not believe that means that we should necessarily pre-empt for ever the balance between those two sorts of help and that we should not be able to make a yearly judgment about where the balance between those two sorts of help lies.

I listened with particular care to the arguments of my right hon. Friend the Member for Aylesbury (Mr. Raison), but, for that fundamental reason, I am unable to give him the assurance that he sought. The matter must be kept for a year-by-year decision, bearing in mind the resources available and the balance between those two sorts of help.

Mr. Raison: Will my hon. Friend assure me that no decision has been taken that there will not be any further upratings of child benefit? Will he assure me also that the pledge in our election manifesto that child benefit will continue to be paid will not be diluted within this Parliament by any attempt to introduce any kind of means-testing or tax on child benefit?

Mr. Scott: I cannot give that assurance to my right hon. Friend. The future of child benefit will be reviewed each year as annual upratings are considered. On the fundamentals of child benefit, I can go no further than my right hon. Friend did. A benefit of that sort and scale must be under constant review. Certainly we have no present plans to change the status of child benefit. That is as much as I can say to my right hon. Friend at the moment.

The hon. Member for Derby, South made certain assertions based upon the document entitled "Cutting the Lifeline", published by the Labour party, which is full of inaccuracies. She asserted that most couples will lose on earnings of between £60 and £140 a week and that most lone parents in full-time work will lose on earnings between £60 and £100 a week. That is simply not true, and it is not borne out by the fact that—

Mrs. Beckett *rose*

Mr. Scott: I shall not give way; I shall continue my remarks.

The hon. Lady gave certain hypothetical examples. About 200,000 working families with gross earnings below £150 a week will have higher, not lower, disposable incomes after the reforms, and 25,000 lone working parents with gross incomes below £100 a week will also gain. Those are the facts, not the information that is included in the document.

Mrs. Beckett: I suggest that the Minister has a word either with himself or with whomsoever of his hon. Friends gave the parliamentary reply from which the figures were taken.

Mr. Scott: It is important that we look carefully at what people's cash position will be after the reforms. I do not know from which answer or from which debate the hon. Lady plucked her question. Having checked, I can say that her figures are totally inaccurate and do not reflect the real position that will exist after the reforms come in.

Mr. Robin Cook (Livingston): The hon. Gentleman is raising a serious point. If the figures that were given in the answer are inaccurate, I hope that he will correct the record. The figures were given in an answer to the hon. Member for Kensington (Sir B. Rhys Williams). They provide a fairly full tabulation of the effect upon families of four and single parents with two children, on the assumption that they are paying average rent. The figures show absolutely precisely that any family of four on an income of between £60 and £140 will lose, and the worst hit family will be a family of four on £80 a week. They will be £12 a week worse off. Those were the hon. Gentleman's own figures.

Mr. Scott: The families we are talking about would be paying rent in any case. The question that was asked by my hon. Friend the Member for Kensington (Sir B. Rhys Williams) made certain assumptions about the situations of those families paying average rent and rates. That is not the situation that exists in the real world, nor will it be.

The Labour party goes on to state that the assumptions included in my hon. Friend's question reflect the real world. They do not. They are hypothetical questions. The answers were clearly given. Half the families we are talking about would not pay rent in any case. Their situation is not reflected in the question. *[Interruption.]* Perhaps, when the debate on the Opposition Front Bench is completed, I shall ask Opposition Members to look at the questions in *Hansard*. They examine the differing situations of a range of people on income support after April and the real rather than the hypothetical situations that were outlined.

Without being tendentious, I mention to the hon. Lady, who quoted so freely from "Family Fortunes", that the methods used in the study are subject to substantial reservations on behalf of the Central Statistical Office. Far from falling by 11 per cent. in real terms, as the study suggested, the real incomes of lone parents rose on average by at least 10 to 12 per cent. Similar reservations must be and have been expressed by the Central Statistical Office about the falls of real incomes of two-parent families. I commend to the hon. Lady a careful study rather than simply reading out what is in "Family Fortunes".

Mr. Frank Field: Before the hon. Gentleman leaves the rejection of the report that my hon. Friend quoted, will he confirm that the body that published it accepts that, given the information that the Government have now given, it changes the position for single-parent families, but that for other families the information holds? It carried out the analysis on published data. It was only when the Government came up with other data that the calculations changed. That might be a case for the Government publishing more information. Is it not a bit much for the Government to reprimand my hon. Friend about the use of the retail prices index, when the Government made such a mess that all state and public pensions have had to be changed?

Mr. Scott: The hon. Gentleman's remark does not bear much attention. We have severe doubts about the data and methodology that were used in coming to the conclusions in "Family Fortunes". There is a discussion between the Central Statistical Office, my Department and the organisation that produced it. No doubt, at the end of the day, there will be an agreed outcome. In the meantime, I urge caution on anyone who simply picks up "Family Fortunes" and quotes too easily from the findings that were produced.

The hon. Member for Halifax (Mrs. Mahon) and other hon. Members spoke as though we were talking about the position of children in the poorest families and that child benefit is of particular help and importance to them. I thought that we had cleared that matter away on previous occasions when we discussed it. Those in greatest need

—those receiving income-related benefits—get nothing from any increase in child benefit. It benefits only those who are above that level. Again, it is easy to be misled by the points that were made by those such as the hon. Member for Halifax. People who receive income-related benefits would simply see their incomes fall pound for pound were child benefit to be increased.

Mrs. Mahon: Many of the poorest families are low-paid. Many low-paid people live in poverty. Child benefit is absolutely vital to such households. If the Minister read the poverty reports, he would know what I am talking about.

Mr. Scott: That is why, in the reformed structure of income-related benefit, we have emphasised family credit. We have put substantial extra resources into family credit. Once again, child benefit would be offset against family credit, in the same way as any income-related benefit are offset.

I realise that, in a sense, I am repeating arguments that I have put to the House on previous occasions, but we need a balanced decision out of all of this. We need to achieve a balance and to recognise the advantages and disadvantages of child benefit. Of course I recognise that it provides help to all families with children. I am well aware of the genesis of the benefit. It is simple to claim and straightforward to administer. It is stigma-free—that phrase has been used more than once today—to those who receive it.

But it is also an expensive benefit. It costs £4·6 billion a year. We must admit that much of that is paid to families, although they no doubt welcome it, in which it cannot be said to be needed. If we were to accept the Opposition amendment, resources would then be tied up, rather than being available to help others—many in the most needy families—as we decide what the priorities are year by year.

This year we are seeking to focus additional help on the neediest families with children. I do not believe that many people would quarrel with that judgment. As my hon. Friend the Member for Lancaster (Dame E. Kellett-Bowman) said, that is where a great deal of poverty exists in our society today, and perhaps it has for a long time. However, we are now able to recognise that in our reformed structure of benefits. Uprating child benefit by 30p a week would have cost about £120 million net in a full year. We are putting more than that into extra benefit for low-income families through income support, if they are out of work, and family credit, if they are in work.

I believe that that is the right balance for us to strike this year and that that judgment should be made on its merits year by year. Therefore, I cannot commend the Opposition amendment to the House.

Question put, That the amendment to the Lords amendment be made:—

The House divided: Ayes 196, Noes 280.

Division No. 213] **[8.59 pm**

AYES

Abbott, Ms Diane
Adams, Allen *(Paisley N)*
Allen, Graham
Anderson, Donald
Archer, Rt Hon Peter
Armstrong, Hilary
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Boateng, Paul
Boyes, Roland
Bradley, Keith
Braine, Rt Hon Sir Bernard
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Brown, Ron *(Edinburgh Leith)*
Buchan, Norman
Buckley, George J.
Caborn, Richard
Campbell, Menzies *(Fife NE)*
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N.
Canavan, Dennis
Carlile, Alex *(Mont'g)*
Clark, Dr David *(S Shields)*
Clay, Bob
Clwyd, Mrs Ann
Cohen, Harry
Cook, Robin *(Livingston)*
Corbett, Robin
Cousins, Jim
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Darling, Alistair
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Doran, Frank
Duffy, A. E. P.
Dunnachie, Jimmy
Eadie, Alexander
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Mrs Margaret *(Moray)*
Fatchett, Derek
Faulds, Andrew
Fearn, Ronald
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foulkes, George
Fraser, John
Fyfe, Maria
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Godman, Dr Norman A.
Golding, Mrs Llin
Gordon, Mildred
Gould, Bryan
Graham, Thomas
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Heffer, Eric S.
Henderson, Doug
Hicks, Robert *(Cornwall SE)*
Hinchliffe, David
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Howells, Geraint
Hoyle, Doug
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*
Illsley, Eric
Ingram, Adam
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lamond, James
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
Macdonald, Calum A.
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
McTaggart, Bob
Madden, Max
Mahon, Mrs Alice
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Primarolo, Dawn
Radice, Giles
Randall, Stuart
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Joan
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive

Steinberg, Gerry
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Turner, Dennis
Wall, Pat
Wallace, James
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Winnick, David
Wise, Mrs Audrey
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Frank Haynes and
Mr. Frank Cook.

NOES

Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Atkinson, David
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Biggs-Davison, Sir John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Cash, William
Chapman, Sydney
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Colvin, Michael
Coombs, Anthony *(Wyre Forest)*
Coombs, Simon *(Swindon)*
Cormack, Patrick
Couchman, James
Cran, James
Critchley, Julian
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Dykes, Hugh
Eggar, Tim
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Tony
Field, Barry *(Isle of Wight)*
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gardiner, George
Gill, Christopher
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Greenway, Harry *(Ealing N)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Hawkins, Christopher
Hayes, Jerry
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Jack, Michael
Jackson, Robert
Janman, Tim
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Key, Robert
King, Roger *(B'ham N'thfield)*
Knapman, Roger
Knight, Greg *(Derby North)*
Knowles, Michael
Knox, David
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim *(Broxtowe)*
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
Macfarlane, Sir Neil
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Martin, David *(Portsmouth S)*
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, Rt Hon John
Morrison, Hon Sir Charles
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Irvine
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Redwood, John
Renton, Tim
Riddick, Graham
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Rossi, Sir Hugh
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Allan *(Eastwood)*
Stewart, Andy *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stokes, John
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Taylor, Ian *(Esher)*
Taylor, John M. *(Solihull)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Thatcher, Rt Hon Margaret
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Tredinnick, David
Trippier, David
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side North)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, Charles *(Bexhill)*
Watts, John
Wells, Bowen
Whitney, Ray
Widdecombe, Ann
Wilshire, David
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes:
Mr. Robert Boscawen and
Mr. Tristan Garel-Jones.

Question accordingly negatived.
Lords amendment agreed to.

Clause 13

REMISSION OF HEALTH SERVICE CHARGES AND PAYMENT OF TRAVELLING EXPENSES

Lords amendment: No. 5, in page 11, line 1, leave out from "method" to "or" in line 2 and insert

"described by reference to a method of calculating or estimating income or capital specified in an enactment other than this section"

Mr. Portillo: I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker (Sir Paul Dean): With this it will be convenient to discuss Lords amendments Nos. 6, 7, 11, 12 and 13.

Mr. Portillo: These are technical amendments intended to make it clear beyond doubt that regulations can set out the test of low income to be used when people apply for help with National Health Service charges by reference to the calculations relating to income support or housing benefit. This ties the regulations to be made under the new section introduced by clause 13, which will include a means test which will partly cross-refer to calculations made for the purpose of income support and of housing benefit, to the applicable amounts for those purposes. The resources rule for income will refer to the calculations under the regulations for the purposes of income support, but they will specify different figures in some cases. On the requirement side, the income support applicable amounts will be taken. An amount will be added on for net housing costs and then a deduction made in respect of housing benefit actually received.

Question put and agreed to.

Subsequent Lords amendments agreed to.

Lords amendment: No. 8, in page 11, line 25, leave out "and".

Mr. Portillo: I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker: With this, it will be convenient to take Lords amendments Nos. 9, 10 and 33. This amendment involves privilege.

Mr. Portillo: A new paragraph (c) has been added to subsection (1) of the new section 75A of the National Health Service (Scotland) Act, inserted by clause 13(2). This will enable existing arrangements for the payment of overnight expenses to continue. Those arrangements are needed because of the long journeys which people in some parts of Scotland have to undertake to get treatment.

Question put and agreed to. [Special Entry.]

Subsequent Lords amendments agreed to. [Some with Special Entry.]

Clause 14

FINANCIAL PROVISION

Lords amendment: No. 14, in page 12, line 40, leave out "7, 9 and 13" and insert "8 and 9"

Mr. Portillo: I beg to move, That this House doth agree with the Lords in the said amendment.

The amendment was introduced in the House of Lords to correct three technical errors in clause 15 (2). As it stood, clause 15 (2) provided power for money to be paid from the national insurance fund to the Consolidated Fund to pay for expenses incurred in the administration of clauses 2, 6, 7, 8, 10, and 14. Checking revealed that the clause was defective, as it included two clauses that should have been omitted and excluded one clause that should have been included.

Question put and agreed to. [Special Entry.]

Clause 17

COMMENCEMENT

Lords amendment: No. 15, in page 13, line 27, after "sections" insert "17,"

Mr. Portillo: I beg to move, That this House doth agree with the Lords in the said amendment.

Mr. Deputy Speaker: With this it will be convenient to discuss Lords amendment No. 16.

Mr. Portillo: These are technical amendments. The effect of amendment No. 16 is to bring the provision of paragraph 23 of schedule 4 to the Bill into force on Royal Assent.

Question put and agreed to.

Lords Amendment No. 16 agreed to.

Clause 19

CITATION

Lords amendment: No. 17 in page 14, line 41, after "1986" insert

"and the Social Fund (Maternity and Funeral Expenses) Act 1987"

Mr. Scott: I beg to move, That this House doth agree with the Lords in the said amendment.

The amendment corrects an error in the citation of the Social Security Act 1975 to 1988 and brings the Social Fund (Maternity and Funeral Expenses) Act 1987 within the collective citation of those acts.

Question put and agreed to.

Schedule 2

EARNINGS FACTORS AND TRANSFER VALUES

Lords amendment: No. 18, in page 16, line 32, before "in" insert "of sub-paragraph (2),"

9.15 pm

Mr. Scott: I beg to move, That this House doth agree with the Lords in the said amendment.

This is a purely technical amendment to make it clear that the new words inserted by paragraph 3(a) of schedule 2 are to be inserted into subparagraph (2) of paragraph 12 of schedule 1A to the Social Security Pensions Act 1975.

Question put and agreed to.

Schedule 3

THE SOCIAL FUND

Lords amendment: No. 19, in page 17, line 18, at end insert—

"3A. The following subsections shall be inserted after subsection (7)—

"(7A) The Secretary of State shall prepare an annual report on the social fund.

(7B) A copy of every report prepared under subsection (7A) above shall be laid before each House of Parliament.""

Mr. Portillo: I beg to move, That this House doth agree with the Lords in the said amendment.

The amendment was introduced to provide that Parliament should receive an annual report on the operation of the social fund.

I envisage that the report will include details of the types of applicants who received or were refused social fund grants and loans, as well as the numbers of payments and refusals and the purposes for which payments were or were not made. There will be information on the operation of the review process: numbers of applications, numbers of successful local office reviews, numbers of reviews referred to social fund inspectors, and so on; bearing in mind, of course, that the social fund commissioner will be preparing her own report and that we should aim to avoid duplication. The report will certainly include financial information and it is clearly necessary to have information provided on a regional basis rather than on a purely national basis. Finally, I would expect to see some general commentary on the operation of the scheme.

I trust that the House will accept what I have said in earnest, and will look forward to as much, and more, information on the actual operation of the social fund as we have endeavoured to provide in advance.

When the amendment was introduced in another place, it was greeted by Lord Ennals who said:

"My Lords, from these Benches I warmly thank the Minister for this amendment. It is good that he has made a commitment, and it is good that he has stood by that commitment. From our side we warmly welcome this." —[*Official Report, House of Lords*, 10 March 1988; Vol. 494, c. 862.]

I hope that it will be equally warmly welcomed here.

Mr. Robin Cook: It is hardly surprising that the noble Lord welcomed the introduction of the amendment, since it was in fulfilment of a commitment given in Committee in response to Opposition amendments. We welcome the fact that we shall now have an annual report on the social fund and I am absolutely confident that the first annual report will make a compelling case for abolishing the social fund reverting to the previous system.

We wish to make several general points on the social fund; in view of the time available as a result of the guillotine motion, I shall perhaps contain those remarks until our amendment to Lords amendment No. 21, when we may have a fuller debate for the remaining 15 minutes.

Mr. Fearn: Amendment No. 19 evolved from an amendment that I tried to table in Committee to schedule 3, and I am delighted that my noble Friend Lord Banks took up the cause of that amendment with more success in another place. He agreed to withdraw that amendment after the Government conceded the need for an extensive study of the operation of the social fund and for the information to be provided in an annual report laid before each House of Parliament.

The amendment tabled by Lord Banks asked the Government to provide detailed information about the number of applications — that is the number of applications for loans and grants accepted and refused — together with a summary of the reasons for the decisions. It is important that the fund, which is a new and in my view extremely unwelcome departure from the normal social security system, is carefully monitored and that the results of the assessment are placed before Parliament for careful consideration.

The amendment does not specifically undertake to do that, but in another place the Government gave an assurance that the report would include detailed information about acceptances and refusals on a regional basis, and information about the reasons for the decisions together with other extensive information. I hope that the Secretary of State can confirm that that is so, especially the regional part.

Mr. Bill Michie (Sheffield, Heeley): Will hon. Members be able to get the information and the details from their constituency offices and not have to wait for a long report on a regional basis, if they request that information?

Mr. Bob Cryer (Bradford, South): I realise that the Department does not control the business of the House, but can the Minister assure the House that it will press for maximum time to debate the annual report?

Mr. Portillo: On the last point, I am sure that that will be a matter for the usual channels at the appropriate time. We are talking about an event which is still some time hence. Obviously, the first annual report will be prepared when the first year is completed.

In response to the hon. Member for Sheffield, Heeley (Mr. Michie), I am sure that local office managers will be as co-operative as they can be with hon. Members. Obviously, we shall also provide whatever information we can through parliamentary answers, which do not put taxpayers to disproportionate costs. The information will be collated finally in the annual report that can be debated by the House.

In response to the hon. Member for Southport (Mr. Fearn), if he reads my opening remarks carefully, which I admit I rather hurried, he will see that I mentioned that the figures would be available on a regional basis.

Question put and agreed to.

Lords amendment: No. 20, in page 17, line 39, at end insert—

"5A. The following subsections shall be inserted after subsection (9)—

"(10) The Secretary of State may nominate for an area a social fund officer to issue general guidance to the other social fund officers in the area about such matters relating to the social fund as the Secretary of State may specify.

(11) In determining a question under section 33 below or reviewing a question under section 34 below a social fund officer shall take account (subject to any directions or guidance issued by the Secretary of State under either of those sections) of any guidance issued by the social fund officer nominated for his area under section (10) above.

(12) A social fund inspector reviewing a determination shall be under the same duties in relation to such guidance as the social fund officer or inspector who made the determination.""

Mr. Portillo: I beg to move, That this House doth agree with the Lords in the said amendment.

This is an amendment identified in the process of consultation with independent counsel which gave rise to the other amendments brought forward by the Government in the Lords. I should like to take a little time to explain the reasoning behind this amendment.

Hon. Members who have followed the discussion of the Bill will remember that in Committee there was much discussion of the priority likely to be attached to different applications for payments from the social fund. Establishing the relative priority of applications is important, to ensure that the funds available to social fund

officers at a given local office are used to best effect, so that, as far as is possible, in that office eligible applications of similar priority are treated similarly over the course of the year.

As part of this process, we were advised that it would be helpful for social fund officers to have guidance to which they could turn, and which made specific reference to the conditions and circumstances prevailing in their local office. Obviously, this is best done by a senior official working in that local office. We shall therefore be requiring local office managers to draw up guidance on the different priorities of various types of applications to their local office. This will help them to manage their budget over the course of the year and to ensure that similar applications are treated similarly.

For the sake of consistency, social fund inspectors clearly also need to take account of such local priorities. It is worth reiterating that nothing that we are proposing here will limit the discretion of a social fund officer. The amendment is aimed at being helpful to social fund officers in their determination of applications and at supporting them in the exercise of their discretion.

Mr. Robin Cook: In view of the new doctrine that surfaced earlier in our debate — that when the Opposition say nothing, they have entered into a binding agreement — I must say that we are not persuaded by the case for the amendment.

It is instructive to notice how difficult the Government are finding it to make the social fund proposal a practical proposition. At this late stage, with an amendment tabled only last Thursday, they are obliged to produce a whole new stream of guidance for the people who will try to turn into reality the Government's legislation. For several months, comments have been offered on the draft manual of guidance for the social fund. It is extraordinary that quite different guidance should now be proposed. However, there is no time adequately to press Ministers on the measure, which goes to prove the point that I made this afternoon — that the guillotine motion does not provide the House with an adequate opportunity to scrutinise the legislation, and I regret that we cannot go into the matter more deeply.

Mr. Portillo: There is nothing new about the guidance. The question is whether the Bill in draft provided adequately for such guidance. The intention that there should be guidance to local office managers to set priorities was always made explicit, and was referred to a number of times in Standing Committee. The hon. Member for Redcar (Ms. Mowlam) referred to the need for managers to be

"alert to take action to ensure that the highest priority cases were met throughout the year."—[*Official Report, Standing Committee E*, 15 December 1987; c. 577.]

Clearly the hon. Lady was under no misapprehension about the Government's intentions, but when the Bill was examined by counsel it did not adequately meet the policies so clearly set out in Standing Committee.

Question put and agreed to.

Lords amendment: No. 21, in page 18, line 2, at end insert—

"6A. At the end of subsection (1) there shall be added the words "in such form and manner as may be prescribed"."

Read a Second time.

Mr. Robin Cook: I beg to move amendment *(a)* to the Lords amendment, in line 3, at end insert

'or accepted by a social fund officer'

The Opposition retain their strong objections to the social fund on the ground of principle. Those objections have been well established in previous debates, but the fact that, at this late stage, less than a full month before the social fund becomes operational, we are debating another five amendments to the primary legislation setting it up, demonstrates more vividly than anything we could say how shaky and imperfect the structure of the social fund is.

Our objections fall into two categories. I shall briefly rehearse them, but I shall not detain the House for long, because some of my hon. Friends may wish to speak. It is entirely wrong that help for the poorest in society should now come by way of loans rather than grants. If the Government accept that claimants from the social fund need help, they should not oblige them to pay for the help out of their own budgets.

Secondly, it is wholly illogical that such a fund should be cash-limited. If the Government accept — it appears to be the basis of the social fund — that it is there to meet need, and it is clear from the draft manual of guidance that it must be real and desperate need, claimants should not be put in the intolerable position of being told, as some of them may well be, that they qualify and meet all the criteria, but the money available in a particular office that month does not allow them to be included in the priority categories that will receive grant. Payment should be based on whether a claimant qualifies under the criteria, not on whether an office has a sufficient store of money left for the rest of the month.

These objections remain fundamental. The social fund is objectionable and when it is implemented in a month's time it will readily produce a stream of horror stories that will make many Conservative Members who voted for it start running for cover when confronted by constituents who have been affected by being refused loans from the social fund.

I refer to three new pieces of evidence that confirm our objections and show how solidly based were the arguments that we advanced on the two previous occasions since the turn of the year when we debated the matter.

First, we had a parliamentary answer, provided, I think, by the Under-Secretary of State to my hon. Friend the Member for Leyton (Mr. Cohen), about the reduction in single payments. The Under-Secretary has repeatedly defended the cash limit on the social fund as preserving the current level of expenditure on single payments. That answer to my hon. Friend dramatically demonstrates the extent to which the expenditure on single payments has decreased over the past year.

9.30 pm

My hon. Friend asked the Minister to give the expenditure for the six months to October 1986 and for the six months to October 1987. The figures show that expenditure fell from £29 million in the six months to October 1986 to £15 million in the six months to October 1987. That was within my hon. Friend's region. That clearly demonstrates a very rapid reduction of about 50 per cent. It reflects the extent to which, under the Government, and as a result of the new criteria introduced in the summer of 1986, it is very much more difficult to obtain a single payment.

Secondly, the evidence of what that means in human terms is spelt out in the report published by the Child Poverty Action Group entitled

[Mr. Robin Cook]

"Single payments: the disappearing safety net."

I have time to read only one paragraph, but it is one worth sharing with the House because it demonstrates the desperation of people who are now being turned away. It says:

"Parents are taking children with splinters in their feet to advice agencies only to be told that floor coverings are no longer necessary household items. Families with young children are told that a cooker is unnecessary and they can live on Cuppa soup, sandwiches or fish and chips or that three pairs of socks are an adequate substitute for a pair of shoes. Claimants are supposed to make do with dangerous second-hand cookers. They are the kind of situations that are becoming increasingly commonplace and which we are willing to countenance in the midst of an affluent society."

That was written on the basis of information provided by people all over the country to citizens rights offices and citizens advice bureaux – the people who are currently being refused single payments.

When the Government tell us that the cash limit on the social fund preserves the current expenditure on single payments, they are saying that they have reduced single payments to a floor. Now, with the social fund, they will turn that floor into a ceiling of maximum expenditure. Over the past two years, there has been a major reduction in the amount of help available to families receiving single payments which the social fund will now institutionalise as a cash limit.

The third and last piece of new information to which I shall refer and which confirms our criticism of that cash limit was provided by the Under-Secretary of State in the debate on Thursday instigated by my hon. Friend the Member for Leeds, West (Mr. Battle). It was a debate on poverty and low pay and it took place during the proceedings on the Consolidated Fund (No. 3) Bill. I noticed that in his reply the Under-Secretary of State for Health and Social Security gave as one of the reasons for ending single payments and introducing the social fund the fact that in 1984, which I presume was the last year for which he had figures, only one in five claimants who might have qualified obtained a single payment.

I fully agree with the Under-Secretary that the present take-up rate is extremely uneven. We can see that demonstrated every time a local authority starts a take-up campaign, because there is a large increase in the number of single payments. It is precisely because the take-up rate is so uneven and so much below 100 per cent. probably it does not even approximate 20 per cent. that it is entirely wrong to take the present level of expenditure and then turn it into a cash limit ceiling.

I have strong feelings about this matter, as well I might, because my constituency faces the largest cut. The Bathgate local office, which meets the needs of my constituents, has a different experience from that described by the hon. Member for Wokingham (Mr. Redwood) as the experience of his DHSS office. We had a budget of £2·25 million for expenditure on single payments in 1986-87. Next year we will have a cash limit on our social fund of £750,000 – one third the level of expenditure of only two years ago. When we compare that with the amount available by way of grants rather than loans, we see that we have only £250,000 compared with expenditure of £2·25 million in grants two years ago. Collectively, that represents a cut in the benefits available to claimants in my constituency of £2 per head per week. That is a real cut in their standard of living.

For all those reasons, we wish to reiterate our strong-rooted objections to the social fund. However, we are happy to try to make the amendments presented to us as unobjectionable as humanly possible. That is why we have tabled our amendment to the Lords amendment. The Lords amendment provides, for the first time, that applicants may be required to submit their claim in a prescribed form. Until now, nobody has thought it necessary that there should be a prescribed form in order to submit a claim. I am bound to say that it is difficult to see why it should now be thought that we require a prescribed form.

I referred earlier to the suggestion by Ministers that it was a banking facility. The truth is that DHSS offices know more about their claimants than any bank manager. They know about a claimant's income in exhaustive detail. They retain the right, which no bank manager does, to send someone round to check up in the middle of the night if they feel like it. How much more do they need to know by way of a prescribed form?

Of course it is entirely proper and reasonable that the social fund officer should have the right to refuse an application that he does not think is in acceptable form. However, it is entirely wrong to oblige him to refuse it because it is not in the prescribed form. Therefore, we have tabled what I regard as an extremely modest amendment. It would enable the social fund officer to accept an application if it is in a form acceptable to him.

As I have said, it is a modest amendment, and I hope that the Minister will recognise its modesty by giving it a fair hearing and a fair wind. Today's debate began with stress being placed on what an awkward bunch the Opposition are, how they cannot agree and, if they do, how they cannot keep an agreement. Let us test the Minister's spirit of compromise and invite him to end the proceedings on a note of agreement by accepting our amendment.

Mr. Portillo: We are asking that applications for social fund loans or grants be made on a form. I reassure the hon. Member for Livingston (Mr. Cook) that there is no intention that that should in any way stand as a barrier to applications being made. Of course applicants are able to seek the advice of the social fund officer, who can help to fill out the form, or of third party advice agencies.

It is desirable that we should have the form because, as the hon. Member for Livingston knows, we are moving away from a regulated system. Under a regulated system, if a piece of paper arrives, whether it be a letter or whatever, the adjudication officer may, in some instances, be able to judge that there is sufficient information on that piece of paper for him to know that it meets the regulation.

It is rather different when we are dealing with priorities and discretion. In that case, there is a whole range of information that the social fund officer will wish to have to ensure that he knows all there is to know about the application in order to have a full appreciation of what its priority should be. After all, the application form is then used as the basis for reviews. The applicant can have an interview with the social fund officer, and the form may be passed eventually to a social fund inspector for review. Therefore, it is appropriate that all the information should be in a form to ensure that the applicant has provided everything that could be relevant.

Mr. Max Madden (Bradford, West): Can the Minister say in what foreign languages the form will be provided?

Mr. Portillo: The form is written in exceedingly plain English. It has benefited from the advice of consultants. It is part of the Department's general move towards the use of plain English. When the hon. Gentleman sees the form, I do not think that he will have any complaint about it on those grounds. Of course, for some applicants it is always difficult to fill out a form. That is why I stressed that they can go to the social fund officer for help or they may go to third party agencies.

Mrs. Beckett: Will the Under-Secretary of State help clarify something for me? The argument that he has just put about the desirability of having a form because of the detailed questions, is precisely the argument used by his hon. Friend the Minister in advocating to the House the abolition of weekly additions. He said that it was a good idea to get rid of them because of all the intrusive questions that people would have to be asked. The Under-Secretary is now praying that in aid.

Mr. Portillo: Whether it is an application for single payments or a social fund application, some of the questioning is bound to be intrusive, because it will be about means and resources. However, a letter applying for a single payment—which was a regulated system—might contain sufficient information for it to be decided whether the regulation was satisfied. In the case of a social fund application, it is obviously desirable that there should be a range of information so that the priority of the application can be judged.

With her great practical experience, the hon. Member for Derby, South (Mrs. Beckett) will know that, generally speaking, even single payment applications resulted in the adjudication officer sending forms out to the claimant to obtain the information required to determine the claims.

Mr. Bill Michie: The Minister has said that, if any applicant is in distress, he can see the social fund officer, which basically means that he did not need the form in the first place. We should have more social fund officers, so that people do not go through that hoop. Is it the Government's intention that many applicants will give up before they become too distressed?

Mr. Portillo: Of course that is not our intention. That is why I stressed to the hon. Member for Livingston that the form had been written in plain English. I do not think that Opposition Members will have any complaint about it.

In sticking to the Lords amendment, I think that we are doing the best possible deal by the claimant. The Opposition amendment, quite unintentionally, might lead to confusion in the operation of the scheme. The ground for confusion would be uncertainty about the form and manner of applications. Moreover, the word "accept" is open to a number of possible interpretations. It could mean "receive", "take delivery of" or "find satisfactory". For all those reasons, "accept" is not a good word.

I hope that the hon. Member for Livingston will take it from me that we intend the prescribed manner to make it easy for applicants to make an application to the social fund. However, I welcome his realisation that the money going into single payments this year is broadly equivalent to the amount to be put into the social fund next year, it has taken him a long time to arrive at that realisation.

The hon. Gentleman repeated the theme that there had been some unfairness in the distribution between offices. The figure for the allocation of social fund money per head of supplementary benefit case loads is £51 in Bathgate. In Bristol, South it is £36; in Halifax, £39; in Preston, £29; and in Glasgow, Provan, £106. If there is any unfairness, surely it is that Scottish cities are receiving more money than other parts of the country. The reason is that there has been a history of large take-up of single payments in those cities. In moving away from that history towards the underlying need of the population, we have taken only a small step in this first instance. That is why the Scottish cities are still benefiting to a large extent from the allocation made from the social fund in the first year.

The hon. Member for Livingston wishes only to quote what has happened to single payment expenditure in the past few years. He will know, however, that the amount of single payments rose from £60 million in 1980 to £350 million the year before last. Those figures are expressed in the same terms—as a real-increase.

It being six hours after the commencement of proceedings on the motion relating to Social Security Bill (Allocation of Time), MR. SPEAKER *proceeded, pursuant to order this day, to put the Question already proposed from the Chair.*

The House divided: Ayes 199, Noes 294

Division No. 214] **[9.43 pm**

AYES

Abbott, Ms Diane
Adams, Allen *(Paisley N)*
Allen, Graham
Anderson, Donald
Archer, Rt Hon Peter
Armstrong, Hilary
Ashton, Joe
Banks, Tony *(Newham NW)*
Barnes, Harry *(Derbyshire NE)*
Barron, Kevin
Battle, John
Beckett, Margaret
Bell, Stuart
Benn, Rt Hon Tony
Bennett, A. F. *(D'nt'n & R'dish)*
Bermingham, Gerald
Bidwell, Sydney
Blair, Tony
Boateng, Paul
Boyes, Roland
Bradley, Keith
Bray, Dr Jeremy
Brown, Gordon *(D'mline E)*
Brown, Nicholas *(Newcastle E)*
Brown, Ron *(Edinburgh Leith)*
Buckley, George J
Caborn, Richard
Campbell, Menzies *(Fife NE)*
Campbell, Ron *(Blyth Valley)*
Campbell-Savours, D. N
Canavan, Dennis
Carlile, Alex *(Mont'g)*
Clark, Dr David *(S Shields)*
Clay, Bob
Clwyd, Mrs Ann
Cohen, Harry
Cook, Robin *(Livingston)*
Corbett, Robin
Cousins, Jim
Cryer, Bob
Cummings, John
Cunliffe, Lawrence
Cunningham, Dr John
Dalyell, Tam
Darling, Alistair
Davies, Ron *(Caerphilly)*
Davis, Terry *(B'ham Hodge H'l)*
Dewar, Donald
Dixon, Don
Dobson, Frank
Doran, Frank
Duffy, A. E. P.
Dunnachie, Jimmy
Eadie, Alexander
Eastham, Ken
Evans, John *(St Helens N)*
Ewing, Mrs Margaret *(Moray)*
Fatchett, Derek
Faulds, Andrew
Fearn, Ronald
Field, Frank *(Birkenhead)*
Fields, Terry *(L'pool B G'n)*
Fisher, Mark
Flannery, Martin
Flynn, Paul
Foot, Rt Hon Michael
Foulkes, George
Fraser, John
Fyfe, Maria
Galbraith, Sam
Galloway, George
Garrett, John *(Norwich South)*
Garrett, Ted *(Wallsend)*
George, Bruce
Godman, Dr Norman A.
Golding, Mrs Llin
Gordon, Mildred
Gould, Bryan
Graham, Thomas
Griffiths, Nigel *(Edinburgh S)*
Griffiths, Win *(Bridgend)*
Grocott, Bruce
Hardy, Peter
Harman, Ms Harriet
Hattersley, Rt Hon Roy
Heffer, Eric S.
Henderson, Doug
Hinchliffe, David
Hogg, N. *(C'nauld & Kilsyth)*
Holland, Stuart
Home Robertson, John
Hood, Jimmy
Howarth, George *(Knowsley N)*
Howells, Geraint
Hoyle, Doug
Hughes, Robert *(Aberdeen N)*
Hughes, Roy *(Newport E)*
Hughes, Sean *(Knowsley S)*

Hughes, Simon *(Southwark)*
Illsley, Eric
Ingram, Adam
John, Brynmor
Johnston, Sir Russell
Jones, Barry *(Alyn & Deeside)*
Jones, Ieuan *(Ynys Môn)*
Kaufman, Rt Hon Gerald
Kennedy, Charles
Kinnock, Rt Hon Neil
Kirkwood, Archy
Lamond, James
Leighton, Ron
Lestor, Joan *(Eccles)*
Lewis, Terry
Litherland, Robert
Livingstone, Ken
Lloyd, Tony *(Stretford)*
Loyden, Eddie
McAllion, John
McAvoy, Thomas
McCartney, Ian
Macdonald, Calum A.
McFall, John
McKay, Allen *(Barnsley West)*
McKelvey, William
McLeish, Henry
McNamara, Kevin
McTaggart, Bob
Madden, Max
Mahon, Mrs Alice
Maxton, John
Meacher, Michael
Meale, Alan
Michael, Alun
Michie, Bill *(Sheffield Heeley)*
Michie, Mrs Ray *(Arg'l & Bute)*
Millan, Rt Hon Bruce
Mitchell, Austin *(G't Grimsby)*
Moonie, Dr Lewis
Morgan, Rhodri
Morris, Rt Hon J. *(Aberavon)*
Mowlam, Marjorie
Mullin, Chris
Murphy, Paul
Nellist, Dave
Oakes, Rt Hon Gordon
O'Brien, William
O'Neill, Martin
Orme, Rt Hon Stanley
Parry, Robert
Patchett, Terry
Pendry, Tom
Pike, Peter L.
Powell, Ray *(Ogmore)*
Primarolo, Dawn
Radice, Giles
Randall, Stuart
Rees, Rt Hon Merlyn
Reid, Dr John
Richardson, Jo
Roberts, Allan *(Bootle)*
Robertson, George
Robinson, Geoffrey
Rogers, Allan
Rooker, Jeff
Ross, Ernie *(Dundee W)*
Rowlands, Ted
Ruddock, Joan
Sedgemore, Brian
Sheerman, Barry
Sheldon, Rt Hon Robert
Shore, Rt Hon Peter
Short, Clare
Skinner, Dennis
Smith, Andrew *(Oxford E)*
Smith, C. *(Isl'ton & F'bury)*
Smith, Rt Hon J. *(Monk'ds E)*
Snape, Peter
Soley, Clive
Steinberg, Gerry
Stott, Roger
Strang, Gavin
Straw, Jack
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Matthew *(Truro)*
Turner, Dennis
Wall, Pat
Wallace, James
Walley, Joan
Wardell, Gareth *(Gower)*
Wareing, Robert N.
Welsh, Andrew *(Angus E)*
Welsh, Michael *(Doncaster N)*
Wigley, Dafydd
Williams, Rt Hon Alan
Williams, Alan W. *(Carm'then)*
Wilson, Brian
Winnick, David
Wise, Mrs Audrey
Young, David *(Bolton SE)*

Tellers for the Ayes:
Mr. Frank Cook and
Mr. Frank Haynes.

NOES

Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Atkinson, David
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Benyon, W.
Biggs-Davison, Sir John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Bonsor, Sir Nicholas
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyson, Rt Hon Dr Sir Rhodes
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, John, *(Luton N)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Cash, William
Chalker, Rt Hon Mrs Lynda
Chapman, Sydney
Chope, Christopher
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Colvin, Michael
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cormack, Patrick
Couchman, James
Cran, James
Critchley, Julian
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dickens, Geoffrey
[illegible]ell, Stephen
[illegible]las-Hamilton, Lord James
[illegible]over, Den
Dunn, Bob
Durant, Tony
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Favell, Tony
Field, Barry *(Isle of Wight)*
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gardiner, George
Gill, Christopher
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gorst, John
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Greenway, Harry *(Ealing N)*
Gregory, Conal
Griffiths, Sir Eldon *(Bury St E')*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Hawkins, Christopher
Hayes, Jerry
Hayhoe, Rt Hon Sir Barney
Hayward, Robert
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
King, Roger *(B'ham N'thfield)*
Knapman, Roger
Knight, Greg *(Derby North)*
Knowles, Michael
Knox, David
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lester, Jim *(Broxtowe)*
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Lyell, Sir Nicholas
Macfarlane, Sir Neil
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Martin, David *(Portsmouth S)*
Maude, Hon Francis
Maxwell-Hyslop, Robin
Mayhew, Rt Hon Sir Patrick
Meyer, Sir Anthony
Miller, Hal
Mills, Iain
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moore, Rt Hon John
Morrison, Hon Sir Charles
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Patnick, Irvine
Patten, John *(Oxford W)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth

Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Renton, Tim
Rhodes James, Robert
Rhys Williams, Sir Brandon
Riddick, Graham
Ridsdale, Sir Julian
Roberts, Wyn *(Conwy)*
Rossi, Sir Hugh
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Scott, Nicholas
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shepherd, Richard *(Aldridge)*
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speed, Keith
Speller, Tony
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Allan *(Eastwood)*
Stewart, Andy *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stokes, John
Stradling Thomas, Sir John
Sumberg, David
Summerson, Hugo
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Tebbit, Rt Hon Norman
Temple-Morris, Peter
Thatcher, Rt Hon Margaret
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tracey, Richard
Tredinnick, David
Trippier, David
Twinn, Dr Ian
Vaughan, Sir Gerard
Viggers, Peter
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side North)*
Waller, Gary
Walters, Dennis
Ward, John
Wardle, Charles *(Bexhill)*
Watts, John
Wells, Bowen
Whitney, Ray
Widdecombe, Ann
Wilshire, David
Winterton, Nicholas
Wolfson, Mark
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*
Younger, Rt Hon George

Tellers for the Noes
Mr. Robert Boscawen and
Mr. Tristan Garel-Jones.

Question accordingly negatived.

Mr. Gerald Kaufman (Manchester, Gorton): On a point of order, Mr. Speaker.

Mr. Speaker: Order. I must put the rest of the Questions.

Mr. Dave Nellist (Coventry, South-East): On a point of order, Mr. Speaker.

Mr. Speaker: Order. I must put the rest of the Questions. Then I shall take the point of order.

The Question is, That this House doth agree with the Lords——

Mr. Nellist: On a point of order, Mr. Speaker.

Mr. Speaker: I have just said that I shall take the hon. Gentleman's point of order later.

Mr. Nellist *rose*——

Mr. Speaker: Order. I am on my feet. I shall take the hon. Gentleman's point of order after I have put the Question.

Lords amendment agreed to.

Mr. Nellist: On a point of order, Mr. Speaker. Will you now confirm that you are about to put the last 10 Lords amendments as a block as a result of the motion that we passed earlier this evening? Am I right in assuming that, if the House had wished to take an opinion on those 10 Lords amendments, it would have taken almost two and a half hours merely to vote on them, without even discussing them? The point that you are about to make by moving them as a block illustrates what we have been trying to say all day—there has not been sufficient time to discuss the Bill properly.

Mr. Speaker: I am bound by the order of the House passed this afternoon.

I am now required to designate such of the remaining Lords amendments as appear to involve questions of privilege and put them to the vote. The only amendment in that category is amendment No. 33.

Question put and agreed to. [Special Entry.]

MR. SPEAKER *then proceeded to put forthwith the Questions necessary for the disposal of the business to be concluded at that hour.*

Lords amendments Nos. 22 to 32 agreed to.

Sharpeville Six

9.59 pm

Mr. Gerald Kaufman (Manchester, Gorton): On a point of order, Mr. Speaker. I ask your permission to raise a matter about which I have notified you and the Office of the Foreign Secretary. I hope that it is not a matter that divides the House in any way at all. I refer to the news that has been made known today that the South African Government intend to execute the Sharpeville Six on Friday.

I ask whether the Foreign Office will make a statement to the House on the action that it intends to take to express the outrage of the entire House of Commons at the barbaric decision to execute six people for murder, not one of whom was said by the court or by the court of appeal to be in any way involved in the murder. It was said that the only way in which they could be regarded as involved in the murder was by common purpose. The appeal judge himself said that he assumed,

"for the purposes of my judgment, that it has not been proved in the case of any of the six accused convicted of murder that their conduct had contributed causally to the death of the deceased."

It is barbaric that six people should be executed for murder. It is barbaric that six people should be executed for the murder of one person. Above all, it is barbaric that six people should be executed for a murder in which they were in no way whatever involved.

Therefore, Mr. Speaker, with your permission, I ask that the Government, on behalf of the entire House of Commons, take up with the Government of South Africa the revulsion that all civilised people will feel at this latest example of a police racialist state in South Africa, and that the Minister of State or the Secretary of State report at the earliest possible moment to the House of Commons what Her Majesty's Government, on behalf of a united Parliament, are doing to try to prevent the vile acts that the South African Government plan for Friday.

The Minister of State, Foreign and Commonwealth Office (Mrs. Lynda Chalker): Further to that point of order, Mr. Speaker. I shall respond as briefly as I can. We have been told that the President of the Republic of South Africa has turned down the appeals for clemency on behalf of the Sharpeville Six. The right hon. Gentleman already knows that we have made representations bilaterally with our European partners. We have made repeated calls for clemency on humanitarian grounds. We have supported a statement issued by the President of the United Nations Security Council, calling for the sentences to be commuted.

We note what the right hon. Gentleman said. We share the widespread concern throughout the international community. There is no change whatever in Her Majesty's Government's position. We deplore violence in South Africa, from whatever quarter it comes. We have called for clemency, as I have already said. Even at this late stage we sincerely and earnestly hope the South African Government will heed the united call of everyone for clemency in these cases.

Mr. Neil Kinnock (Islwyn): Further to that point of order, Mr. Speaker. I warmly accept the sincerity with which the right hon. Lady expressed her views. Will she tell us whether, during the course of this evening, the Prime Minister has made any further direct appeal to President Botha?

Mrs. Chalker: Would that I could answer the right hon. Gentleman. I simply do not know the answer to his question, having come here from another function. I should not like to mislead him or the House. I hope that he will allow me to respond to him in the morning.

Sir Russell Johnston (Inverness, Nairn and Lochaber): Briefly, further to that point of order, Mr. Speaker. May I ask that tomorrow the Minister takes the opportunity to make a full and considered statement on the issues, as I am sure that the House would welcome that? May I also take this opportunity, on behalf of my hon. Friends, to give support to what has already been said by the right hon. Gentlemen on the Labour Front Bench?

Several Hon. Members *rose*——

Mr. Speaker: Order. I do not think that we can take this matter any further tonight.

Mr. Dave Nellist (Coventry, South-East): On a point of order, Mr. Speaker.

Mr. Speaker: Order. It is obviously a matter that the House may wish to return to; these are not points of order for me. I have allowed the right hon. Member for Manchester, Gorton (Mr. Kaufman) to raise the matter.

Mr. Nellist *rose*——

Mr. David Winnick (Walsall, North) *rose*——

Mr. Speaker: I have allowed the right hon. Gentleman to raise the matter as a matter of urgency at this time. I do not think that we can take it any further tonight.

Mr. Nellist: On a point of order, Mr. Speaker. Could you confirm that on at least three or four occasions—in my memory of the five years that I have been in the House—you have ruled that when a Minister rises to the Dispatch Box on a point of order and especially on the second occasion, you will thereafter treat it as a statement and allow questions to the Minister? If necessary, I will go to the Library and find those references because if you rule now – */Interruption./* Hang about, I am talking to Mr. Speaker, not to Conservative Members. If you rule now, Mr. Speaker, that you will take no further questions on the Minister's statement, would you at least give me an undertaking that if my searches in the Library prove correct, you would expect——

Mr. Speaker: Order. I am not having the hon. Gentleman using threats of that kind to me.

Mr. Nellist: I have nearly finished.

Mr. Speaker: Order. The hon. Gentleman is quite right. When we have had such matters raised at the proper time, after Questions, that has been the case in the past, but this is an occasion in the evening. I have listened to the Minister of State say that it is difficult for her to say more than she has said about this matter. Therefore, I do not think that we can take it any further tonight.

Mr. Nellist: If I could just finish my sentence——

Mr. Tony Banks (Newham, North-West) *rose*

Mr. Winnick *rose*

Mr. Max Madden (Bradford, West) *rose*

Mr. Speaker: Order. Mr. Banks.

Mr. Banks: Further to that point of order, Mr. Speaker. In the interest of the good order of the House — unfortunately, the Leader of the House is not present at the moment — I should like to know whether there will be a statement on this matter tomorrow. It is a matter of good order. It is no good saying that we can return to this at another time, for the simple reason that six people will be executed on Friday. Therefore, there is an element of urgency, not least on their part, in this respect. All that one can do, through you, Mr. Speaker, is to invite the Chief Whip of the majority party to say at the Dispatch Box that there will be a statement tomorrow so that we can have a proper discussion.

Mr. Winnick: Further to that point of order, Mr. Speaker. If the House is unanimous in condemning what undoubtedly will be judicial murders, in the hope that the view expressed by my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) and the Minister of State is the unanimous view of the House of Commons, and bearing in mind that the executions, or what one might more rightly describe as the murders, will take place on Friday, will there be an opportunity between now and Friday for the House to be able to make its view clear, not simply arising from a point of order, rightly raised by my right hon. Friend?

We are aware, Mr. Speaker, that tomorrow is Budget day and it may well be that matters on which we would make applications cannot be dealt with then because it is Budget day, but will there be some opportunity for the House to declare its views collectively so that the South African authorities know that the British House of Commons is totally opposed to what my right hon. Friend rightly described as a barbaric act and——

Mr. Speaker: Order. It is precisely for that reason that I imagine that the right hon. Member for Gorton raised his point of order. He was asking whether a statement would be made.

Mr. Dennis Skinner (Bolsover) *rose*——

Mr. Nellist *rose*——

Mr. Madden *rose*——

Mr. Speaker: Order. I have already said to the House that I have listened to what the right hon. Lady had to say. It seems to me that it is difficult for the House to ask questions of a Minister who has very little direct knowledge, for reasons that she has already stated; she needs time to make investigations.

Mr. Madden: On a point of order, Mr. Speaker. Clearly it is for the Government to make a statement tomorrow and it is obviously within the power of the Government to decide whether or not such a statement is to be made. You have clearly seen tonight, Mr. Speaker, the extent of interest that there is in this issue. Would you now indicate that you are sympathetic to a private notice question being tabled on this matter in the event that the Government do not seek to make a statement?

Mr. Speaker: I do not do things like that openly.

Mr. Stanley Orme (Salford, East): Further to that point of order, Mr. Speaker. The Chief Whip is in his place and the Leader of the House is not present. We are entitled to a Government statement to the effect that the Leader of the House will make a statement to this House on this issue tomorrow. I believe that the Patronage Secretary has a duty this evening to come to the Dispatch Box and say that such a statement will be made.

Mr. Skinner: Further to that point of order, Mr. Speaker. It is a pity that the Prime Minister is not here to listen to the representations that have been made by Opposition Members. There is another way in which you, Mr. Speaker, could be of some considerable help. Taking into account the fact that this matter will undoubtedly be raised before the end of the week, perhaps tomorrow, would you consider, in your capacity as Speaker of the House, sending a message to the South African Government asking for the sentences to be commuted? Although there may be a small element known as the "goose-stepping tendency", which does not agree with what my right hon. Friend the Member for Manchester, Gorton (Mr. Kaufman) said, you would be commanding the respect of the great majority of the House if you sent such a message.

Mr. Speaker: The hon. Gentleman knows that I act only with the authority of the whole House.

Mr. Nellist: Further to that point of order, Mr. Speaker. Given what we have gone through in the past seven hours, I am sure that you will agree that it would be highly unusual if a Minister came to the House tomorrow at 3.30 pm to make a statement, even on something as urgent as the Sharpeville Six, so concerned are the Government to start on time with the business scheduled for that afternoon. I appeal to you again, Mr. Speaker because the Minister, on a point of order, has effectively made a statement. That Minister has direct responsibility for that area of the continent and deals with it on an hour-by-hour, day-by-day basis. Will you not now allow questions to be put to her as she has effectively made a statement from the Dispatch Box?

Mr. Speaker: I have already said to the hon. Gentleman that there is not much point in asking questions of the Minister when she has said that she is unable, because of the lack of time, to obtain the details with which she could give meaningful replies. I think that that is the problem that the House faces.

Mr. Kaufman: Further to that point of order, Mr. Speaker. We are extremely grateful to you for the way in which you have allowed this matter to be raised. I know that you will accept that, were it not Budget day tomorrow, we would be seeking other means in which we could raise this matter in a more prolonged way on the Floor of the House. May I put it to you that perhaps we could consult you outside the Chamber to see whether there is a way in which — well before the scheduled executions — we could find a way of raising this matter again on the Floor of the House?

Mr. Speaker: I should always be pleased to see the right hon. Gentleman if he feels that that is helpful, but I should have thought that the most useful way in which to deal with this matter would be consultations through the usual channels rather than through me.

PETITION

National Health Service

10.13 pm

Mr. Ronnie Fearn (Southport): This humble petition is from 13,634 United Kingdom residents who are concerned about the crisis in the National Health Service. They pray that the House will do all in its power to provide all the necessary staff and equipment to resolve this crisis and enact no further reductions in income tax while the crisis lasts.

I beg leave to present the Petition.

To lie upon the Table.

Breathalyser Technology

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Kenneth Carlisle.]*

10.14 pm

Sir Ian Lloyd (Havant): I am much obliged for the chance to raise the subject of the new breathalyser technology, which I believe to be of widespread interest. My reason for so doing is that technology, with the advent of the microprocessor, has come to the aid of policy in a way in which Government in general, and chief constables in particular, seem unwilling to recognise.

This has always been a difficult area of policy in which legislation, and its administration, has attempted to reconcile several major objectives. The first, and most important, is the reduction of the serious and costly hazard on the road attributable directly or indirectly to the inescapable fact that millions of people, regrettably, drink and drive every day and will continue to do so, despite everything that my hon. Friend the Under-Secretary of State for Transport or the whole Government can throw at them in the way of exhortation or even severe penalty.

The second objective is that the law should, wherever possible, educate people in their responsibilities as drivers, especially where alcohol is involved. The third is that the attempt to modify social behaviour should never be so draconian that it brings the law or its administration into contempt. The fourth is that the enforcement of this law impinges directly and more continuously than almost any other on the critically important relationship between the police and the public—a relationship that should never be unnecessarily or uncritically damaged, because so much else depends on it.

Until now, no entirely satisfactory reconciliation of all these objectives has been achieved in any state or by any Government. The Government have found themselves in a position of conspicuous inconsistency, in that the law permits drinking and driving within a stated limit, while Ministers and others adopt the absolutist position that, whatever the law says, the policy is that no one should drive with any alcohol in the system. The situation is highly unsatisfactory for a number of reasons.

It is always undesirable for statutory law and public policy to diverge. It opens the way for zealots to go further than the laws passed by Parliament permit or require. It ignores a number of fundamental realities which are inescapable. The zero alcohol level position, for example, is unlikely to be achieved this side of the millennium. Even in Sweden it has not really been achieved, although its citizens have gone much further down this road than we have.

It is impractical for a purely technical reason. The elimination of alcohol from the human system is linear, exactly proportional to time. Anyone, therefore, who has drunk in excess of the legal limit of 80 mg will require seven hours for his or her system to be totally clear. So anyone who has had several drinks the previous night and has been taken home by taxi or by his wife will still be technically drinking and driving when the next morning, after a night's sleep and strong coffee, he drives to the office. I am sure that most people do not realise that. Twice the limit requires 14 hours, and a binge will still affect that individual, technically, on the way home from

work the following evening. Anyone who has a damaged liver will take two or three days to eliminate alcohol from his system.

That is probably the main reason why the zero position is absolutely impractical and unenforceable without draconian alteration of the nation's entire lifestyle.

What does that lifestyle imply? We need no special surveys to reveal the hard, inescapable facts, however much we dislike them. First, the nation which in social surveys prefers to describe itself as a nation of moderate drinkers spends some £16 billion every year on alcohol —7 per cent. of its total expenditure. If, from our total population of 56 million, we subtract the under-15s and the over-75s, that leaves 40 million people, giving us the staggering figure of £410 per head, or £802 per household, per annum. If we assume that half this alcohol is consumed at home—and that is a very broad assumption which I cannot prove—we end up with £205 per head or £410 per household per annum consumed in public.

Where is that alcohol consumed? In 1985, there were 86,000 points of public consumption, consisting of hotels, restaurants, public houses and clubs. How did the public get there? A recent survey of drink-driving offenders shows that 88 per cent. of them went to pubs. Half of those concerned drove there — 58 per cent. in their own vehicles—and three quarters of those who went to pubs drank more than five units—beyond the limit.

In 1987, there were 300,000 tests in Britain and 100,000 convictions. If it were possible to enforce the existing law —and I believe that it is not possible—there be about 500,000 convictions every day. If the absolutist or zero rule were enforced, that figure would almost certainly be higher. If we were to succeed, we would, as it were, enforce a de facto prohibitionist state, with all that that implies. In that context, what is the technology and where and how should it be applied?

The technology is that of the fuel cell which is controlled by a microprocessor, a device which did not exist five to 10 years ago. It can give an extremely accurate breath-alcohol count. It was developed by a Dr. Breakspeare at Cambridge university. Unfortunately, it was not taken up in the United Kingdom, but it was taken up in Australia and applied there on a substantial scale. Two devices are being manufactured and exported worldwide.

The first is a wall-mounted breath test analyser designed for pubs, clubs, restaurants and hotels. The second is a mobile device which is attached to the ignition lock of a motor car. I have it here in the House. Any hon. Member who is interested can see that the entire unit is contained in a small package. In that unit lies the future of all our breath test problems.

In 1986, a total of 707 of the wall-mounted units were in use, including 400 in Australia, 145 in the United States, and 52 in West Germany. That is just the beginning. The production rate is 1,000 per annum. They have been accepted in Australia where at first the police were understandably sceptical, as are our police, because the devices that the two units replaced were certainly unreliable. It would be undesirable that people should be given the wrong idea about where they stand.

Those two devices have been now recommended in Australia by the Niewenhuysen committee that was set up specifically in New South Wales to consider the application of breath test laws in that state. The committee did not consider whether the key devices should be allowed or encouraged but whether they should be made mandatory at all on-licences and whether the fee for the installation should be subtracted from the licence itself.

There have also been highly successful tests by three Royal Australian Navy establishments where, as a result of the application of wall-mounted units, the incidence of drink-driving has been drastically reduced and a considerable number of convictions have been avoided. So far, these devices have been used to carry out 9 million tests and the record is based on that. Indeed, 20,000 tests per day are now being conducted worldwide.

In one club alone in Australia which has had such a device for four years, 160,000 tests have been conducted with a considerable degree of satisfaction.

As I have said, application has now been extended to the breathalyser ignition lock, a device of great ingenuity and sophistication which is accurate to within 0·005 per cent. The standard device used by the police in Australia is of the same quality as the device used by the police in the United Kingdom.

If a person gets into a car with such a device he cannot turn on the ignition and the engine will not and cannot start until the driver has breathalysed himself. There are three possible outcomes. If the alcohol in the driver's breath is zero, he can start the engine immediately without any further problems. If the alcohol in his breath is up to a certain moderate limit he may not start until he has rebreathalysed himself eight minutes later. That accounts for what was generally regarded as a weakness of the old device as it did not allow for the fact that, under certain conditions, alcohol in the body will continue to rise. This device would solve that problem. However, if the driver is over the limit, he may not start the engine, the device reads red, and he is told to go away and think again.

That seems to me to be a device of great significance and I believe that its application should be widely considered. In California, for example, it is now applied by the state courts to those who have committed a drink-driving offence. They do not lose their cars or their licences for a year, but they must have the device, plus a meter installed in their cars and they are obliged to use it, or they cannot use their cars under any circumstances. Therefore they cannot drink and drive, but they do not lose the right to continue their occupation.

It seems that this device facilitates accurate self-testing. The wall-mounted one can be used voluntarily in hotels, clubs and pubs, and it eliminates the remotest possibility of drinking and driving. Its widespread adoption is of the first importance. It would reduce drink-driving drastically and educate the public in the effects of alcohol. If any sane, sensible and realistic policy is to succeed, it must, in view of the figure of £16,000 million I gave earlier, educate the public in the use of alcohol.

The device would eliminate, virtually completely in time, the need for any breath tests, especially for the drivers of vehicles so fitted. If it was compulsory for all vehicles, as it could easily become, the problem would be eliminated altogether.

We have about 20 million vehicles in the United Kingdom and the cost of the device in mass production would be a total investment of £200 million to £300 million. As the cost of accidents caused by drink driving are already running at £100 million per annum, such an investment would pay for itself in three years. That is a consideration which the Government should bear in mind. They should also consider that we take action without

[Sir Ian Lloyd]

eliminating or severely circumscribing the consumption of alcohol, which may or may not be a good thing. Certainly it is not necessarily a good thing because it is associated with this problem.

What is the alternative? It is a degree of absolutism which would require the closure of virtually all pubs or hotel bars, a virtual prohibition outside private homes of the consumption of alcohol, and large-scale random breath testing, which, for reasons I have already given, is offensive to many people and damaging to the police-public interface. All those measures will not be necessary.

If our limit of 80 mg is too high, and there are views that it is, we should lower it. In half of Australia the limit is 80 mg and in the other half it is 50 mg. However, the lower the limit, the more necessary it becomes to encourage and facilitate a driver's access to knowledge of his breath-alcohol concentration. The analogy of the speedometer is simple, but effective. We are not told to get in our cars and drive without knowing the speed at which we travel because only the police must know that. If we break the speed limit, we rightly suffer the penalty. We have a speed limit and clearly we must keep within the law. I am suggesting a breath-alcohol limit, and any sane man or woman is entitled to know whether he or she will be within the law.

Will the Government encourage the use of these devices and advise the police to do likewise? I am under the impression that the police discourage the installation of these devices wherever they come across them. They are not entitled to do that. There is nothing in our laws to permit the police to discourage them. If they go into a hotel, pub or club and say, "I should take that off the wall if I were you," the chances are that the publican will do so. I want a clear statement from the Government that the police are not entitled to do that and that the Government will reverse the policy.

Secondly, will my hon. Friend the Minister consider the consequential legislation, which is small but rather important? At present an individual walking to his car with the keys in his pocket who has consumed alcohol over the limit can be tested before he reaches the car and prosecuted on a drink-driving charge. If he has this device in his car, it would be absolutely ludicrous for him to be prosecuted when he cannot drive the car if he is over the limit. That is the only change in the law which is required and which I ask my hon. Friend to provide.

Will my hon. Friend please consult the Australian authorities which are now accumulating immense and valuable experience which we cannot afford to ignore? Will he make it clear that moral absolutism will play no part in our policy now that technology has come to our aid and made it unnecessary? Will he advise the courts to consider compulsory breathalyser ignition locks for convicted breath test offenders? That is an area in which we can make substantial progress to everyone's advantage.

Finally, will my hon. Friend assure me and the House that the authorities in his Department and the Home Office will not insist on this device being preceded by a red flag while other countries give it the green light? We did that many years ago in another context. I hope we shall not do it in this

10.30 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Peter Bottomley): I congratulate my hon. Friend the Member for Havant (Sir I. Lloyd) on raising this subject. He has, with his customary clarity, combined his continuing and distinguished service to the cause of science and technology with the issue of road casualty reduction, in which drinking and driving was a major contributory factor to the 5,382 deaths on our roads last year.

Anyone who recalls the television scenes of, or who was present at, the Festival of Remembrance at the Royal Albert hall will know that every one of the seats there could be filled each year by people who die, mostly unnecessarily, on our roads. Anyone who watches a football match at Wembley should know that each of the places there could be filled three times over with people who have been injured on our roads.

Of the deaths that I have mentioned, 1,000 are the victims of accidents in which the driver or rider is above the legal blood alcohol limit. About another 400 are victims when the driver or rider may not be above the legal limit but has noticeable amounts of alcohol in the blood. On top of that, 500 drunken pedestrians die. So about 1,800 people are involved—one third of the dead on our roads.

Imagine what it is like to be a young police officer in the early months of duty having to knock on a stranger's door to say, "I am sorry. Your son—or daughter, or husband, or wife, or parent—won't be coming home again alive."

My hon. Friend raised the issue of using breath alcohol devices in traffic—and, he could have gone on to say, in industrial—safety. Professor Brakespeare, dean of the faculty of physical sciences at the New South Wales Institute of Technology, has put forward a case, part of which my hon. Friend outlined to the House. Professor Brakespeare has argued that the way to deal with alcoholic drivers—not only people who are drunk, but those who drive with noticeable quantities of alcohol in their blood—even on the scale that obtains in the United Kingdom, which is lower than in Australia, is to lower the limit from 80 to 50 mg and to bring in random breath testing.

My hon. Friend, with his scientific background, would not expect me to be able, by myself, to disentangle the effect of the use of the breath alcohol machine in cars, or the machines on the walls in drinking establishments, from the 3 million random breath tests given last year in New South Wales. He and I would agree that it is not necessarily a good use of police resources to switch police tests from those who are likely to have been drinking to those who are not.

There is much argument about random breath tests. I stand four-square behind the police in this country, who prefer to go on with targeted testing. Even in one of the police areas that has had some publicity recently, a small proportion of the motorists who were required to stop by the police were tested for alcohol.

The police can require me to give a breath test in one of three circumstances: if I have committed a moving traffic offence; if I have been involved in an accident; and if they have reasonable grounds for suspecting that I have alcohol in me. If I am stopped, as the police have the power to do, and the officer asks me whether I have been drinking

and I reply that I have, there are grounds for testing me. If I say that I have not, but the officer can smell alcohol, again there are grounds for testing me.

Of the approximately 350,000 tests that were required to be given by the police last year, 120,000 were positive. That is about 30 per cent.

Of every 100 tests, 30 are positive. To get one more positive test under random breath testing, we would need to have another 200 tests. To go from 30 to 31 positives we would need to go from 100 to 300 tests. To put it in simple terms, we would need to switch tests from those who were likely to have been drinking to those who were not. In the long term no one rules that out, but I do not think that it is a priority and it is certainly not a policy that I advocate within Government, if I may be allowed to give away trade secrets.

I should like to turn to my hon. Friend's suggestion of promoting or encouraging the use of breath alcohol devices. Even when one is just below the legal limit, one can be up to five times more likely to be involved in a crash. I normally put it more strongly and say that one is five times more likely to make a mistake because of the alcohol affecting one's judgment, behaviour and reactions or degree of false confidence.

Anyone who wants the facts of drinking and driving can ring Freephone 0800 234 888, and we will arrange to send him a straight, factual booklet with no exhortation showing the curves, as far as they are known, on the relationship between alcohol levels in the body and the likelihood of crashes. The booklet comes in a plain brown envelope which does not say, "This contains the facts on drinking and driving." The matter is dealt with rather more sensitively than that.

During my 26 months as a junior Minister in the Department of Transport, I have seldom put any emphasis on getting drivers to stay just below the legal limit. I think that the House will agree that the only sensible advice to give drivers is not to take alcohol before driving. They should be told that if they do propose to take alcohol, they should preplan the way that they will move and should not drive. To that we add the other sensible advice that one should not encourage or expect other drivers to take alcohol.

Most of us have had the experience, whether it is because we give alcohol up for Lent or because we do not want to drink and drive, of saying, when asked if we want a drink, that we want a soft drink or a low or non-alcoholic beer. Someone then says, "Are you sure?" We ought to consider whether it is more appropriate to say "Are you sure?" when someone whom we know will drive asks for alcohol. The extent to which we are our brother's or our own keeper is a matter for individual judgment. There is probably a spectrum of opinion about that.

The third bit of advice, after saying that one should not contribute to the problem and should not urge other people to contribute to the problem, is that one should not accept a lift from a drinking driver. Of the people who die many of whom probably have children, parents or relations – 60 per cent. are the drivers. If I give a party and have no regard for the way in which some of my guests drive home, it means that they have a 60 per cent. chance of being the victims if they are involved in a crash.

Of the people involved, 20 per cent. are car or pillion passengers, normally members of the driver's family o. friends. Twenty per cent. are unknown to the drivers, perfect strangers, and it is a curious way to stay on the same side of the road – if I may turn the story of the Jericho road on its head – to wipe out someone's life rather than take part in the greatest day and night co-operative venture in Britain, the use of our roads.

There are 56 million of us and we are all potential victims. As my hon. Friend rightly said, there are probably about 2 million adult males, and for the ones who are at or above two and half times the legal limit, research evidence from Nottinghamshire shows that 90 per cent. were drinking beer. A very high proportion of them drank it in pubs and many of them were young. There are also significant numbers of women, more elderly males and so on.

One other shocking bit of information is that 10 per cent. of people who are above the legal limit and involved in crashes are disqualified, and 10 per cent. have not passed their full driving test. We must get the message across to young drivers that inexperience of drinking combined with inexperience of driving is the worst possible combination.

The General Accident Insurance Group commissioned Gallup to carry out a survey. It showed that, between 1986 and 1987, the proportion of adult males prepared to drink and drive, or at least prepared to admit to doing so, had dropped from two out of five to one out of five.

As more of us decide not to drink and drive and move through the five stages of saying, first, "There is a problem," secondly, "They should not do it," thirdly, "I should not do it," fourthly, "I intend not to do it," and fifthly, saying, truthfully, "I do not do it," we are left with two dominant groups. Those two groups have been called by a psychiatrist the yobs and the dumbos. The yobs are the young over-the-limit beer drinkers and the dumbos are the dangerous upper-middle-class business men who are over the limit

We need to recognise that we are all at risk. My hon. Friend the Member for Havant has said that if people know their alcohol level, they are less likely to drive. We are prepared to watch carefully, and with interest, overseas experience with the equipment that my hon. Friend brought into the Chamber and demonstrated tonight. We want to watch to see what happens. I will not ask my hon. Friend now, but perhaps in further discussion we may deal with what would happen if I asked a passenger or a passer-by to blow into the tube. There are minor problems such as that.

I shall not encourage the police to put machines on the wall. If anyone needs to blow into a machine to see whether they have had a significant amount of alcohol, they should not be driving. Anyone who intends to go drinking and says, "I will test myself to see whether I should drive," is more concerned about losing their licence than about losing their own life or somebody else's. That is a point of veiew with which not everyone will necessarily agree, but the logic for it is good.

The key task is not simply to stop people committing a criminal act. Being over the limit is, of course, a criminal act and, because of different body metabolisms, it is difficult to say how much someone can drink and stay within the limit. It is worth remembering that two thirds of the injuries that occur on our roads are linked not to alcohol but to the other things we do wrong on the roads The only way in which one can avoid contributing to the extra risk of injury and of making sure that one will never fail a breath test is not to take extra alcohol before driving

[Mr. Peter Bottomley]

I do not want to get involved now in the problem of what happens if someone drinks at night and then drives at midday the following day and there is still a residual trace of alcohol. However, for anyone who goes on a bender and does not drive that night but does drive the following morning, I should say that in Finland they catch most people, under their random breath testing, at 9 o'clock on a Saturday morning.

The units of alcohol do not go away much faster than one unit an hour. If someone drinks 15 units and drives after six or eight hours, they are likely to be above our legal limit, which some countries would argue is too high. However, the Government have no proposal to change that.

Sir Ian Lloyd: I am following the speech of my hon. Friend with great interest. Would he not concede that it would be more desirable for the Finnish driver who leaves home the following morning to be in the position of being able to know his alcohol level? In that instance, a sensible and responsible driver would say, "Goodness me. I am over or near the limit set by my country and, therefore, I will not drive." My hon. Friend the Minister said that drivers are five times more dangerous just near the limit. If, for any reason whatsoever, living in the real world, someone has had a drink, would it not be preferable for him to be able to find out whether he is near or over the limit and have the opportunity of saying, "I will not drive."?

Mr. Bottomley: That may be. I suspect that this discussion, which is informative to the House and useful to me and which, I hope, is a reasonable response to my hon. Friend the Member for Havant, will continue in other ways on other days. In simple terms, 1,000 people a week are caught at more than twice the legal limit. The answer for them is a great deal of individual decision-making and social pressure, with or without machines, to cut out that drinking and driving.

Not everybody has to take the Minister's advice. Therefore, if a pub or club puts up a device for testing, I cannot do anything about it and neither can the police. If that happens, perhaps we could see whether there is less drinking and driving. However, it may require a survey, even in Sussex, to discover what the baseline for drinking and driving is and then to come back and survey again later.

Question put and agreed to.

Adjourned accordingly at sixteen minutes to Eleven o'clock.

House of Commons

Tuesday 15 March 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

EDUCATION AND SCIENCE

Education Reform

1. **Mr. Ian Bruce:** To ask the Secretary of State for Education and Science what estimate he has made of the effect of the proposed national curriculum on the percentage of students who go on to university.

The Secretary of State for Education and Science (Mr. Kenneth Baker): The national curriculum aims to improve the quality of education for all our pupils and we expect more to go on to college, polytechnic and university.

Mr. Bruce: Does my right hon. Friend agree that as Britain is seventh in the league table of nations sending their students on to university, and with approximately 15 per cent. of the student population going forward at the moment, compared with 44 per cent. in the United States, one of the main aims of the Education Reform Bill should be to get more students into university?

Mr. Baker: Yes. I have already set the ambitious target of increasing the number of students by 50,000 in the lifetime of this Parliament. Since we have been in office we have increased the number of students in higher education by more than 160,000. My hon. Friend is correct: the level has increased from one in eight to one in seven. Our aim is that by the end of the century one in five school leavers will go on to higher education.

Mr. Colvin: Will my right hon. Friend confirm that a national curriculum is no use without proper tests? Will he also confirm that the emphasis will be on proper written tests and not on some form of airy-fairy assessment which may be far from consistent between one local education authority and another?

Mr. Baker: I shall be pleased to send my hon. Friend a copy of Professor Black's report, which recommends that there should be assessment and testing at the ages of 7, 11, 14 and 16. He specifically refers to pencil and paper tests and gives examples of those. My hon. Friend will be glad to know that Professor Black also recommends that the results of the tests should be published — not the names of the individual children — so that parents can assess the performance of schools.

Mr. Straw: Has the Secretary of State explained to the Prime Minister that her desire for crude pass-fail tests in the national curriculum would not only lower educational standards but would require a vast army of external examiners and invigilators, which would cost a great deal more than Professor Black's proposals? I assure the Secretary of State that so long as he fights hard against the Prime Minister and the other forces of darkness in this area, he has our full support.

Mr. Baker: I do not think that I want that sort of support. As the hon. Gentleman knows, debates on such matters are vigorous and robust, and now sometimes public. However, all decisions taken on such matters are collective decisions.

I am glad that in Committee the Labour party did not vote against any of the clauses on the national curriculum or on financial delegation, and it virtually approved open enrolment. The fact is that the hon. Gentleman did his duty, but basically he knows that we are right.

Funding Councils

Ms. Quin: To ask the Secretary of State for Education and Science if he will take steps to ensure that women are represented on *(a)* the Universities Funding Council and *(b)* the Polytechnics and Colleges Funding Council.

The Minister of State, Department of Education and Science (Mrs. Angela Rumbold): The desirability of securing a reasonable proportion of women members is certainly a factor that my right hon. Friend will be considering in making appointments to the higher education funding councils.

Ms. Quin: I am glad to hear that reply. At the moment the proportion of undergraduates who are women is encouragingly high, but does the Minister accept that the presence of women on the funding councils would help to secure a better representation of women undergraduates on the courses on which, up to now, they have been very much under-represented?

Mrs. Rumbold: Members will be appointed for their individual contributions and not because they belong to any particular representative group. It is upon that basis that my right hon. Friend will be making his recommendations.

Dame Elaine Kellett-Bowman: Will my hon. Friend ensure that colleges with a religious basis, such as St. Martin's in my constituency, are enabled, within the fund, to maintain their ethos and religious basis?

Mrs. Rumbold: We are extremely concerned to ensure that voluntary colleges will have representation that will reflect their wishes and encapsulate what they want within those colleges.

Mrs. Clwyd: As 44 per cent. of all students in full-time higher education now are women, surely it would be more representative if the Minister agreed that half the membership of the funding councils should be women, so that their interests are properly represented?

Mrs. Rumbold: No, that would be quite improper. It is absolutely essential that the membership of the funding councils should comprise people who are best qualified to be representatives. If those people happen to be women — certainly my right hon. Friend will be anxious to ensure that there is proper representation of women on the funding councils—that will be most satisfactory from all our points of view.

Mr. Marlow: Does my hon. Friend owe her position on the Front Bench to her ability, or to the fact that she is a woman? If the former, will she make sure that, when she appoints people to the funding councils, they also owe their positions to ability, irrespective of gender?

Mrs. Rumbold: Modesty prevents me from answering that question.

Heriot-Watt University

3. **Mr. Dalyell:** To ask the Secretary of State for Education and Science, pursuant to his statement on 29 February, *Official Report*, column *722*, what representations he has received from Professor Des Smith FRS, head of the department of optical and laser physics at Heriot-Watt university, about the impact on that university of the new selective criteria for funding research.

The Parliamentary Under-Secretary of State for Education and Science (Mr. Robert Jackson): I discussed this matter with Professor Smith when I visited Heriot-Watt university last October, and he subsequently sent me the university's comments on the ABRC document, "A Strategy for the Science Base". Professor Smith and I exchanged further letters on the ABRC's proposals last month.

Mr. Dalyell: What is the future for the improving departments of a small university?

Mr. Jackson: The hon. Gentleman is referring to the question of how the principle of selectivity and concentration on scientific research should be carried through into the universities. Professor Smith supports that principle. There is an argument about the means and whether it should be done by university, by department or by subject area. That, of course, is a matter upon which the Government have yet to make a decision.

Dr. Bray: What support is being given specifically to Professor Smith's work in optical computing? That work opens up new technology that simply does not fit in with the Government's scheme of things.

Mr. Jackson: I shall have to come back to the hon. Gentleman about the specific question of opto-electronic technology. I have been to see Professor Smith's work, but I do not recall the exact figure of allocation. The allocation of funds to universities by research councils is a matter for the universities and the research councils.

Student Grants

4. **Mr. Quentin Davies:** To ask the Secretary of State for Education and Science when he now expects his review of higher education student funding to be completed; and if he will make a statement.

8. **Mr. Stern:** To ask the Secretary of State for Education and Science when he now expects to publish a consultation document on the matter of financial support to students in higher education.

Mr. Kenneth Baker: The work of the student support review is expected to be completed by the middle of this year.

Mr. Davies: Does my right hon. Friend agree that one of the most important things about the review is that nothing is done to discourage the participation in higher education of students from lower-income families, and that nothing is done that would create a particular obstacle to graduates who wish to pursue careers in less well remunerated professions?

Mr. Baker: I agree with my hon. Friend. In the review that we are undertaking the point of access is very important. I made it clear earlier that we want to increase the possibility of access for many of our young people. Compared to other countries, we are not doing well enough in that regard. It is noticeable that for a long time in most of those countries which have had a system of loans working with grants such a system has not discouraged access.

Mr. Stern: Does my right hon. Friend have any evidence about the proportion of students who do not receive their full, assessed parental contribution?

Mr. Baker: This matter is of considerable concern to many students. A survey commissioned by my Department on undergraduate income and expenditure —to be published shortly—has shown that, in 1986-87, 40 per cent. of dependent students failed to receive the full assessed contribution due from their parents. That is an area where a loan system could help considerably.

Mrs. Margaret Ewing: Can the Secretary of State advise us whether the review took into account the implications of the poll tax for students?

Mr. Baker: The review is considering the whole range of expenditure by students and their sources of income. The survey upon which I have just commented covers the whole range of income and expenditure.

Mr. Skinner: Does the Secretary of State recall that a few years ago the Tory Government decided to meddle with student grants and the net result was that literally thousands of students, many from middle-class families, came to Westminster to protest? They blocked Westminster bridge, without any provocation from people such as myself, and the net result was that the Tory Government had to back off. Is he aware that if he starts the process again, not only will those students come down to Westminster to lobby, but they will carry out the same exercise and we on the Opposition Benches will support them to the hilt?

Mr. Baker: I am glad to see the hon. Gentleman putting himself at the head of a middle-class march. The proposals upon which we are working in the review of student support will bear particularly upon the parental contribution, and one of the advantages of loans is that they may substantially reduce the contribution that parents have to make.

Mr. Favell: Whatever my right hon. Friend's decision, does he agree that higher education is a great privilege that brings great opportunities later in life?

Mr. Baker: I would agree with that. It is a considerable advantage to go to one of our universities, polytechnics or colleges. There is a growing recognition, supported by the practice in other countries, that students benefit considerably from higher education, so it is reasonable and fair to require them to make some contribution to it.

Mr. Straw: Is the Secretary of State aware that, coming on top of all the testing times that he has had with the Prime Minister, it is a crying shame that there should be

more reports of Cabinet rows and defeats for him, this time on the issue of student loans? However, if he presses ahead with his scheme to replace grants with loans and to cut student grants, that is bound to deny educational opportunity and access to thousands of students from less well off homes, and it will be fought tooth and nail inside and outside the House. Now that he has been rolled over by his colleagues on ILEA and on student loans, will he tell the House when was the last time that he succeeded in Cabinet Committee?

Mr. Baker: The review is being conducted by my hon. Friend the Under-Secretary of State, the Member for Wantage (Mr. Jackson)—previously by my hon. Friend the Member for Buckingham (Mr. Walden) — and myself, and any decision will be collective. I can assure the hon. Gentleman that in other countries, where there is a combination of grants and loans, a higher proportion of young people go to universities, polytechnics and colleges. The review will be published in the summer, and I have a lively expectation that it will be possible to find time for the early implementation of such an important policy.

Pupil Costs

5. **Mr. Hayward:** To ask the Secretary of State for Education and Science what increase has been made in real terms in the spending per pupil in primary schools in each year since 1979.

The Parliamentary Under-Secretary of State for Education and Science (Mr. Bob Dunn): Between 1979-80 and 1986-87 spending per pupil in primary schools in England increased, in real terms, by 26 per cent. I shall arrange for the full details to be published in the *Official Report*.

Mr. Hayward: I thank my hon. Friend for that answer. Will he confirm not only that we are improving spending per pupil, but that pupil-teacher ratios in the same schools are also improving dramatically?

Mr. Dunn: My hon. Friend is right. The Government's strong record is supported by other objective measures. Overall, pupil-teacher ratios in January 1987 were 17·3:1 compared with 18·9:1 in January 1979, and as a result average class sizes have been improving in primary and secondary schools.

Mr. Ashdown: Has not spending on primary schools taken place despite, rather than because of, Government spending? Do not the figures show that Government expenditure on primary schools has dropped one fifth, while local government expenditure, frequently in defiance of Government policy, has increased by 50 per cent.? Is it not cynical and disreputable of the Government to seek to claim the credit for expenditure which they have not made and which they frequently opposed?

Mr. Dunn: The hon. Member ought to look at the facts. He ought to be aware that we have increased spending by £1·3 billion in the next financial year. If he looked at the facts he would realise that these changes have been brought about over nine years in succession.

Mr. Pawsey: Can my hon. Friend say how much is being spent in primary schools on books and equipment, and how that compares with previous years? Will he tell us what his forecast is for the next financial year?

Mr. Dunn: My hon. Friend's question is quite appropriate. The Government's plans for increased spending of £1 billion in cash provides scope for local authorities to increase their spending per pupil on books and equipment by nearly 40 per cent. in cash compared with actual spending in 1985-86.

Several Hon. Members *rose*——

Mr. Speaker: Order. May I ask hon. Members to listen to questions and answers and not to carry on private conversations?

Mr. Flannery: Does the Minister realise that, despite what he has said about an increase, which is totally insufficient, there are not enough books in the primary sector? Schools are using dog-eared books. When the members of the Select Committee went to the plushy, leafy areas in the south they found that parents could treble the capitation allowance by adding their own money to it. Rate-capped councils in downtown areas of east Sheffield could not possibly do that. Why does the Minister not admit the truth — that there is insufficient money to educate our children properly in the primary sector?

Mr. Dunn: I thought that the hon. Gentleman was becoming moderate as time went on, but clearly that is not the case. He ought to know that how local authorities spend their money is for them to decide. They have to compare the priorities that they have to meet.

Mr. Marland: Is my hon. Friend able to give any indication of how administrative costs in education may have risen over the same period?

Mr. Dunn: All authorities owe it to their ratepayers to offer the best value for the substantial investment in education. They need to review their policies from time to time, first, to remove surplus school places, secondly, to cut the cost of school meals, caretaking and cleaning and, finally, to keep a tight rein on the cost of administration and bureaucracy.

Following is the information:

Net Institutional Recurrent Expenditure Per Pupil[1] *Primary Schools— England*

Year	*Expenditure Per Pupil*[2]	*Year on Year Increases*	
		£	*Percentage*
1979-80	710	—	—
1980-81	765	55	7·7
1981-82	790	25	3·3
1982-83	810	20	2·5
1983-84	830	20	2·5
1984-85	835	5	0·6
1985-86	840	5	0·6
1986-87	895	55	6·6

[1] Net institutional recurrent expenditure covers the cost of salaries and wages, premises and certain supplies and services. It does not include the cost of school meals, central administration and inspection, debt charges or revenue contributions to capital outlay.

[2] The cash prices for the earlier years have been repriced to 1986-87 prices using the gross domestic product (market prices) deflator.

Pen Tops (Safety)

6. **Mr. Janner:** To ask the Secretary of State for Education and Science what representations he has received concerning the implications for safety in schools of the current state of pen top safety.

Mr. Dunn: In addition to the hon. and learned Gentleman's own representations, I have received, and replied to, a letter from my hon. Friend the Parliamentary Under-Secretary of State for Industry and Consumer Affairs on the subject. My Department has also answered correspondence from Mr. and Mrs. Walker, who are the hon. and learned Member's constituents, and whose son, Billy, tragically died last October after accidentally swallowing a pen top at his school.

Mr. Janner: Is the Minister aware that the Walker family, and thousands of people who have signed a petition calling on the Government to take action, consider that unless and until pen tops are banned from schools so that no more children unnecessarily die, as Billy did, and no more children are operated on in hospital, as so many are, there can be no hope for greater safety? What steps is the Minister proposing to take at least to encourage schools to take this basically simple safety measure?

Mr. Dunn: I can tell the hon. and learned Member that my Department is preparing a letter giving advice to all local education authorities in the light of expert comments received on a draft consultative document. It is likely to recommend that any pens with detachable tops that are issued for use in our schools should have the tops removed before being issued to pupils, and that authorities may wish to give early consideration to changing either to pens with tops that cannot normally cause asphyxiation if swallowed or to one-piece pens that do not carry this safety risk. I undertake to keep the hon. and learned Gentleman informed of developments as they emerge.

Equal Opportunities

7. **Mr. Riddick:** To ask the Secretary of State for Education and Science what recommendations his Department has made to local education authorities to promote equal opportunities in primary and secondary schools.

Mrs. Rumbold: No specific recommendations have been issued to local authorities to promote equal opportunities in schools. Local authorities are bound by the provisions of the Sex Discrimination Act 1975, and the Government are firmly committed to equality of opportunity in education, as in other fields.

Mr. Riddick: I am grateful to my hon. Friend for that reply. Is she concerned that equal opportunities policies are being abused by some Left-wing councils? Is she aware that a poll conducted last year among parents in Brent showed that parents felt that the council believed that its sex and race policies were more important than its teaching? Is she happy that the appalling abuses of the so-called race snoopers, so graphically shown on the BBC "Panorama" programme last year, have now been brought to an end?

Mrs. Rumbold: Brent's development programme for race equality is currently the subject of an independent assessment by Sir David Lane. That assessment was commissioned by my right hon. Friend the Home Secretary to help him to determine whether the local authority should receive grant under section 11 of the Local Government Act 1986 towards the salary costs of the programme.

At the same time, HMI has been conducting an inspection of the work of the development programme for race equality in Brent schools. Reports from both Sir David Lane and HMI should be available after Easter. I hope that that answers my hon. Friend's query.

Mr. Speaker: Order. I appeal to hon. Members sitting below the Gangway not to carry on conversations across the Chamber. It makes it very difficult to hear.

Ms. Armstrong: I am very disappointed at the Government's response. They are not making any commitments on what they will do to ensure that in future girls, and those from racial minorities, receive an equal chance in schools. What are the Government going to do to ensure that the national curriculum and testing are operated in a way that will enable those groups to have a fair chance?

Mrs. Rumbold: In the remit letters to the working groups on the subjects for the national curriculum we have asked for special attention to be paid to the importance of ensuring that girls are offered exactly the same opportunities and choices in subjects as boys, to make certain that the future work force—both girls and boys—receives suitable opportunities.

Mr. Harry Greenway: Does my hon. Friend accept that much more research is required? In some subjects, such as handicraft, metal and wood, girls do as well as boys, and they also apply themselves in other subjects such as home economics. However, although boys enjoy cooking and eating the food that they produce, they take no interest in diet and do not follow the subject to a suitable academic level

Mrs. Rumbold: My hon. Friend is right. We still need to make some progress to ensure that there are equal opportunities for boys and girls in all subjects offered in schools. Equality is very important, particularly for girls. They should be encouraged to take up subjects such as engineering. We have taken particular care to examine the recommendations of organisations such as the Equal Opportunities Commission.

Mrs. Clwyd: Does the Minister agree that equal access to the same curriculum must be supported by in-service equal opportunities training if the Government's declared objectives are to be met? Or are the Government ready to be hauled yet again before the European Court of Justice because of breaches of the Sex Discrimination Act 1975?

Mrs. Rumbold: The hon. Lady knows that teaching institutions are required to follow the equal opportunities legislation, and also not to practise any kind of sex discrimination in their courses.

Higher Education

9. **Mr. Hind:** To ask the Secretary of State for Education and Science what plans he has for increasing the number of places available to students in higher education; and if he will make a statement.

Mr. Jackson: The Government remain committed to the principle that places should be available for all who have the necessary intellectual competence, motivation and maturity to benefit from higher education and who wish to do so. We are confident that our expenditure plans provide for institutions to meet this demand.

Mr. Hind: Will my hon. Friend confirm that it is a major pillar of his Department's policy that higher education should be made widely available to every 18-year-old or other person who wishes to seek it? Will he also confirm that major progress is being made towards the commitment to increase the numbers in higher education by 50,000 by 1990?

Mr. Jackson: My hon. Friend is absolutely right. Important progress is being made. I have some interesting figures on student numbers and participation rates under the present Government compared with what happened under their predecessors. Between 1975 and 1979, participation fell by 9·5 per cent. and numbers rose by only 4·3 per cent. Between 1979 and 1986 participation rose by 12·9 per cent. and numbers rose by 18·9 per cent. under this Government.

Rev. Martin Smyth: Will the Minister confirm that if the growing numbers of students from outside the United Kingdom want to take advantage of further education in the United Kingdom under the EEC directive, students in the United Kingdom will not be penalised and there will be enough places for them if they are qualified?

Mr. Jackson: There is room within our system for people to come from other countries of the European Community and we benefit from reciprocal arrangements with those countries. At the moment the traffic is more or less equal.

Mr. Rowe: Does my hon. Friend agree that there is considerable evidence that people entering higher education at a much later age than 18 frequently get more out of it than 18-year-olds? If he does, will he confirm that he will do everything in his power to make it easier for such people to achieve access to higher education, which is so important?

Mr. Jackson: My hon. Friend has touched on an important theme. By the middle of the next decade there will be a reduction by a third in the number of 18-year-olds in our population and it will be necessary, as well as desirable — as my hon. Friend said — to increase participation by mature people and part-time students.

Mr. Andrew F. Bennett: Will the Minister tell us what the Government are doing to attract mature students and make it easier for them to get into higher education, instead of leaking stories about student loans, which would clearly make it difficult for them? What will he do to develop access courses and provide proper grants for mature students so as to attract them and to fulfil his policy of making a larger proportion of the student population consist of mature students?

Mr. Jackson: I have already described the enormous expansion of higher education under the Government. On the point that the hon. Gentleman makes about loans, it is interesting to make international comparisons. They are difficult to make — *[Interruption]* — but, comparing the United Kingdom with the Federal Republic of Germany, we see that the average value of a loan paid to a student is £2,000 a year, and roughly 15 per cent. of new entrants to universities are from manual working class backgrounds, whereas in Britain, which has no loans and the most generous grant provision in the world, only 6 per cent. come from manual working-class backgrounds — *[Interruption]*

Mr. Speaker: Order. I appeal to the House once again to listen to Question Time. These are important matters of great concern to hon. Members and to people outside.

AIDS

10. **Mrs. Fyfe:** To ask the Secretary of State for Education and Science what support he is giving to the Medical Research Council for research into AIDS-related dementia.

Mr. Jackson: The Medical Research Council has two sources of Government funds for AIDS research. It receives earmarked funding, starting with £3·5 million in 1987-88 and rising to £8 million in 1989-90. It supports additional AIDS research from its general grant.

Mrs. Fyfe: The Minister's answer means not a lot. Does he realise that advances in areas such as this would be less likely to be made were it not for pure research, which the Government are curtailing? Does he realise that this is the unglamorous end of the research market, which is less likely to receive funds from voluntary bodies? The Government must therefore do much more about it.

Mr. Jackson: The hon. Lady is absolutely right about the importance of pure research as the basis for the good work that is being done by our scientists in this and other fields. As she will know, the matter was debated in the House last week, and I am sorry that she was not able to participate in that debate. If she reads it she will find the answer to her question contained in the speeches made by my right hon. Friend and myself.

Mr. Galbraith: Developing the point on basic pure research, will the Minister inquire into the three-year project grants of the Medical Research Council? Why is the number of such grants that are approved but not funded increasing over the years, despite the fact that the level for approval is also rising? Will the Minister inquire into that? As he realises, this is the seedcorn of basic scientific research and it is being hampered under this Government, so may we have an inquiry into this issue within the Medical Research Council?

Mr. Jackson: I shall certainly write to the hon. Gentleman after having inquired, but the administration of its funds is a matter for the Medical Research Council. It cannot be a principle that all projects for which funding is requested will be funded. The council must make some judgment and exercise discrimination.

City Technology Colleges

11. **Mr. Allen:** To ask the Secretary of State for Education and Science how much it will cost to build the city technology college in Nottingham; how much of the cost will be met by the Government; and if he will make a statement.

Mrs. Rumbold: The cash limit for capital expenditure on the Nottingham city technology college is £9·05 million. This covers the cost of land, fixed furniture, equipment and professional fees as well as the cost of building. My right hon. Friend has agreed, exceptionally, to underwrite up to 85 per cent. of this figure. He is confident that the Nottingham CTC trust will contribute more than its minimum share of the capital costs through additional sponsorship.

Mr. Allen: Is the hon. Lady aware that there are 565 schools in Nottinghamshire, which have a capital programme now of £2·7 million as a result of the cuts instituted by the Government, and that more than £9 million is to be spent on imposing a CTC on the city of Nottingham? Is that because the hon. Lady cannot do her arithmetic, or is it because she is putting one college above the educational needs of all the children of Nottinghamshire?

Mrs. Rumbold: The advantages that the city technology college will bring to the city of Nottingham and its environs are immeasurable. It will produce a large number of opportunities for good education for children who apparently are not able to receive that education at present. I suggest to the hon. Gentleman that the expenditure is well justified.

Mr. Hanley: Does my hon. Friend not agree that, with 20,000 unemployed in Nottingham, it will be a small price to pay for the children's future?

Mrs. Rumbold: I certainly agree with my hon. Friend that the education that will be received in the CTC will greatly improve the opportunities for employment for all the young people who are fortunate enough to participate in the education there.

Mr. Fatchett: Does the Minister recall the DES document that launched the CTC initiative, which said that the promoters would meet all or a substantial part of capital costs? Why, then, in the case of Nottingham is there such a shift in policy? Why are the Government meeting 85 per cent. of capital costs?

Mrs. Rumbold: Sadly, it is because the local authority refused point blank to be co-operative in the matter of a building. In those local authorities where there has been co-operation in the matter of a building for the technology college, it has been perfectly possible for the Secretary of State to adhere to the original proposals.

Education Reform

12. **Dr. Michael Clark:** To ask the Secretary of State for Education and Science what representations he has received on the proposed national curriculum and the feasibility of implementing and maintaining it.

Mr. Kenneth Baker: We have received over 10,000 responses to our proposals. A number of these raised questions about the implementation of the national curriculum. Our decisions on the phasing of its introduction will take account of all relevant factors.

Dr. Clark: Is my right hon. Friend aware that the proposed introduction of a national curriculum, particularly the inclusion of science as a core subject, is being widely welcomed? I acknowledge that we are producing more science graduates now than we have for many years, but is my right hon. Friend confident that there will be enough science teachers to ensure that science is properly taught as a core subject?

Mr. Baker: My hon. Friend is right. There are about 30,000 more students studying science in our polytechnics and universities than when we took office. But I am concernd about the shortage of science teachers, particularly in physics. We have a bursary scheme of an extra £1,250 a year for those who want to study physics teaching, and I am glad to say that there was a sharp increase in the number of students for that scheme last year —an increase of 40 per cent. We need several years like that.

Mr. Ashdown: Does the right hon. Gentleman recall that in Committee the Minister of State, his hon. Friend the Member for Mitcham and Morden (Mrs. Rumbold), undertook to provide for me the details of the teachers who would be required in each of the disciplines in order to implement the national curriculum? Will he tell me when I may expect to receive that information?

Mr. Baker: We have in hand a review of this and we shall have the figures later this year.

Mr. Haselhurst: Is my right hon. Friend aware of the concern felt by some head teachers that in the preparation of pupils for scholarship at the university entrance the time taken by the core curriculum might leave too little time for some of the other specialist subjects?

Mr. Baker: I am concerned that the foundation core curriculum should not take up too much time and exclude such important subjects as a second foreign language, a second and third science, and religious education. That is why we are not being prescriptive and saying that the curriculum should take up a particular amount of time. We think, broadly, that it will take up about 70 per cent. That leaves a day and a half a week for the other subjects.

Mr. Win Griffiths: Is the Secretary of State aware that in foreign language teaching—and in craft design and technology—there is likely to be a shortfall of teachers? Does he propose to increase funding in those areas to make sure that we have not just teachers, but suitably trained teachers, to make sure that these very difficult subjects are taught adequately to our children?

Mr. Baker: Courses are also available for student teachers in craft and design technology. I am also concerned with the potential shortfall in foreign language teachers. Over the next two or three years we shall be using education support grants, together with our in-service training grants, to deal with some of these problems.

13. **Mr. Robert G. Hughes:** To ask the Secretary of State for Education and Science what representations he has received on the religious education provisions of the Education Reform Bill; and if he will make a statement.

Mrs. Rumbold: My right hon. Friend and I have received many representations from hon. Members, Church leaders and others about religous education and the Education Reform Bill. The Bill reinforces the existing law on religious education, reflecting the Government's determination to sustain the position of religious education in the school curriculum.

Mr. Hughes: I thank my hon. Friend for that answer. Will she confirm that the provisions of the Bill, as well as strengthening religious instruction in our schools, will make it easier for parents to protect the Church voluntary aided day schools in their aims, which are under attack from councils controlled by the Opposition?

Mrs. Rumbold: My hon. Friend is quite right. The Education Reform Bill contains provisions substantially to strengthen the position of parents and will enable their voice to be heard when local authorities propose to take action against voluntary aided schools.

Mr. Stokes: Does my hon. Friend agree that in the last resort, the effectiveness of religious education depends on the commitment of the teachers?

Mrs. Rumbold: My hon. Friend is perfectly correct in saying that the effectiveness of religious education depends very much upon the effectiveness of the teachers. I can assure him that the place of religious education in the curriculum is very secure under the provisions of the Education Reform Bill, because it continues to be a compulsory subject for all children to study.

Assisted Places Scheme

14. **Mr. Nicholas Bennett:** To ask the Secretary of State for Education and Science what was the total number of assisted places in *(a)* 1980-81 and *(b)* 1987-88.

Mr. Dunn: In the academic year 1981-82, when the assisted places scheme was first introduced, a total of 5,596 places were available in England and Wales for pupils entering the scheme at the various ages of entry. In 1987-88 there is a total of 34,005 places available for take-up in the scheme throughout the secondary age range.

Mr. Bennett: Does my hon. Friend agree that those figures show just how much the Government have done for parental choice in allowing children to go to schools where they will be able to have the education that they need? Will he say how many children have been given the opportunity to go to schools where they can be given special opportunities to study ballet and music?

Mr. Dunn: I welcome my hon. Friend's endorsement of the excellent scheme. Since September 1987 some 499 pupils have gained places under the aided pupils scheme. This scheme deals with music and ballet, in which my hon. Friend is interested.

Mr. Fatchett: How, when the Government are prepared to spend £4,000 per year on some children for some assisted places, can they regard the expenditure of 60 per cent. of that sum in ILEA schools to be overspending?

Mr. Dunn: That comment is entirely worthy of the hon. Gentleman. It is because of the ideological hatred of the scheme that we are determined to make it work and see it extended over a period of time.

Student Grants

16. **Mr. Canavan:** To ask the Secretary of State for Education and Science what adjustment will be made to the level of student grants, in view of the Government's poll tax proposals.

Mr. Jackson: Students' liability to pay 20 per cent. of the community charge will be taken into account in reaching decisions on the future level of student support from public funds. Grant rates for the 1988-89 academic year have already been announced and the Government have no plans to make any adjustment to them.

Mr. Canavan: Since students will be liable to pay at least 20 per cent. of the poll tax, which in some areas will amount to more than £100 a year, will the Minister give an absolute guarantee that students will be fully recompensed by an appropriate increase in their grant? Is he aware that, otherwise, many students will respond to the poll tax demand simply by telling the Government, "We can't pay, so we won't pay"? Who could blame them for refusing to stump up for a blatantly unjust tax which is an attack on the living standards of students and most other people in Britain?

Mr. Jackson: The decision to extend an 80 per cent. relief to all students for their share of expenditure from which they benefit has already been made. The question whether there should be compensation for the 20 per cent. obligation is one that remains to be dealt with. Meanwhile, in Scotland, for one term, it will be necessary for students to pay their contribution to the community charge.

Education Reform

18. **Mr. Yeo:** To ask the Secretary of State for Education and Science what representations he has received regarding the impact of the Education Reform Bill upon Catholic schools.

Mr. Dunn: A substantial proportion of the correspondence which my right hon. Friend has received about the Education Reform Bill has mentioned the possible impact of the Bill upon Catholic schools.

Mr. Yeo: Can my hon. Friend clarify the position on open enrolment in Catholic schools, about which some concern has been expressed?

Mr. Dunn: I am happy to do just that. The Education Act 1980 relieved the governors of a voluntary aided school from the requirement to admit pupils whose parents wanted them to attend the school, if such admissions would run counter to agreed arrangements designed to safeguard the school's denominational character. The Education Reform Bill does not change that position.

PRIME MINISTER

Engagements

Q1. **Mr. Haynes:** To ask the Prime Minister if she will list her official engagements for Tuesday 15 March 1988.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today.

Mr. Haynes: Is the Prime Minister aware that not many days hence, in the month of April, there will be many cuts in social security, including, in particular, housing benefit? Does she realise that there are millions of people across this nation, in my constituency, and in Finchley, too, who will lose because of her Government's policies? Does she realise that many of those people are elderly and that during their working lives they made a massive contribution to the success of this nation? They were even prepared to give their lives for this country. I have a heart, and it has feelings. Has the Prime Minister a heart of stone?

The Prime Minister: With regard to housing benefit, after the changes have been made, the money spent on housing benefit will still be considerably higher in real terms than was expenditure to help with rent and rates in 1979. May I also point out to the hon. Member and to the millions to whom he referred that expenditure on social security this year, because of the very successful running of the economy, will be as high as £46 billion?

Mr. Harry Greenway: Will my right hon. Friend join me in welcoming the new £4 million maternity unit at the Ealing hospital, to be opened on 24 March? Will she note that in the current year the caring Ealing Labour council increased the rates on Ealing hospital by £299,000, but that rate capping by this Government will reduce those rates by £175,000 next year? What effect on treatment does she think that the additional rate bill of £299,000 imposed by the Labour council would have had?

The Prime Minister: I join my hon. Friend in welcoming the development at Ealing hospital and in condemning the high-rating policy of the local authority, which has put up the rates on the hospital and placed great strains on its budget.

Mr. Kinnock: The Government's opposition to the execution of the Sharpeville Six is long-standing and well known. In further assertion of that opposition, will the Prime Minister make a direct personal appeal to the President of South Africa, asking him to grant an indefinite stay of execution for the Sharpeville Six, who are recognised by the trial and appeal courts not to have had any causal complicity in the death of the deputy mayor of Sharpeville?

The Prime Minister: As the right hon. Gentleman knows, Britain and other Western Governments have already urged the South African Government to exercise clemency in the particular circumstances of this case, to which he referred. In addition, my Office saw relatives of the Sharpeville Six this morning, as I know the right hon. Gentleman did. I have also spoken to Archbishop Tutu. Although it is not our normal practice to intervene in such cases, in the particular circumstances of this one, our ambassador in South Africa is speaking this afternoon to the South African Government to express my hope that President Botha will see fit, even at this late stage, to exercise the prerogative of mercy. I have made inquiries, and I understand that Chancellor Kohl will be making a similar appeal on behalf of the 12 Governments of the European Community, and I further understand that the United States Government will be making parallel representations in President Reagan's name.

Mr. Kinnock: May I thank the Prime Minister for that reply as a very positive step that she has taken in addition to the other actions that are afoot both at home and abroad. Could she possibly reflect further and consider the advantage of making a direct personal appeal to the President of South Africa? She need not give a final reply at this stage, although, plainly, time is tragically running out.

The Prime Minister: No. As I indicated to the right hon. Gentleman, our ambassador is speaking to the South African Government this afternoon to express my hope that President Botha will see fit to exercise the prerogative of mercy. That is the usual way to do it, and it is the way in which other pleas have been going in. Of course, they have to go to President Botha. I hope that the right hon. Gentleman will agree that everything possible has been done. I stress that it is because of the very unusual circumstances of this particular case, which he alluded to in his initial question.

Sir Charles Morrison: Will my right hon. Friend comment on the report in *The Times* this morning that the Government are considering abolishing the county councils, or say whether the Government intend to consider such a proposition?

The Prime Minister: Naturally, I will comment. It was news to me, but reading the newspapers gets more like a voyage of discovery of things that are not so, every day.

Mr. Wigley: If, indeed, the South African regime goes ahead with these appalling executions, will the Prime Minister be prepared to think again on the question of sanctions?

The Prime Minister: No. Sanctions would not help in any way. They would only make matters a great deal worse for those whom the hon. Member, and most other hon. Members in the House, are seeking to help.

Mr. John Townend: Has my right hon. Friend had time to study the latest immigration figures, which I understand show that immigration to the United Kingdom last year was at the lowest level for decades, and is she aware that this will be warmly welcomed by the British people?

The Prime Minister: I have not studied those figures, but I knew that they were down. I believe that that is in the interests of everyone in the United Kingdom, not least those who have previously been immigrants to this country and who now have a permanent right of abode here.

Q2. **Mr. Nigel Griffiths:** To ask the Prime Minister if she will list her official engagements for Tuesday 15 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Griffiths: Is the Prime Minister aware that the Government's social fund is so small that charities are being asked by the Department of Health and Social Security to prepare to give handouts to the poor and to pensioners on income support? Will the Prime Minister tell the House the level of income support for a pensioner over the age of 60; and could she live on that amount?

The Prime Minister: The social fund is of the order of £200 million. With regard to what the hon. Gentleman said, only where there are crisis loans will social fund officers by asked to consider any help that might be forthcoming from charities.

Q3. **Mr. Barry Field:** To ask the Prime Minister if she will list her official engagements for Tuesday 15 March.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Field: Will my right hon. Friend find time to congratulate the Southern Vectis Bus Company on the Isle of Wight, which is the first of the privatised bus companies to purchase a municipal bus company from the Portsmouth city council? Does that not show that, like the Chancellor, the Isle of Wight is going along the route to a free enterprise culture, unlike the Opposition parties, who have either missed the bus or caught the wrong one?

The Prime Minister: I congratulate the Southern Vectis Company on its success in the private sector and I congratulate it on its enterprise. I understand that the matter of the Portsmouth purchase will be considered by my right hon. Friend.

Q4. **Mr. Ron Brown:** To ask the Prime Minister if she will list her official engagements for Tuesday 15 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Brown: Now that Mr. James Abra has been set free as part of Libya's general amnesty, thanks to individual Members here, will the Prime Minister respond in some way? Does she know, for example, that there are some 5,000 Britons working out there on all sorts of contracts and that many British companies do quite well? Does she also appreciate that Libyans are detained here and that they should be considered for parole? We know that the Prime Minister does not intervene in judicial matters, but, if that is not possible, why should not those individuals at least be given the right to serve out their sentences in their home country? Why should they not be given the right to go back to Libya to serve those sentences? *[Interruption.]* Even if the Prime Minister will not consider that — *[Interruption.]*—will she at least allow the parents of those prisoners the right to come to this country freely to visit them in prison? I say that remembering a certain individual who was lost in the desert.

Mr. Speaker: Order. I think that the hon. Gentleman has had enough time.

The Prime Minister: In so far as I heard the hon. Gentleman's question, we welcome the release of Mr. Abra from prison as part of a general amnesty. The 5,000 British people who work in Libya do so at their own risk, knowing the circumstances in that country. Parole for prisoners here is dealt with as usual, and there are no exceptions to that rule. The possibility of serving sentences at home applies only to those countries that have signed the European convention. I do not think that that applies to Libya.

Q5. **Mr. Fallon:** To ask the Prime Minister if she will list her official engagements for Tuesday 15 March.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Fallon: Does my right hon. Friend welcome the decision of Nissan to build on its successful investment in the north-east and to locate its design centre in Britain? Does not that news and the announcement by Sanyo last week of 500 jobs in county Durham confirm the industrial revival of the northern region under the Government?

The Prime Minister: The north-east is doing much better. I know that my hon. Friend is a staunch champion of its future. We welcome Nissan's decision to put a design centre here. I am not quite certain where it is going, but, wherever it goes, its coming to this country will be due in large measure to the success of the Washington plant and the excellent relations between the management and the work force there.

Q6. **Mr. Meale:** To ask the Prime Minister if she will list her official engagements for Tuesday 15 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Meale: Is the Prime Minister aware that Mansfield colliery in my constituency will be closed in the near future, losing over 1,000 jobs in my constituency, despite the fact that millions of tons of coal exist in that colliery, to be dug out in the near future? Is she further aware that the colliery worked throughout the miners' strike and was loyal to her opinion on that strike? Is she aware that the closure is due to the price of coal in Britain today and to her refusal to subsidise coal prices in Britain? When will she act to subsidise coal prices on the world market so that our coal mines can compete, or at least ban the import of cheap foreign coal?

The Prime Minister: First, I am aware that the Mansfield colliery is closing. I understand that there will be no compulsory redundancies. With regard to what the hon. Gentleman said about subsidies, I must tell him that the subsidies by the British taxpayer to the National Coal Board are very considerable. Investment has been enormous—of the order of £2 million a day—to ensure that the industry becomes competitive, because in a competitive future will lie its strength and the future of jobs for people in the coal industry.

Mr. Fairbairn: Will my right hon. Friend take time to ponder that under the policies of her Government we have saved £8,000 million in overseas debt interests, compared with the equivalent figure in 1979, which figure happens to be the combined budget for Scotland and Wales put together, or one third of the Health Service funding? Would she care to ponder on whether a Labour Government would have closed down Scotland and Wales and one third of the Health Service, or borrowed £8,000 million and beggared the country as a whole?

The Prime Minister: My hon. and learned Friend puts his point absolutely superbly. Under the Government we have borrowed less and have far more overseas assets, and Scotland is benefiting in the process.

WAYS AND MEANS

Budget Statement

Mr. Deputy Speaker (Mr. Harold Walker): Before I call the Chancellor of the Exchequer, it may be for the convenience of hon. Members if I remind them that at the end of the Chancellor's speech, as in past years, copies of the Budget resolutions will not be handed around in the Chamber but will be available to hon. Members in the Vote Office.

3.31 pm

The Chancellor of the Exchequer (Mr. Nigel Lawson): I am reliably informed that my Budget speech last year was the shortest this century. My Budget speech this year is likely to have a different claim to a place in the history books — not, the House will be glad to learn, as the longest Budget speech this century, but as the last untelevised Budget speech.

As I once again present the first Budget of a new Parliament, the British economy is stronger than at any time since the war. As the British people recognised last June, this has not happened by chance. It has happened because, for almost nine years now, we have followed the right policies and stuck to them. I reaffirm those policies today. In particular, there will be no letting up in our determination to defeat inflation.

I shall begin, as usual, with the economic background to the Budget. I shall then deal with monetary policy, and with the public finances this year and next, and indeed for the remainder of this Parliament. Finally, I shall propose a number of measures designed to improve the performance of the economy still further, by changing the structure of taxation. For this will be a tax reform Budget.

As usual, the Financial Statement and Budget Report, together with a number of press releases filling out the details of my tax proposals, will be available from the Vote Office as soon as I have sat down.

THE ECONOMIC BACKGROUND

I start with the economic background.

The strength and durability of the economic upswing has now exceeded all post-war records. We are about to enter our eighth successive year of sustained growth, and the sixth in which this has been combined with low inflation. And, even without looking to 1988, the six years to 1987 have been the longest period of steady growth, at a rate averaging 3 per cent. a year, for half a century.

This performance compares favourably not only with our own past, but also with the economic performance of other countries. During the 1960s and the 1970s, Britain's growth rate was the lowest of all the major European economies. During the 1980s, our growth rate has been the highest of all the major European economies.

In 1987 as a whole, output grew by getting on for 4½ per cent., rather more than the rate of inflation which averaged 4·2 per cent. At the same time, unemployment fell faster than in any other year since the war, in every region of the country, and more than in any other major nation.

The plain fact is that the British economy has been transformed. Prudent financial policies have given business and industry the confidence to expand, while supply side reforms have progressively removed the barriers to enterprise.

Nowhere has this transformation been more marked than in manufacturing, where output rose last year by 5½ per cent. This outstanding performance was founded on a further big improvement in productivity. In the 1980s, output per head in manufacturing has gone up faster in Britain than in any other major industrial country, and we led the way once again last year. This is in stark contrast to the 1960s and 1970s, when in the growth of manufacturing productivity, as in so much else, we were bottom of the league.

The current account of the balance of payments is now estimated to have been in deficit last year by a little over £1½ billion, after seven successive years of surplus. This is well below the deficit I forecast at the time of last year's Budget, despite growth turning out stronger than forecast. The reason for the smaller deficit was the better than expected performance of visible trade, with exports of manufactures up by 8½ per cent. This continues the consistent trend of the 1980s, with British manufacturers maintaining their share of an expanding world trade — the crucial test of competitiveness — after decades during which Britain's share was steadily declining.

Looking ahead, I expect 1988 to be yet another year of healthy growth with low inflation; and there is every prospect that unemployment will continue to fall, although probably not as rapidly as last year.

The pace of non-oil growth is likely to ease from now on, returning to the underlying trend of the past few years. Output for 1988 as a whole is forecast to be 3 per cent. higher than in 1987, with the non-oil economy up by 3½ per cent. Business investment is forecast to grow particularly strongly, with a rise of 9 per cent.

As last year, inflation is forecast to end the year at 4 per cent. While this is still too high, it is a testimony to the soundness of our policies that the present strong and sustained upswing, unlike almost all its predecessors, has not led to any resurgence of inflation.

With growth in the United Kingdom economy likely to continue to outpace that of most other major countries, particularly in continental Europe, and with our oil surplus falling as North sea oil production declines, the current account of the balance of payments is forecast to remain in deficit this year, by some £4 billion, equivalent to less than 1 per cent. of GDP. Given the strength of the economy in general, and of our public finances in particular, not to mention our massive net overseas assets, I foresee no difficulty in financing a temporary current account deficit of this scale.

But the outlook both for exports and for jobs will depend critically on employers keeping their costs firmly under control. Unit labour costs in manufacturing scarcely rose at all in 1987. It is vital that employers do not let this slip, and keep a tight grip on all their costs, not least pay.

In my Budget speech last year, I warned that:

"Given the continuation of present policies in this country, the biggest risk to the excellent prospect I have outlined is that of a downturn in the world economy as a whole." — [*Official Report*, 17 March 1987; Vol. 112, c. 817.]

That remains the case. The dramatic collapse in the world's equity markets last October was not the second coming of 1929 or the harbinger of a 1930s-style world slump, as so many feared at the time — although it could have been a great deal nastier had the authorities in the major nations not responded in a prompt and appropriate way. It was essentially an overdue market correction which did little more than reverse the rapid rise in share prices

of the previous year. Certainly, business confidence does not seem to have been greatly affected, and growth in the seven major industrial countries as a whole this year is likely to be only slightly lower than last year.

But Black Monday was also a warning. The world's three largest economies—the United States, Japan and Germany — have made a number of the policy adjustments necessary to reduce the imbalances which have for so long afflicted them, and there is evidence that the measures they have taken are starting to bear fruit. But there is still a long way to go; and meanwhile there is the constant danger that the process of adjustment, and with it the world economy as a whole, could be gravely damaged either by further wild gyrations in the dollar exchange rate or by a lurch into protectionism.

Success in reducing these imbalances depends on countries putting the right fiscal and monetary policies in place, and keeping them there. But the necessary adjustments are much more likely to be achieved if the objective of greater exchange rate stability is given an explicit role in the process of international co-operation, as has been the case for well over two years now. I can assure the House that we shall continue to play our full part.

MONETARY POLICY

Meanwhile, the maintenance of sound money and prudent public finances will keep us in the best possible position to weather any storms we may face, either at home or abroad.

The medium-term financial strategy, now entering its ninth year, will continue to provide the framework for reducing the growth of money GDP, and hence inflation, over the medium term. These will be achieved by maintaining firm monetary discipline, buttressed by a prudent fiscal stance.

Achieving the gradual eradication of inflation requires a steady reduction in monetary growth in the medium term. While I shall continue to take account of broad money, or liquidity, as last year there will be no explicit target. For narrow money, M0, the target range for 1988-89 will be 1 to 5 per cent., as foreshadowed in last year's MTFS.

Short-term interest rates remain the essential instrument of monetary policy. Within a continuous and comprehensive assessment of monetary conditions, I will continue to set interest rates at the level necessary to ensure downward pressure on inflation.

Exchange rates play a central role in domestic monetary decisions as well as in international policy co-operation. I believe that most business men have welcomed the greater exchange rate stability over the past year. It is important that they also accept the financial discipline inherent in this policy.

PUBLIC SECTOR FINANCES

As I pointed out a moment ago, a sound monetary policy needs to be buttressed by a prudent fiscal stance.

At one time, it was regarded as the hallmark of good government to maintain a balanced budget; to ensure that, in time of peace, Government spending was fully financed by revenues from taxation, with no need for Government borrowing. Over the years, this simple and beneficent rule was increasingly disregarded, culminating in the catastrophe of 1975-76, when the last Labour Government had a budget deficit, or public sector borrowing requirement, equivalent in today's terms to some £40 billion.

This profligacy not only brought economic disaster and the national humiliation of a bail-out by the IMF; it also added massively to the burden of debt interest, not merely now but for a generation to come.

Thus, one of our main objectives, when we first took office in 1979, was to bring down Government borrowing. We steadily reduced the public sector borrowing requirement from the 5¼ per cent. of GDP we inherited to only three quarters of 1 per cent. in 1986-87. Today, I am able to tell the House that in 1987-88, the year now ending, we are set to secure something previously achieved only on one isolated occasion since the beginning of the 1950s: a balanced budget.

Indeed, we have gone even further. It looks as if the final outturn for 1987-88 will be a budget surplus of £3 billion. Instead of a PSBR, a PSDR: not a public sector borrowing requirement, but a public sector debt repayment. And, incidentally, even if there had been no privatisation proceeds at all, the resulting PSBR, at a half of 1 per cent. of GDP, would still have been the lowest in all but one year since the beginning of the 1950s.

Some two thirds of this substantial undershoot of the PSBR I set at the time of last year's Budget is the result of the increased tax revenues that have flowed from a buoyant economy; while the remaining third is due to lower than expected public expenditure, again the outcome of a buoyant economy: less in benefits for the unemployed, higher receipts from council house sales, and improved trading performance by the nationalised industries.

A balanced budget is a valuable discipline for the medium term. It represents security for the present and an investment for the future. Having achieved it, I intend to stick to it. In other words, henceforth a zero PSBR will be the norm. This provides a clear and simple rule, with a good historical pedigree.

In the very nature of things, there are bound to be fluctuations on either side from year to year. It is in this context that I have to set the precise fiscal stance for the year ahead, 1988-89.

I have already announced, in the Autumn Statement last November, a £2½ billion increase in public expenditure plans for 1988-89, with resources allocated to programmes up by over £4½ billion. This means that, over the coming year, we will be spending at least £1,100 million more on health than in the year now ending, at least £900 million more on education, and at least £500 million more on law and order.

These large increases in public expenditure programmes for the coming year will be financed partly from the saving in debt interest resulting from the reduction in Government borrowing. Debt interest payments now account for about three quarters of a percentage point less of GDP than they did only three years ago. This may not sound very much, but it implies a saving of some £3 billion a year. And the balanced budget path I have set out in this year's MTFS will help to reduce debt interest payments still further.

We have thus secured an enviable virtuous circle in public finance: lower borrowing and lower tax rates create both the scope and the incentive for the private sector to expand. And the private sector then generates higher revenues which permit further reductions in borrowing or tax.

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But even so, the increased public spending now planned for 1988-89 inevitably implies less scope for reducing taxation. Moreover, I have decided that for the year immediately ahead the path of prudence and caution is to budget for a further surplus of the same size as this year's expected outturn—that is to say, a further public sector debt repayment of some £3 billion.

What this means is that it will not be possible in this Budget to reduce the burden of taxation; that is to say, to reduce taxation as a share of GDP. However, the House may be pleased to know that, with a strong and healthy economy, a constant burden of taxation implies a reduction in tax rates.

TAX REFORM

I indicated at the outset that this will be a radical, tax-reforming Budget.

Over the past few years there has been increasing recognition, throughout the industrialised world, of the importance of tax reform in improving economic performance. And for us in this country the lesson is underlined by the success of the reform of business taxation which I announced in my first Budget, at the start of the last Parliament.

But while tax reform is a simple matter for the armchair critic, it is very much more difficult in practice. It is difficult technically and difficult politically—since any tax system, however it arose, creates powerful vested interests in favour of the status quo.

Nor, indeed, is it right that change should be too violent. People have a right to expect a reasonable degree of stability in the framework within which they order their affairs. But change there has to be.

So the tax-reforming Chancellor must tread a careful path. That I have sought to do in this Budget. The proposals I shall be making today amount to a substantial and coherent package which will be of increasing benefit to the taxpayer and to the economy as a whole in the years to come.

I have been guided by four basic principles—first, the need to reduce tax rates where they are clearly too high; second, the need to reduce or abolish unwarranted tax breaks; third, the need to make life a little simpler for the taxpayer; and, fourth, the need to remove some manifest injustices from the system.

INDEPENDENT TAXATION AND TAX PENALTIES ON MARRIAGE

My first reform concerns the taxation of marriage.

The present system for the taxation of married couples goes back 180 years. It taxes the income of a married woman as if it belonged to her husband. Quite simply, that is no longer acceptable.

This is a matter on which there has already been extensive consultation. The time has come to take action.

I therefore propose a major reform of personal taxation, with two objectives: first, to give married women the same privacy and independence in their tax affairs as everyone else; and, second, to bring to an end the ways in which the tax system can penalise marriage.

I have decided to introduce, at the earliest practicable date, April 1990, a completely new system of independent taxation. Under this new system, a husband and wife will be taxed independently, on income of all kinds. All taxpayers, male or female, married or single, will be entitled to the same personal allowance, which will be available against all income, whether from earnings, pensions or savings.

In addition, there will be a married couple's allowance, equal to the difference under the present system between the married man's allowance and the single allowance. This new allowance will go in the first instance to the husband, so that his tax threshold will not fall. But if he does not have enough income to use it in full, he will be able to transfer any unused portion to his wife, to set against her income.

This ensures that the tax system will continue to recognise marriage, as it should do. At the same time, from 1990 married women will pay their own tax, on the basis of their own income, and have their own tax return, when one is necessary. There will, of course, be nothing to stop married women from asking their husbands to handle their tax affairs, or vice versa, as before; and many will no doubt do so. But what matters is that, for the first time ever, married women will have the right to complete independence and privacy so far as tax is concerned.

In the same way, a husband and wife will be taxed independently on any capital gains they may have, with an annual exemption each, instead of one between them as now. But transfers of capital between husband and wife will continue to be entirely free of any liability to tax.

As I have said, the new system will come into force in 1990. This is much sooner than would have been possible for most of the alternatives that have been canvassed. The necessary legislation will be contained in this year's Finance Bill. The cost of this historic reform, which for the first time ever gives a fair deal to married women, will be a little over £½ billion in 1990-91.

I mentioned a few moments ago the tax penalties on marriage. It is clearly wrong that some couples should find themselves paying more tax simply because they are married. I propose to put that right.

Independent taxation by itself will remove the most common penalty—the taxation of a married woman's income at her husband's marginal rate. But there are other tax penalties on marriage, and I propose to abolish them. These changes need not await the introduction of independent taxation.

Under the present system an unmarried couple can get twice as much mortgage interest relief as a married couple. This has attracted increasing—and justified—criticism. I propose to put a stop to it as from August this year. Thereafter, the £30,000 limit on mortgage interest relief will be related to the house or flat, irrespective of the number of borrowers. This was the solution put forward in the 1986 Green Paper on personal taxation, and it was widely welcomed. Existing mortgages will be unaffected.

Another anomaly is that an unmarried couple with children can each claim the additional personal allowance intended for single parents, and thus get more tax relief than a married couple in the same position. I propose to confine them to a single additional personal allowance, with effect from April 1989.

Thus this Budget will not only, for the first time ever, give married women a fair deal from the tax system. It will also eliminate, for all practical purposes, the other tax penalties which, under the present system, can arise on marriage.

BUSINESS TAXATION

I turn now to business taxation. The major reform of business taxation, which I introduced in 1984 and which was completed in 1986, has given us one of the lowest corporation tax rates in the world. This has encouraged overseas companies to invest in Britain and, most important of all, has greatly improved the quality of investment by British firms. It is a crucial part of an environment in which company profitability has recovered to its highest level for some 20 years. It has succeeded in its objectives.

I do not, therefore, propose any further changes to the structure of corporation tax. And the main corporation tax rate for 1988-89 will be unchanged at 35 per cent. But I do have some changes to propose to specific aspects of business taxation.

British exporters have done extremely well in recent years, thanks to major improvements in efficiency and quality. But no exporter could honestly claim that his success hinges on the fact that the cost of entertaining overseas customers is tax deductible, whereas business entertainment generally is not. I therefore propose to simplify the system by making all business entertainment non-deductible for tax purposes, including for VAT.

In conjunction with my right hon. Friend the Secretary of State for Energy, I propose to restructure the tax regime for the new generation of southern basin and onshore fields so as to relate tax liability more closely to profitability. Accordingly, my right hon. Friend will shortly be bringing forward legislation to abolish royalties, from 1 July, for all such fields. At the same time, I propose to reduce the petroleum revenue tax oil allowance for these fields. This will mean the end of royalties for all future fields.

The Building Societies Act 1986 gives building societies the power to convert themselves into companies, if they so wish. At present, however, they would face a heavy, and unintended, tax charge if they did so. I propose to rectify this.

I have two changes to propose to the tax arrangements for Lloyd's. The first meets the only point that Lloyd's have raised on last year's legislation on reinsurance to close. The second will benefit both Lloyd's and the Inland Revenue by simplifying the administrative arrangements for taxing Lloyd's members.

I also propose to simplify the section 482 rules for companies that wish to migrate overseas, so as to bring these rules broadly into line with those of most of our major competitors. In future, companies will be resident in the United Kingdom if they are incorporated here. Subject to that, instead of having to ask for Treasury consent, companies will be free to migrate, provided only that they pay their tax first.

I now turn to a number of proposals to give further help to small businesses and new businesses, whose encouragement is a central theme of Government policy. Since 1979, the rate of new business formation, net of failures, has averaged 500 a week. This shows beyond any doubt the continuing vigour of this sector, which is such an important source of enterprise, of innovation, and of new jobs.

Many new businesses have been greatly assisted by the business expansion scheme, which has now been running for nearly five years. During that time, it has enabled new and expanding companies to raise equity finance amounting to some £150 million a year. However, the rapid growth of the venture capital market since 1983 has meant that companies seeking relatively large amounts of equity investment can now raise these readily, while smaller companies looking for more modest amounts can still find it difficult to do so.

To improve the targeting of the BES, I therefore propose to introduce a limit of half a million pounds on the amount that any company can raise under the scheme in any one year. Investment should thus be better directed at the smaller and newer businesses, particularly those outside the south-east of England, which can still find it hard to raise equity finance in other ways. In the special circumstances of the ship chartering industry, however, the limit will be £5 million.

I have one further proposal affecting the business expansion scheme.

One of the key reasons for our economic transformation has been the reform of the supply side of the economy.

The tax relief that I introduced last year for profit-related pay will, in time, help to increase pay flexibility and to improve the working of the labour market. But if successful firms are to expand further, and create still more jobs, we also have to make it easier for people to move to where the new jobs are.

For years, the shortage of private rented accommodation has been an obstacle to labour mobility. The Government's proposals to deregulate new rents are already going through the House. Deregulation will, over time, substantially increase the supply of housing for rent. But this will not happen overnight, and there is a case for a special incentive to speed up the process in the early years.

I therefore propose to extend the business expansion scheme to include companies specialising in the letting of residential property on the new assured tenancy basis.

The BES is well suited to this task. Since full tax relief is given immediately, it should bring forward new investment straight away. And we will be building on success.

The limit for this type of investment will be £5 million a year for any one company. Since the relief is specifically designed to provide an extra stimulus in the early years of deregulation, it will run only for investments made before the end of 1993.

This change will powerfully reinforce the impact of decontrol in reviving the private rented sector of housing in Britain.

In last year's Budget I raised the ceiling for capital gains tax retirement relief from £100,000 of gain to £125,000. But I believe it is necessary to do more to help the small business man whose wealth is tied up in his business, and who is faced with the disincentive of a heavy capital gains tax bill when he sells up on retirement. I therefore propose to extend capital gains tax retirement relief so that, on top of the total exemption, half of any gain between £125,000 and £500,000 will also be completely free of tax.

While on the subject of capital gains tax, I propose to extend rollover relief to a group of assets whose common characteristic is that they barely existed when the present list of qualifying assets was drawn up. They are milk quotas, potato quotas, satellites and spacecraft. I know that this will be warmly welcomed in the farming and extra-terrestrial communities alike.

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Lastly, on the small business front, I propose to increase the VAT threshold to £22,100, the maximum permitted under existing European Community law.

Throughout my time as Chancellor, I have been on the look-out for taxes to abolish. Abolition is clearly the simplest variety of reform. I have already abolished the national insurance surcharge, the investment income surcharge, development land tax and the tax on lifetime gifts.

At present, companies have to pay a capital duty of 1 per cent. whenever they raise new capital — whenever, for example, a new company is formed, or an existing company sells new shares to the public. This is undesirable on two counts. It is a burden on companies which need to secure external finance for expansion; and it discriminates against equity capital as compared with debt finance and bank borrowing.

Capital duty is a relatively recent impost which had to be introduced in 1973 in compliance with our obligations under European Community law. But the relevant Community directive has now been amended. Accordingly, I propose to abolish capital duty with effect from midnight tonight.

At the same time, I propose to get rid of the unit trust instrument duty, a similar though much less substantial tax, which is levied at the rate of ¼ per cent. on all assets put into a unit trust. I know that the unit trust movement will welcome this minor relief, and I trust that the benefit will be fully passed on to investors.

The cost of abolishing these two taxes will be of the order of £100 million in 1988-89. Not counting minor imposts, the demise of capital duty brings the number of taxes that I have abolished up to five: an average of one a Budget.

COVENANTS AND MAINTENANCE

I now turn to an important area of personal taxation which is ripe for reform and simplification: the taxation of payments made under deeds of covenant and maintenance arrangements.

Covenants to charity will be wholly unaffected by the changes I am about to propose.

Other covenants, and maintenance arrangements, are essentially ways of transferring income from one individual to another, usually from one member of a family to another, whether it is a parent or grandparent covenanting to a child, or a husband paying maintenance to an ex-wife.

Most of the financial transfers that take place within families are rightly and properly outside the scope of the tax system altogether. I propose, as far as is practicable, to take covenants and maintenance out as well. This will greatly simplify an unnecessarily complex part of the tax system.

First, covenants. Charitable covenants apart, I propose to take all new covenants made by individuals on or after today out of the tax system altogether. In other words, people receiving payments under covenants will not be liable to tax on them, and those making the payments will not be able to claim tax relief on them. The tax treatment of existing covenants will continue unchanged.

The largest single group of people affected by this change will be students, together with their parents, many of whom nowadays choose to make their contribution to the student maintenance grant by covenant. This has arisen as an unintended by-product of the reduction in 1970 of the legal age of majority from 21 to 18.

As I have already indicated, those who have already made such covenants will continue to benefit from tax relief. But for new students the parental contribution to the maintenance grant will be assessed on a new and more generous scale, to reflect the withdrawal of tax relief on new covenants. My right hon. Friends the Secretaries of State for Education and Science and for Scotland will be publishing the details tomorrow.

One desirable side effect of this reform is that future students will no longer be deterred from taking vacation jobs because their covenant income has already absorbed their personal allowance.

Student covenants apart, there will be no compensation for the loss of tax advantage arising from these proposals. But once rates of income tax are set at reasonable levels, this is precisely the sort of tax shelter it is right to dispense with.

Next, maintenance. Here, too, we tax the recipient, only to give tax relief to the payer. The present rules can be complex and confusing for people going through separation and divorce. The tax system ought to intrude as little as possible, though it is reasonable that there should be some recognition of the fact that an ex-husband is continuing to support his ex-wife, or indeed vice versa.

Accordingly, I propose that, for new maintenance arrangements, recipients will not be liable to any tax whatever on maintenance payments. Relief to the payer will be restricted to payments to a separated or divorced spouse, up to a limit equal to the difference between the married and single allowances.

For existing maintenance arrangements, the present rules will continue to apply in 1988-89, except that a separated or divorced spouse will be exempt from tax on receipts up to the difference between the married and single allowances. Full relief will continue for all those who are making payments under existing court orders or agreements. The same protection will also apply to those who have already applied for court orders, provided that they are made by 30 June. From April 1989 there will be special transitional rules to continue protection for existing arrangements.

While the transitional provisions are inevitably somewhat complex, the new system will be very much simpler than the old, for all concerned. It will reduce the tax relief that can be obtained by the better-off payers of large amounts of maintenance, but for most couples the ex-husband will continue to enjoy full tax relief while the ex-wife will not be taxed.

The reform of the tax treatment of maintenance that I am proposing today will also remove one of the lesser known tax penalties on marriage. At present, an unmarried couple can make large payments either between themselves or to their young children, and get tax relief that would not have been available had they been married. My proposed reform will put an end to that.

As I have said, this reform and simplification of the taxation of covenants and maintenance in no way affects covenants to charity. Indeed, I have a proposal to help charities further.

The payroll giving scheme has now been running for nearly a year. I am glad that so many employers have already set up schemes, and I hope as many employees as

possible will take advantage of them. In order to give further encouragement to charitable giving, and to assist the growth of the payroll giving scheme, I propose to double the annual limit on tax-allowable donations under the scheme to £240, or £20 a month.

TAXES ON SPENDING

I now turn to the taxation of spending.

I have one change to propose today affecting the coverage of value added tax, which will remain at 15 per cent. Confectionery was brought in to VAT by the right hon. Member for Leeds, East (Mr. Healey) in 1974, and the legal definition of confectionery goes back further still to the days of purchase tax. The emergence of new products has rendered this definition, rather like the right hon. Gentleman himself, somewhat obsolete. In particular, recent legal decisions mean that some cereal bars are subject to VAT, while others are not. I propose to clarify the law so that all cereal bars are taxed.

I propose to raise the excise duties as a whole broadly in line with inflation, but to make some modest adjustments within the total. The duty on cigarettes and hand-rolling tobacco will be increased, by the equivalent, including VAT, of between threepence and fourpence for a packet of 20 cigarettes. This will take effect from midnight on Thursday. The duty on a packet of five small cigars will rise by twopence, but that on pipe tobacco will remain unchanged.

As to the alcohol duties, I propose increases which, including VAT, will put about a penny on the price of a pint of average-strength beer and cider, fourpence on a bottle of table wine, and sixpence on a bottle of sparkling or fortified wine. There will once again be no increase in the duty on spirits. These changes will take effect from 6 o'clock tonight.

The existing duty structure is inhibiting sales of drinks known as coolers, which are mixtures of an alcoholic drink and a soft drink. I propose to introduce new lower rates of duty for these products, so as to encourage the young, in particular, to change to drinks with a lower alcohol content. For the same reason, I propose from 1 October to abolish the minimum duty charge on beer, which will encourage the promotion of lower-strength beers.

I propose once again to leave the main rates of vehicle excise duty unchanged. To recover the revenue forgone, I propose increases in petrol and derv duty over and above the rate of inflation, which, including VAT, will raise the price of petrol by between fivepence and sixpence a gallon, and that of derv by a little under fivepence a gallon. These changes will take effect from 6 o'clock tonight.

In my Budget last year, I sought to promote the use of lead-free petrol, with all the environmental benefits it brings, by introducing a duty differential in its favour. As a result, the number of garages selling lead-free petrol has more than trebled. But consumption remains disappointingly low.

Accordingly, I propose to double the duty differential in its favour by exempting unleaded petrol altogether from the duty increase I have just announced for leaded petrol. This means that, despite the higher production costs, the pump price of unleaded petrol should in future be below that of ordinary two-star petrol. I very much hope the petrol companies will now reinforce this concession by vigorously promoting the use of lead-free petrol.

TAXES ON CAPITAL

I now turn to taxes on capital.

The emergence of the capital-owning democracy has been one of the most remarkable features of the 1980s. Encouraged by Government policy, more than 2½ million families have bought their homes, bringing the total to nearly two households in three. And our proposals for personal pensions, which come into effect in July, will give a new dimension to pension ownership.

But the most dramatic change has been in share ownership. In last year's Budget I announced the results of a joint Treasury/Stock Exchange survey of the number of shareholders in this country. This revealed that some 8½ million people—one adult in five—owned shares, about three times the number in 1979.

A similar survey has been carried out this year. Despite all the stories of people taking quick profits on privatisation shares, and despite the stock market collapse, the results show that the number of individual shareholders has risen further over the past 12 months, to very nearly 9 million. This illustrates in a quite remarkable fashion how wider share ownership is now taking root.

I have two proposals to encourage share ownership still further to announce today.

First, personal equity plans are off to a successful start. Over a quarter of a million people took out PEPs in 1987 and subscribed nearly £½ billion between them. To give further encouragement to this form of investment, I propose to increase the annual limit from £2,400 to £3,000. The new higher limit will apply to all plans taken out this year.

Second, measures to encourage employee share ownership have featured in seven out of the last eight Budgets. As a result, the number of approved all-employee share schemes has risen from 30 in 1979 to over 1,400 today, involving well over 10,000 companies, and providing shares and options for well over 1½ million employees.

Following extensive consultation, including the publication of draft clauses, I now propose to relax the provisions of section 79 of the Finance Act 1972. This will make it easier for companies to provide shares to their employees outside the approved schemes without giving rise to an undue charge to tax. This will be of particular benefit to subsidiary companies and their employees.

In previous Budgets I have already substantially reformed the taxation of capital, with the replacement of capital transfer tax by inheritance tax. But I believe this process can and should be taken further. Last year I reduced the number of inheritance tax rates from seven to four. This year I propose to simplify the tax still further by levying it at a flat rate of 40 per cent.

At the same time, I propose to raise the threshold from £90,000 to £110,000. The increase in the threshold will reduce the number of estates liable to tax by a quarter, allowing many more people to inherit the family home free of tax. And the flat rate of 40 per cent. means that for the family business enjoying 50 per cent. business relief the effective rate of tax can never exceed 20 per cent.—one of the lowest inheritance tax rates in the industrialised world.

The cost of these changes will be £100 million in 1988-89.

Lastly, capital gains tax. Strictly speaking, this should not be a tax on the original capital at all. Nor is it, so far

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as gains which have arisen since 1982 are concerned, thanks to the indexation provisions introduced by my predecessor in 1982 and extended in my 1985 Budget. But for gains that arose before 1982 the tax falls largely on purely paper profits resulting from the rampant inflation of the 1970s. In other words, it bites deeply, and capriciously, into the capital itself.

This has long been recognised as manifestly unjust. Indeed, from the time I first entered the House I have argued that capital gains tax should fall only on real gains and not on paper gains. I have therefore looked hard to see if the indexation provisions could be applied right back to the inception of the tax in 1965. Unfortunately, they cannot. The necessary information is in many cases no longer available.

Accordingly, I have decided to bring the base date for the tax forward from 1965 to 1982. That is to say, for all disposals on or after 6 April, that part of any capital gain which arose before April 1982 will be exempt from tax altogether for individuals and companies alike.

This Budget thus ends once and for all the injustice of taxing purely inflationary gains. This will benefit the economy by unlocking assets which have been virtually sterilised because of the penal tax that would have arisen on any sale. And it will help many small business men and farmers in particular.

At present, the first £6,600 a year of capital gain is tax free. The relatively high level of this threshold stems from the substantial increase my predecessor made in 1982 explicitly as rough and ready partial compensation for the continued taxation of pre-1982 paper gains. Now that I have taken pre-1982 gains out of tax altogether, I propose to reduce the capital gains tax threshold to £5,000. It should also be borne in mind that, with the introduction of independent taxation in 1990, a husband and wife will each have their own threshold for capital gains tax as well as for income tax.

Rebasing the tax so as to produce a fully indexed system makes it possible to bring the taxation of gains closer to that of income. In principle, there is little economic difference between income and capital gains, and many people effectively have the option of choosing to a significant extent which to receive. And in so far as there is a difference, it is by no means clear why one should be taxed more heavily than the other. Taxing them at different rates distorts investment decisions and inevitably creates a major tax avoidance industry.

Moreover, at present, with capital gains taxed at 30 per cent. for everybody, higher rate taxpayers face a lower—sometimes much lower—rate of tax on gains than on investment income, while basic rate taxpayers face a higher rate of tax on gains than on income. This contrast is hard to justify.

I therefore propose a fundamental reform. Subject to the new base date, capital gains will continue to be worked out as now, with the present exemptions and reliefs. But the indexed gain will be taxed at the income tax rate that would apply if it were the taxpayer's marginal slice of income. In other words, I propose in future to apply the same rate of tax to income and capital gains alike.

These changes will not take effect until 6 April.

Taxing capital gains at income tax rates makes for greater neutrality in the tax system. It is what we now do for companies. And it is also the practice in the United States, with the big difference that there they have neither indexation relief nor a separate capital gains tax threshold.

The changes I have announced represent a thoroughgoing reform of capital gains tax which will benefit the economy and eradicate a major injustice. They will sharply reduce the damaging effects of the tax, while ensuring that capital gains remain properly taxed and the yield of income tax adequately protected. They are expected to cost a little over £200 million in 1989-90.

INCOME TAX

I now turn to income tax.

The way to a strong economy is to boost incentives and enterprise. And that means, among other things, keeping income tax as low as possible.

Income tax has now been reduced in each of the last six Budgets—the first time this has ever occurred. And the strength of the economy over that period speaks for itself.

However, reforming income tax is not simply a matter of cutting the rates. I also have to look at all the various allowances and reliefs to ensure that they are still justified. With this in mind, I have a number of proposals to announce.

First, forestry. I accept that the tax system should recognise the special characteristics of forestry, where there can be anything up to 100 years between the costs of planting and the income from selling the felled timber.

But the present system cannot be justified. It enables top rate taxpayers in particular to shelter other income from tax, by setting it against expenditure on forestry, while the proceeds from any eventual sale are almost tax free.

The time has come to bring it to an end. I propose to do so by the simple expedient of taking commercial woodlands out of the income tax system altogether. That is to say, as from today, and subject to transitional provisions, expenditure on commercial woodlands will no longer be allowed as a deduction for income tax and corporation tax. But, equally, receipts from the sale of trees or felled timber will no longer be liable to tax.

It is, perhaps, a measure of the absurdity of the present system that the total exemption of commercial woodlands from tax will, in time, actually increase tax revenues by over £10 million a year.

At the same time, in order to further the Government's objectives for the rural areas, I have agreed with my right hon. Friends who have responsibilities for forestry and for the environment that, in parallel, there should be increases in planting grants. Full details of the new grant scheme will be announced next week.

The net effect of these changes will be to end an unacceptable form of tax shelter; to simplify the tax system, abolishing the archaic schedule B in its entirety; and to enable the Government to secure its forestry objectives with proper regard for the environment, including a better balance between broad-leaved trees and conifers.

One of the legacies of the years of penal top tax rates is the complicated special relief for large redundancy payments. This is no longer justified. I propose to increase the exemption limit for these payments from £25,000 to £30,000, and to abolish the additional relief for larger amounts.

Next, benefits in kind — perhaps better known as perks. One of the biggest tax-induced distortions in the economy today is the growing tendency to provide remuneration in kind rather than in cash. It must be right to move towards a system of lower taxes all round and fewer tax breaks of this kind.

Far and away the most widespread benefit in kind is the company car, which is substantially undertaxed. Independent studies, based on figures supplied by the AA, suggest that an employee with a typical company car may be taxed on only about a quarter of its true value.

This discrepancy is too great to be allowed to continue. On the other hand, the scale of the undertaxation is so great that it cannot be put right in a single year. But in a Budget when I am able to reduce tax rates, there is a strong case for a substantial increase in the taxation of these benefits. I therefore propose to double the car scales for 1988-89. This increase replaces the 10 per cent. increase which I had already announced for 1988-89. The yield will be £260 million in 1988-89.

The scales for the taxation of car fuel adequately reflect the value of the benefit, and I propose to leave them unchanged for 1988-89.

However, the taxation of the benefit of free car parking threatens to become an administrative nightmare. I therefore propose to exempt this particular benefit from tax altogether.

Next, mortgage interest relief.

This Government are committed to the further spread of home ownership. Mortgage interest relief has an important role to play in achieving that aim.

However, in addition to the decision to apply the £30,000 limit to the house or flat, which I have already announced, and which will remove the most widely-resented tax penalty on marriage, I have a further reform to propose in this area.

This concerns the parallel tax relief for home improvement loans. Most of these loans are for fittings such as double glazing, and have played a significant part in the recent growth of consumer credit without in any way contributing to the expansion of home ownership. This may be partly due to the substantial scope for abuse, as loans ostensibly taken out for home improvements are used for other purposes, a matter which was the subject of a recent report from the Public Accounts Committee.

I propose, therefore, to end tax relief for all new home improvement loans taken out after 5 April. Existing home improvement loans will be unaffected. This is expected to yield £80 million in 1988-89.

Finally, I can turn to income tax itself. The statutory indexation formula means that I should increase all the principal income tax allowances and bands by the increase in the RPI over the year to last December, or 3·7 per cent. rounded up. I propose to do more than that — indeed twice as much.

Thus the single allowance will go up not by £90, as required by indexation, but by £180, to £2,605; and the married allowance will go up not by £150 but by £300, to £4,095. The additional personal allowance and the widow's bereavement allowance will accordingly rise by £120 to £1,490. Similarly, the single age allowance will rise by £220 to £3,180 and the married age allowance by £360 to £5,035. The higher allowances for taxpayers aged 80 and over, which I introduced in the last Budget, will correspondingly be increased by £240 and £360 to £3,310 and £5,205 respectively, and the new age allowance income limit will be £10,600. The upper limit of taxable income for the basic rate band will be increased to £19,300.

The increases I have just announced mean that the basic tax thresholds will be fully 25 per cent. higher, in real terms, than they were in 1978-79, Labour's last year. Indeed, the married man's tax threshold will be at its highest level in real terms for nearly half a century.

Given these substantial increases in the main allowances, I am taking the opportunity to simplify the system by abolishing three minor personal allowances which have been unchanged, in cash terms, for over 20 years: the housekeeper allowance, the dependent relative allowance, and the son's or daughter's services allowance.

In our general election manifesto last year, we committed ourselves to reducing the basic rate of income tax to 25 pence in the pound as soon as it was prudent to do so. This pledge followed a reduction of twopence in the pound to 27 pence in last year's Budget.

At the time, this was regarded with some scepticism, not to say cynicism, by the Opposition, who no doubt recalled that Labour Governments used to reduce tax only in front of an election, and at all other times increased it. Indeed, shortly before last year's Budget, the right hon. Gentleman the Deputy Leader of the Labour party, the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), said:

> "I must advise the Chancellor of something that he already knows: whichever party wins the general election, the tax cuts that he makes in this Budget will be reversed."—*[Official Report*, 20 January 1987; Vol. 108, c. 772.]

The time has come to put the right hon. Gentleman out of his misery. So far from reversing the 1987 Budget tax reductions, I propose to take this, the first opportunity since the general election, to fulfil our manifesto pledge. The basic rate of income tax for 1988-89 will be 25 pence in the pound.

The small companies' rate of corporation tax will similarly be reduced to 25 per cent. This means that the basic rate of income tax and the corporation tax rate for small companies will both be at their lowest level since the war.

Mr. Alex Salmond (Banff and Buchan): This is an obscenity. The Chancellor cannot do this. *[Interruption.]*

Mr. Deputy Speaker: Order.

Mr. Salmond: This Budget is an obscenity.

Mr. Deputy Speaker: Order. I name Mr. Alex Salmond.

Motion made, and Question put,

That Mr. Alex Salmond be suspended from the service of the House.—*[Mr. Wakeham.]*

The House proceeded to a Division——

Mr. Patrick Cormack (Staffordshire, South) *(seated and covered)*: On a point of order, Mr. Deputy Speaker. May I draw your attention to Standing Order No. 39, which gives the Chair the power to decide, in determining a Division, whether to ask hon. Members to rise in their places if they want a Division, and to do likewise if they do not? I think it is manifest this afternoon that this is a ridiculous spoiling tactic. I ask you to consider implementing this Standing Order in future, rather than allowing important proceedings of the House to be interrupted in order to gain notoriety for idiots.

Mr. Deputy Speaker: I take account of what the hon. Member for Staffordshire, South (Mr. Cormack) says. I think that in the circumstances the House has proceeded correctly.

The House having divided: Ayes 354, Noes 19.

Division No. 215] **[4.43 pm**

AYES

Adams, Allen *(Paisley N)*
Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Allen, Graham
Amess, David
Amos, Alan
Anderson, Donald
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Ashdown, Paddy
Aspinwall, Jack
Atkins, Robert
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset N)*
Baldry, Tony
Banks, Robert *(Harrogate)*
Barnes, Mrs Rosie *(Greenwich)*
Barron, Kevin
Batiste, Spencer
Beaumont-Dark, Anthony
Beggs, Roy
Beith, A. J.
Bell, Stuart
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, Dr John G.
Blair, Tony
Blaker, Rt Hon Sir Peter
Bottomley, Peter
Bottomley, Mrs Virginia
Bowden, Gerald *(Dulwich)*
Bowis, John
Boyes, Roland
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Bray, Dr Jeremy
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Gordon *(Dunfermline E.)*
Brown, Michael *(Brigg & Cl'thpes)*
Brown, Nicholas *(Newcastle E.)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buck, Sir Antony
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Campbell, Menzies *(Fife NE)*
Carlile, Alex *(Montg)*
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Cash, William
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Clark, Hon Alan *(Plymouth Sutn)*
Clark, Dr David *(S. Shields)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S.)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Coombs, Anthony *(Wyre Forest)*
Coombs, Simon *(Swindon)*
Cormack, Patrick
Couchman, James
Cran, James
Cunningham, Dr John
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dewar, Donald
Dickens, Geoffrey
Dobson, Frank
Doran, Frank
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Evans, John *(St Helens N)*
Evennett, David
Fairbairn, Nicholas
Fallon, Michael
Farr, Sir John
Faulds, Andrew
Favell, Tony
Fearn, Ronald
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Field, Frank *(Birkenhead)*
Finsberg, Sir Geoffrey
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forsythe, Clifford *(Antrim S)*
Forth, Eric
Foster, Derek
Foulkes, George
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Galbraith, Sam
Gardiner, George
Gill, Christopher
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(Cambs SW)*
Greenway, Harry *(Ealing N)*
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Grylls, Michael
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hattersley, Rt Hon Roy
Hawkins, Christopher
Hayes, Jerry
Hayward, Robert
Heath, Rt Hon Edward
Heathcoat-Amory, David
Heddle, John
Henderson, Doug
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Holland, Stuart
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howarth, George *(Knowsley N)*
Howe, Rt Hon Sir Geoffrey
Howell, Rt Hon David *(G'dford)*
Howell, Rt Hon D. *(S'heath)*
Howell, Ralph *(North Norfolk)*
Howells, Geraint
Hughes, Robert *(Aberdeen N)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Ingram, Adam
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
John, Brynmor
Johnson Smith, Sir Geoffrey
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Kennedy, Charles
Key, Robert
Kilfedder, James
King, Roger *(B'ham N'thfield)*
Kinnock, Rt Hon Neil
Kirkwood, Archy
Knapman, Roger
Knight, Greg *(Derby North)*
Knowles, Michael
Knox, David
Lamont, Rt Hon Norman
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Livsey, Richard
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael
Luce, Rt Hon Richard
Lyell, Sir Nicholas
Macdonald, Calum A.
Macfarlane, Sir Neil
McKay, Allen *(Barnsley West)*
MacKay, Andrew *(E Berkshire)*
Maclean, David
Maclennan, Robert
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Martin, David *(Portsmouth S)*
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Meacher, Michael
Meyer, Sir Anthony
Miller, Hal
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Moate, Roger
Monro, Sir Hector
Montgomery, Sir Fergus
Moonie, Dr Lewis
Morris, Rt Hon J. *(Aberavon)*
Morrison, Hon Sir Charles
Moss, Malcolm
Mowlam, Marjorie
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
O'Neill, Martin
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Owen, Rt Hon Dr David
Page, Richard
Paice, James
Parkinson, Rt Hon Cecil
Patnick, Irvine
Patten, John *(Oxford W)*
Pawsey, James
Peacock, Mrs Elizabeth
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Radice, Giles
Raffan, Keith
Raison, Rt Hon Timothy
Randall, Stuart
Rathbone, Tim
Redwood, John
Reid, Dr John
Rhodes James, Robert
Rhys Williams, Sir Brandon
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Roberts, Allan *(Bootle)*
Roberts, Wyn *(Conwy)*
Robertson, George
Roe, Mrs Marion
Rooker, Jeff
Rossi, Sir Hugh
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sackville, Hon Tom
Sainsbury, Hon Tim
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Sheldon, Rt Hon Robert
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Andrew *(Oxford E)*
Smith, Rt Hon J. *(Monk'ds E)*

Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Steel, Rt Hon David
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Andy *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stokes, John
Straw, Jack
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, Mrs Ann *(Dewsbury)*
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thatcher, Rt Hon Margaret
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Tredinnick, David
Trippier, David
Viggers, Peter
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side North)*
Wallace, James
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Watts, John
Wells, Bowen
Whitney, Ray
Widdecombe, Ann
Wilkinson, John
Wilshire, David
Winterton, Nicholas
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Robert Boscawen and
Mr. Tristan Garel-Jones.

NOES

Abbott, Ms Diane
Canavan, Dennis
Clay, Bob
Corbyn, Jeremy
Cryer, Bob
Ewing, Mrs Margaret *(Moray)*
Grant, Bernie *(Tottenham)*
Heffer, Eric S.
Jones, Ieuan *(Ynys Môn)*
Lambie, David
McGrady, Eddie
Madden, Max
Mahon, Mrs Alice
Nellist, Dave
Primarolo, Dawn
Salmond, Alex
Sedgemore, Brian
Skinner, Dennis
Thomas, Dr Dafydd Elis

Tellers for the Noes:
Mr. Andrew Welsh and
Mr. Dafydd Wigley.

Question accordingly agreed to.

Ordered,

That Mr. Alex Salmond be suspended from the service of the House.

Mr. Deputy Speaker *then directed that the hon. Member withdraw from the House and he withdrew accordingly.*

Mr. Brian Wilson (Cunninghame, North): On a point of order, Mr. Deputy Speaker. Is it in order to point out that the cretinous performance that we have just witnessed owed everything to self-publicity and nothing to social concern, as testified by the attendance record of members of the Scottish National party in the Social Security Bill Committee——

Mr. Deputy Speaker: Order. Let us get back to the Budget.

Mr. Lawson: To repeat, Mr. Deputy Speaker, the basic rate of income tax for 1988-89 will be 25 pence in the pound.

The small companies' rate of corporation tax will similarly be reduced to 25 per cent. This means that the basic rate of income tax and the corporation tax rate for small companies will both be at their lowest level since the war.

Life assurance premium relief remains in place for policies taken out before the 1984 Budget. It has traditionally been given at half the basic rate of income tax. I therefore propose to reduce it from 15 per cent. to 12½ per cent. But, to give life offices time to adjust, this change will not take effect until 6 April 1989.

I also propose to reduce the additional rate which applies to the income of discretionary trusts and for certain other purposes from 18 per cent. to 10 per cent.

It is now nine years since my predecessor, in his first Budget in 1979, reduced the top rate of income tax from the absurd 83 per cent. that prevailed under Labour to 60 per cent. where it has remained ever since. At that time, this was broadly in line with the European average for the top rate of tax. It is now one of the highest. And not only do the majority of European countries now have a top rate of tax below 60 per cent. but in the English-speaking countries outside Europe not only the United States and Canada, but in Labour Australia and New Zealand, too—the top rate is now below 50 per cent., sometimes well below.

The reason for the worldwide trend towards lower top rates of tax is clear. Excessive rates of income tax destroy enterprise, encourage avoidance, and drive talent to more hospitable shores overseas. As a result, so far from raising additional revenue, over time they actually raise less.

By contrast, a reduction in the top rates of income tax can over time result in a higher, not a lower, yield to the Exchequer. Despite the substantial reduction in the top rate of tax in 1979, and the subsequent abolition of the investment income surcharge in 1984, the top 5 per cent. of taxpayers today contribute a third as much again in real terms as they did in 1978-79, Labour's last year; while the remaining 95 per cent. of taxpayers pay about the same in real terms as they did in 1978-79.

After nine years at 60 per cent., I believe the time has come to make a further reduction in the top rate of income tax. At present there are no fewer than five higher rates of income tax: 40 per cent., 45 per cent., 50 per cent., 55 per cent. and 60 per cent. I propose to abolish all the higher rates of tax above 40 per cent.

This major reform will leave us with one of the simplest systems of income tax in the world, consisting——

Mr. Dave Nellist (Coventry, South-East) *rose*——

Mr. Deputy Speaker: Order.

Mr. Lawson: This major reform will leave us

Mr. Nellist: Will the Chancellor give way?

Mr. Lawson: This major reform——

Mr. Nellist: Will the Chancellor give way?

Mr. Deputy Speaker: Order. The hon. Gentleman knows that, if he persists, I shall have no option but to use the disciplinary power.

Mr. Nellist: Mr. Deputy Speaker——

Mr. Deputy Speaker: Order. There will be plenty of time and opportunity to debate these matters in the days ahead.

Mr. Lawson: This major reform——

Mr. Nellist: What about the National Health Service?

Hon. Members: Shame

Mr. Deputy Speaker: Order.

Grave disorder having arisen in the House, MR. DEPUTY SPEAKER, *pursuant to Standing Order No. 45 (Power of Mr Speaker to adjourn House or suspend sitting), suspended the sitting for 10 minutes.*

Sitting suspended at 5.1 pm.

5.11 pm

Mr. Deputy Speaker *resumed the Chair.*

Mr. Lawson: This major reform will leave us with one of the simplest systems of income tax in the world, consisting of a basic rate of 25 per cent. and a single higher rate of 40 per cent. And, indeed, a system of personal taxation in which there is no rate anywhere in excess of 40 per cent.

I believe that 40 per cent. is an acceptable top rate of tax. But, bearing in mind that the basic rate of income tax is also the starting rate, 25 per cent. is still too high.

Since we first took office in 1979, we have reduced the basic rate of income tax from 33 per cent.—one third—to 25 per cent.—a quarter. Our aim should now be to get it down to a fifth—a rate of 20 pence in the pound—as soon as we prudently and sensibly can.

Meanwhile, I have today been able to reduce income tax at all levels, with increases in both the personal allowances and the basic rate limit, and reductions in both the basic and higher rates. The tax reduction for a married man on average earnings will be worth nearly £5 a week. The changes will take effect under PAYE on the first pay day after 14 June. They will cost £4¼ billion in 1988-89 over and above statutory indexation, of which three quarters represents the cost of increasing tax thresholds and reducing the basic rate.

The total cost of all the measures in this year's budget, again on an indexed basis, is a shade under £4 billion.

PERORATION

Mr. Deputy Speaker, in this Budget, I have reaffirmed the prudent polices which have brought us unprecedented economic strength. I have announced a radical reform of the taxation of marriage, which for the first time ever will give married women a fair deal from the tax system. I have eliminated the long-standing injustice of taxing inflationary gains, and abolished a fifth tax. I have radically reformed the structure of personal taxation, so that there is no rate anywhere in the system in excess of 40 per cent.

After an Autumn Statement which substantially increased public spending in priority areas, I have once again cut the basic rate of income tax, fulfilling our manifesto pledge of a basic rate of 25 pence in the pound and setting a new target of 20 pence in the pound.

And I have balanced the Budget.

I commend this Budget to the House.

PROVISIONAL COLLECTION OF TAXES

Motion made, and Question put, pursuant to Standing Order No. 50 (Ways and Means motions).

That, pursuant to section 5 of the Provisional Collection of Taxes Act 1968, provisional statutory effect shall be given to the following motions:

(*a*) Beer (motion No. 2)
(*b*) Wine and made-wine (motion No. 3)
(*c*) Cider (motion No. 4)
(*d*) Tobacco Products (motion No. 5)
(*e*) Hydrocarbon oil (motion No. 6)
(*f*) Vehicles excise duty (motion No. 7)
(*g*) Vehicles excise duty (exceptional loads, etc) (motion No. 8).—*[Mr. Lawson.]*

The House divided: Ayes 287, Noes 4.

Division No. 216] **[5.15 pm**

AYES

Adley, Robert
Aitken, Jonathan
Alexander, Richard
Alison, Rt Hon Michael
Amess, David
Amos, Alan
Arbuthnot, James
Arnold, Jacques *(Gravesham)*
Arnold, Tom *(Hazel Grove)*
Ashby, David
Aspinwall, Jack
Atkins, Robert
Baker, Rt Hon K. *(Mole Valley)*
Baker, Nicholas *(Dorset N)*
Banks, Robert *(Harrogate)*
Batiste, Spencer
Beaumont-Dark, Anthony
Bellingham, Henry
Bendall, Vivian
Bennett, Nicholas *(Pembroke)*
Biffen, Rt Hon John
Biggs-Davison, Sir John
Blackburn, Dr John G.
Blaker, Rt Hon Sir Peter
Bottomley, Mrs Virginia
Bowden, A. *(Brighton K'pto'n)*
Bowden, Gerald *(Dulwich)*
Bowis, John
Braine, Rt Hon Sir Bernard
Brandon-Bravo, Martin
Brazier, Julian
Bright, Graham
Brittan, Rt Hon Leon
Brooke, Rt Hon Peter
Brown, Michael *(Brigg & Cl't's)*
Browne, John *(Winchester)*
Bruce, Ian *(Dorset South)*
Buck, Sir Antony
Budgen, Nicholas
Burns, Simon
Burt, Alistair
Butcher, John
Butler, Chris
Butterfill, John
Carlisle, Kenneth *(Lincoln)*
Carrington, Matthew
Cash, William
Channon, Rt Hon Paul
Chapman, Sydney
Chope, Christopher
Clark, Hon Alan *(Plym'th S'n)*
Clark, Dr Michael *(Rochford)*
Clark, Sir W. *(Croydon S)*
Clarke, Rt Hon K. *(Rushcliffe)*
Colvin, Michael
Coombs, Anthony *(Wyre F'rest)*
Coombs, Simon *(Swindon)*
Cormack, Patrick
Couchman, James
Cran, James
Currie, Mrs Edwina
Davies, Q. *(Stamf'd & Spald'g)*
Davis, David *(Boothferry)*
Day, Stephen
Devlin, Tim
Dorrell, Stephen
Douglas-Hamilton, Lord James
Dover, Den
Dunn, Bob
Durant, Tony
Dykes, Hugh
Eggar, Tim
Emery, Sir Peter
Evans, David *(Welwyn Hatf'd)*
Evennett, David
Fairbairn, Nicholas
Farr, Sir John
Favell, Tony
Fenner, Dame Peggy
Field, Barry *(Isle of Wight)*
Finsberg, Sir Geoffrey
Forman, Nigel
Forsyth, Michael *(Stirling)*
Forth, Eric
Fowler, Rt Hon Norman
Fox, Sir Marcus
Franks, Cecil
Freeman, Roger
French, Douglas
Gardiner, George
Gill, Christopher
Gilmour, Rt Hon Sir Ian
Glyn, Dr Alan
Goodhart, Sir Philip
Goodlad, Alastair
Goodson-Wickes, Dr Charles
Gow, Ian
Gower, Sir Raymond
Grant, Sir Anthony *(CambsSW)*
Greenway, Harry *(Ealing N)*
Gregory, Conal
Griffiths, Peter *(Portsmouth N)*
Grist, Ian
Ground, Patrick
Gummer, Rt Hon John Selwyn
Hamilton, Hon Archie *(Epsom)*
Hamilton, Neil *(Tatton)*
Hanley, Jeremy
Hannam, John
Hargreaves, A. *(B'ham H'll Gr')*
Hargreaves, Ken *(Hyndburn)*
Harris, David
Haselhurst, Alan
Hawkins, Christopher
Hayes, Jerry
Hayward, Robert
Heath, Rt Hon Edward
Heathcoat-Amory, David
Heddle, John
Heseltine, Rt Hon Michael
Hicks, Mrs Maureen *(Wolv' NE)*
Hicks, Robert *(Cornwall SE)*
Higgins, Rt Hon Terence L.
Hill, James
Hind, Kenneth
Hogg, Hon Douglas *(Gr'th'm)*
Holt, Richard
Hordern, Sir Peter
Howard, Michael
Howarth, Alan *(Strat'd-on-A)*
Howe, Rt Hon Sir Geoffrey
Howell, Rt Hon David *(G'dford)*
Howell, Ralph *(North Norfolk)*
Hughes, Robert G. *(Harrow W)*
Hunt, David *(Wirral W)*
Hunt, John *(Ravensbourne)*
Hunter, Andrew
Irvine, Michael
Irving, Charles
Jack, Michael
Jackson, Robert
Janman, Tim
Jessel, Toby
Johnson Smith, Sir Geoffrey
Jones, Robert B *(Herts W)*
Jopling, Rt Hon Michael
Kellett-Bowman, Dame Elaine
Key, Robert
Kilfedder, James
King, Roger *(B'ham N'thfield)*
Knapman, Roger
Knight, Greg *(Derby North)*
Knowles, Michael
Knox, David
Lang, Ian
Latham, Michael
Lawrence, Ivan
Lawson, Rt Hon Nigel
Lee, John *(Pendle)*
Leigh, Edward *(Gainsbor'gh)*
Lennox-Boyd, Hon Mark
Lightbown, David
Lilley, Peter
Lloyd, Sir Ian *(Havant)*
Lloyd, Peter *(Fareham)*
Lord, Michael

Lyell, Sir Nicholas
Macfarlane, Sir Neil
MacKay, Andrew *(E Berkshire)*
Maclean, David
McLoughlin, Patrick
McNair-Wilson, M. *(Newbury)*
McNair-Wilson, P. *(New Forest)*
Madel, David
Major, Rt Hon John
Malins, Humfrey
Mans, Keith
Maples, John
Marland, Paul
Marlow, Tony
Marshall, John *(Hendon S)*
Martin, David *(Portsmouth S)*
Maude, Hon Francis
Mawhinney, Dr Brian
Maxwell-Hyslop, Robin
Miller, Hal
Mitchell, Andrew *(Gedling)*
Mitchell, David *(Hants NW)*
Monro, Sir Hector
Moore, Rt Hon John
Morrison, Hon Sir Charles
Moss, Malcolm
Neale, Gerrard
Nelson, Anthony
Neubert, Michael
Newton, Rt Hon Tony
Nicholls, Patrick
Nicholson, David *(Taunton)*
Nicholson, Emma *(Devon West)*
Onslow, Rt Hon Cranley
Oppenheim, Phillip
Page, Richard
Paice, James
Parkinson, Rt Hon Cecil
Patnick, Irvine
Patten, John *(Oxford W)*
Pattie, Rt Hon Sir Geoffrey
Pawsey, James
Peacock, Mrs Elizabeth
Porter, Barry *(Wirral S)*
Porter, David *(Waveney)*
Portillo, Michael
Powell, William *(Corby)*
Price, Sir David
Raffan, Keith
Raison, Rt Hon Timothy
Rathbone, Tim
Redwood, John
Rhodes James, Robert
Rhys Williams, Sir Brandon
Riddick, Graham
Ridley, Rt Hon Nicholas
Ridsdale, Sir Julian
Rifkind, Rt Hon Malcolm
Roe, Mrs Marion
Rossi, Sir Hugh
Rowe, Andrew
Rumbold, Mrs Angela
Ryder, Richard
Sainsbury, Hon Tim
Shaw, David *(Dover)*
Shaw, Sir Giles *(Pudsey)*
Shaw, Sir Michael *(Scarb')*
Shephard, Mrs G. *(Norfolk SW)*
Shepherd, Colin *(Hereford)*
Shersby, Michael
Sims, Roger
Skeet, Sir Trevor
Smith, Tim *(Beaconsfield)*
Soames, Hon Nicholas
Speller, Tony
Spicer, Sir Jim *(Dorset W)*
Spicer, Michael *(S Worcs)*
Squire, Robin
Stanbrook, Ivor
Steen, Anthony
Stern, Michael
Stevens, Lewis
Stewart, Andy *(Sherwood)*
Stewart, Ian *(Hertfordshire N)*
Stokes, John
Sumberg, David
Summerson, Hugo
Tapsell, Sir Peter
Taylor, Ian *(Esher)*
Taylor, John M *(Solihull)*
Taylor, Teddy *(S'end E)*
Temple-Morris, Peter
Thatcher, Rt Hon Margaret
Thompson, D. *(Calder Valley)*
Thompson, Patrick *(Norwich N)*
Thorne, Neil
Thornton, Malcolm
Thurnham, Peter
Townend, John *(Bridlington)*
Townsend, Cyril D. *(B'heath)*
Tredinnick, David
Trippier, David
Waddington, Rt Hon David
Wakeham, Rt Hon John
Waldegrave, Hon William
Walden, George
Walker, Bill *(T'side North)*
Walker, Rt Hon P. *(W'cester)*
Waller, Gary
Ward, John
Wardle, Charles *(Bexhill)*
Watts, John
Wells, Bowen
Whitney, Ray
Widdecombe, Ann
Wilkinson, John
Wilshire, David
Winterton, Nicholas
Wood, Timothy
Yeo, Tim
Young, Sir George *(Acton)*

Tellers for the Ayes:
Mr. Robert Boscawen and
Mr. Tristan Garel-Jones.

NOES

Jones, Ieuan *(Ynys Môn)*
McGrady, Eddie
Nellist, Dave
Thomas, Dr Dafydd Elis

Tellers for the Noes:
Mr. Dafydd Wigley and
Mrs. Margaret Ewing.

Question accordingly agreed to.

Mr. Deputy Speaker: I shall now call the Chancellor of the Exchequer to move the motion entitled "Amendment of the Law". It is on that motion that the Budget debate will take place today and on succeeding days. The remaining motions will not be put until the end of the Budget debate next week, and they will then be decided without debate.

Budget Resolutions and Economic Situation

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the National Debt and the public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting any supply;
(b) for refunding any amount of tax;
(c) for varying the rate of that tax otherwise than in relation to all supplies and importations; or
(d) for relief other than relief applying to goods of whatever description or services of whatever description.—*[Mr. Lawson.]*

[Relevant documents: European Community Document No. 9561/87, Annual Economic Report 1987-88 and the unnumbered document, Annual Economic Report 1987-88 (final version as adopted by the Council).]

5.27 pm

Mr. Neil Kinnock (Islwyn) *rose*——

Mr. Michael Jopling (Westmorland and Lonsdale): On a point of order, Mr. Deputy Speaker. After this afternoon's demonstrations, is it too much to hope that the House will at last take a grip of itself and, when people get themselves named in the way in which it happened this afternoon, we shall suspend them for six months without pay?

Mr. Kinnock: The Budget that we have heard this afternoon, especially the latter part of it, generated anger and resentment against the immense injustice of the attitude taken by the Chancellor of the Exchequer in his view of the best off people in our society and the gift, in excess of £2 billion a year, awarded to them in tax concessions. We compare that with the fact that he offered nothing at all to the National Health Service. We compare his handout to the richest in Britain with his offer of a puny, marginal and negligible amount to those who constitute the average people of our society.

In those circumstances, the anger generated is understandable. However, I believe that, faced with that situation, I, my comrades and my hon. Friends should take the view: do not get mad, get even. I assert again that in this House and everywhere else in this democracy argument is always superior to the form of action that we have seen this afternoon.

When the Chancellor reached that monumental concession to the best off, I noticed that the cheering from the Conservative Benches was even louder than when he made the concession on the standard rate. That is the system of values that is facing us. Those Conservative Members are the people who back the idea of making awards in the form of tax concessions that are worth 48p per week to those whose income totals £100, including various benefits, who offer £3·98 per week to somebody on £200 per week, such as a married man with two children, but who give £82·96 per week to someone who earns £1,000 per week. That cannot be right. It cannot be right in terms of incentives, because over the past eight years we have seen additional tax reliefs for the best off, but we have not seen a consequent increase in investment in this country — *[Interruption.]* Manufacturing investment is still 14 per cent. lower today than it was in 1979, despite the concessions.

I often wonder why Conservative Members feel that to get the rich to work harder they must give them more, but to make the poor work harder they will give them less. This afternoon we have seen a Budget upon which we shall have to rely on St. Matthew for apt, accurate and adequate comment, because literally, to a degree that has never been known before in this Chamber, "To them that hath shall be given even unto abundance, and from them that hath not, shall be taken away, even that which they have." That is what is happening. That is the only judgment that can adequately be offered on a Government who, in March, can offer immense tax relief to the richest, and in April will take away housing and social security benefits from those who are the poorest in our country.

We are constantly and rightly reminded that Governments do not have any money of their own—they have only the people's money. Against that background, which must enjoy universal support as a proposition, it can be said with absolute certainty that an overwhelming majority of the British people wanted their money to be dedicated to the National Health Service. They wanted that because they realise that the National Health Service is grievously under-funded. They wanted it because they value that service above all other priorities, even above immediate personal gain. They wanted it because they know that tax cuts do not buy treatment, that tax cuts do not pay nurses, that tax cuts do not open hospital wards or operating theatres and that tax cuts do not shorten waiting lists — *[Interruption.]* I hear Conservative Members saying that tax cuts do pay the nurses. Well, those hon. Members will have to face the nurses in their constituencies and say why a staff nurse, at the top of the current pay scale, gets £3·40 per week out of today's tax concessions, but even that will be eaten away when charges are made on nurses working in hospital.

There is no balance of justice in a Government who make such awards and at the same time deny the resources that are demanded by an overwhelming majority of people —people of all politics and of no politics, from every part of the country; people inside the Health Service, and those outside it; those who use the Health Service and those who do not. All those people have gathered together in a massive consensus, saying that today should have been National Health Service day.

In disregarding the emphatic preference of the British public the Chancellor has shown that while some people give their lives to the National Health Service, and some people owe their lives to the National Health Service, he does not give tuppence for the National Health Service. In refusing to listen to the priorities of the people — including, to their credit, many in his own party—the Chancellor earns public disdain that will not be repaired even if the Government meet the nurses' and health workers' pay award in a couple of months' time. Even if that were to occur—we can only hope that it will—it would still leave an immense amount to do to try to bring the Health Service out of crisis.

I make an appeal to the Chancellor even now. As a start, when he replies to the debate next Monday, he could seek to redeem himself to some extent by giving an undertaking that the deficits currently being carried by the health authorities will be financed so that they do not have to carry them over into the next year, thus ensuring that

they begin the next financial year with disadvantage and undermining any award that is made to the nurses and health workers. The Chancellor could give that undertaking. If health authorities carry over those deficits, they start the year in disadvantage. The crisis of underfunding is then a disaster that is waiting to happen, as it most surely will without adequate funding before the end of this year.

To govern is to choose. It is a tragedy that even though the Chancellor has the means, and even though there is the most urgent need, the Chancellor has deliberately chosen not to make today National Health Service day. Then again he has not chosen to make it national anything day — *[Interruption.]* Not for 15 million people — [HON. MEMBERS: "It is Budget day."] All right, but it is Budget day also for those 15 million people—more than one in four of the British people—who will not benefit from the Chancellor's income tax cuts, some of them because they are too poor to pay income tax, others whose pay is so low that the Chancellor may be giving them a few pence or even a pound or so with one hand, but after 11 April the Department of Health and Social Security will take it away with the other.

This is not a "national anything" Budget, because there is nothing in this Budget to blunt the cutting edge of the changes that are to be made to the social security and housing benefit regulations next month. Some of the poorest people will lose up to 96p in any pound of gain that they make from tax concessions. We hear about the incentive effect of making tax cuts. Indeed, the Chancellor told us about it again today. He said, "There is a strong economy because of initiatives and enterprise and the incentives that come from tax cuts."

How would the right hon. Gentleman feel if he earned £105 or £110 per week and the marginal rate of tax on his income was 96p on what is already a poverty income? What about standing on one's own feet? What about incentives? What about the spur to go to work? I know what will happen when people decide that they cannot afford that disadvantage and retreat from work because they are being fined for going to work. The Chancellor and his colleagues will come here next year and give us further lectures about "scroungers". We will hear the Secretary of State for Social Services talking about the "dependency culture". How dare the Government say such things when they are doing this to our people and our country.

On top of that, a pensioner couple with modest savings automatically become disqualified from support from housing benefit as a consequence of having those savings. Where is the reward for thrift, or — to use the Chancellor's favourite word — "prudence", when such people are fined by the loss of their weekly help because they have taken care and have had the thrift to put a little bit aside to help them through their retirement?

It is not only the poor and the low-paid that the Budget does not serve. It does almost nothing to help those who are trying to export from Britain, but it does give some real help to those who are trying to import into Britain. There is hardly anything in the Budget for jobs in Britain, but there is a fair bit in it for jobs abroad. There may be some prospect for short-term growth, dependent upon credit and consumption in such an approach—there just might be—but there is no prospect of dependable, sustainable growth. That is the problem. The Chancellor's priorities never extend to encouraging investment in productive capacity, in research and development, in the training for skills and in the development of those skills. What we have had today is the extension of the business extension scheme — [HON. MEMBERS: "Expansion scheme."] Well, we shall see how much it will expand business.

That scheme offers an inducement to buy up houses and blocks of houses, and offers subsidies to the landlord at the same time as the Housing Bill, which is going through the House, will hammer tenants in both the private and public sectors. What an imbalance. It is not a business expansion scheme, but a Rachman expansion scheme. That is what will happen.

There is nothing in the Budget to lay or build the foundations for sustainable economic growth and for future strength in the British economy. That is the major reason why, after eight oil-rich years, our exporters' share of world markets in manufactures is down by 20 per cent. and our producers' share of the domestic market is down by 30 per cent. If we were gaining in the way that the Chancellor has sought to suggest, those figures would be reversed. We would be gaining substantial shares in the world and domestic markets.

In the eight oil-rich years, which have meant enormous bonuses to the Government and the Chancellor at a rate of at least £5 billion a year — sometimes twice or nearly three times that figure — they have never developed the economy, never sponsored production and never given us that extra competitive edge that would reverse the current position. That refusal to follow any systematic strategy to strengthen our industry is the major reason why our exports have gone up by 30 per cent. — yes, to record levels—while our imports, in the Tory years, have gone up by 50 per cent. This nation of modern makers and traders cannot sustain that continuing divergence between increasing imports and increasing exports at a much slower rate. Surely the Chancellor can see the rationale of that. Surely he must want to sustain our industry and to give our industrialists, the workers in the industries the inventive people — a real fighting chance in the world market.

That chance has not come so far. That is why we can measure our trade deficit in this oil-rich country as £9·6 billion. That sum is too big to be balanced by the combined sale of oil and services. The Government have had this marvellous, unsolicited bonus of oil and what a judgment of them it is that they should be carrying a balance of payments deficit of any size when they are oil-rich, energy-rich and do not have to depend on the importation of those essential commodities.

The Chancellor has spoken about the gains in productivity and in competitiveness, and any improvements are obviously welcome. When we consider the international trade figures, the domestic market share and the balance in manufactured trade deficit, we may say that the Chancellor, in balancing his Budget, deserves the name "Lucky Lawson". However, in terms of balancing the trade of our country he must be known as "Loser Lawson" —that is the only name that fits.

What about the Budget surplus? That surplus has come from three major sources. The first is oil revenues—the £6 billion a year about which the Government have spoken. The second is the upsurge in VAT receipts. VAT has been substantially levied on the massive increase in imports. They have been bought with credit and have therefore added immensely to the general problems faced by the Chancellor in dealing with the economy. Indeed, the extent to which credit and debt have increased for British

[Mr. Kinnock]

households under this prudent Government, this non-borrowing Government, has meant that domestic debt has increased from £80 billion a year—less than a third in equivalent value to GNP—to £280 billion a year—two thirds in equivalent value to GNP.

I am sure that the Prime Minister would say :

"Neither a borrower, nor a lender be".

That represents the old-fashioned Grantham prudence that the right hon. Lady learnt. Well, she does not recommend it to the rest of the economy, because the stimulus to growth about which the Chancellor has been proud to talk has been sponsored and substantially sustained, not by any virile developments in the economy or a new competitiveness, but as a result of a massive expansion of household debt in our country. A bill must be paid.

The third area from which Budget surplus has come is the once-and-for-all sale of national assets at the rate of about £5 billion a year. On that basis, anyone who has a house could make a budget surplus. All that he has to do is sell his house and move into rented accommodation. For a few years he would have a budget surplus, but he would not have a house to go back to. He would have lots of money, but no security. That is how the Chancellor has money to spare. The sell-offs cannot be sustained, any more than the VAT revenues or the oil revenues can be sustained. They are all short-term bonuses bringing short-term benefits from someone who is now becoming a short-term Chancellor.

Our country must succeed in the long-term, and that is why the priorities in this Budget should have been investment in production, investment in export and sales, in research and development, in health and social justice. Such an approach would have meant not only that the Government were making proper provision for our strength in the future, but that, in the present, they would be increasing competitiveness, combating the expansion of debt, using national resources in a way that does not significantly add to imports or inflation, generating employment—full-time, properly paid jobs, not schemes that offer half-time, quarter paid jobs that are part of the repair outfit employed by the Government. That approach would have represented real prudence and real profit to our country and our people. The Budget does not offer that. This Chancellor has again put the wealth of the very few before the wealth of the nation, and always before the health of the people.

Mr. Eric S. Heffer (Liverpool, Walton): On a point of order, Mr. Deputy Speaker. During the course of the Chancellor's speech—*[Interruption.]*

Mr. Deputy Speaker (Mr. Harold Walker): Order.

Mr. Heffer: During the course of his speech, the Chancellor, in a snide comment, referred to my right hon. Friend the Member for Leeds, East (Mr. Healey) as being "obsolete". That is in line with the comment made by the Prime Minister the other day that Labour has no guts. I will now point out to the House, to those few Members on the Conservative Benches, that my right hon. Friend had a distinguished war record and was a beach master at Anzio. Some of us who were in the forces during the second world war resent such statements.

Mr. Deputy Speaker: Order. The hon. Gentleman has made his point. I did hear the expression and, discourteous and offensive as it might have been, I do not think that it was unparliamentary.

5.49 pm

Mr. David Knox (Staffordshire, Moorlands): If hon. Members consider the last hour, some will conclude that the House has not covered itself with glory. I hope that in the next 10 minutes I shall be able to reduce the temperature a little and deal with some of the issues raised in the Budget.

Mr. Deputy Speaker: Order. Will those hon. Members who are leaving the Chamber do so quickly and quietly, please?

Mr. Knox: I want first to congratulate my right hon. Friend the Chancellor on his fifth Budget speech. His previous four Budget speeches were well constructed, to the point, and commendably brief. Today, my right hon. Friend has maintained the high standards that he established on those occasions and produced an interesting and skilful Budget. Hon. Members should be grateful for that at least, even if they do not necessarily agree with the provisions in the Budget.

My right hon. Friend has presented a complicated package this afternoon which requires and deserves deep study rather than too much instant reaction and comment. Let me warmly welcome some of the Budget's features.

I warmly welcome the changes in what my right hon. Friend called the taxation of marriage. I am pleased that husbands and wives are to be taxed separately in future. I would only say that I suspect that not all married women will wish to take advantage of that when they come up against the problems of dealing with their own taxation.

I also welcome the increase in the VAT threshold to £22,000. I do not complain too much about the increases in the duty on alcohol and, as a whisky drinker, I am pleased that there is to be no increase in that area. The Scottish nationalists can at least take some consolation from that.

I welcome the changes in capital gains tax. There will certainly be much more equity in its operation in future. But I must confess that, probably like most hon. Members, I was surprised that it was possible to make such changes at such low cost to the Exchequer.

I welcome, too, the change in the thresholds and the increase in income tax allowances. That was double the necessary rate on the basis of the Rooker-Wise-Lawson amendment in the late 1970s. It is noteworthy that personal allowances are now worth 25 per cent. more in real terms than in 1978-79.

As a Member of Parliament representing a largely rural seat I was not quite so keen—and I know that my constituents will not be quite so keen—on the increase in petrol duty. However, we have been used to such increases from both Labour and Conservative Chancellors for some considerable time.

The specific measures in any Budget are usually quickly forgotten, and, rightly or wrongly, I have no reason to believe that that will be any different on this occasion. But the consequences of the measures in this Budget, as in other Budgets, and of other decisions in the economic sphere will be with us for a long time.

Of course, we are not complete masters of our own destiny. Our economy is influenced by international

economics and decisions taken by other Governments. However, I have noticed that that tends to be exaggerated by Governments when things go wrong and underestimated when things go right. Nevertheless, a balance must be maintained and we should be careful not to pretend that we have no control over what happens in Britain.

My right hon. Friend has been faced today with much more difficult decisions in the Budget than most commentators have acknowledged. It is too simplistic to suggest that, because of the buoyancy of revenue, it was merely a matter of determining the size of the tax cuts. The current state of the balance of payments placed substantial constraints on his freedom of manoeuvre. At the same time, it was important to maintain and increase the level of domestic demand to ensure a continuation of the high rate of growth of the past few years and the consequent fall in unemployment. Therefore, my right hon. Friend was right to use some of the substantial surplus to maintain growth, and his Budget judgment, although generally cautious, was probably about right. However, I am not so sure about the make-up of his package.

After having had a sizeable balance of payments surplus for some years, there has been a deterioration in the past two years. Although last Friday's revised figures showed that the situation in 1986-87 had not been as bad as had been assumed, the situation is far from satisfactory. The revised figures show that we had a small surplus of £46 million in 1986 but that that had deteriorated into a deficit of £1·68 billion in 1987.

In the current year, as my right hon. Friend warned us this afternoon, there is likely to be a further deterioration in the balance of payments. It may be true that we can afford to run a deficit in the short term, but we cannot afford to do so indefinitely. In any event, it would be folly to dissipate the massive capital investments overseas that have been built up as a result of North sea oil over the last few years by consumer spending.

Unfortunately, that may be one of the consequences of today's tax cuts. Although I am sure that the tax cuts will be popular with the recipients, they will generate more consumer expenditure. In recent years there has been a strong tendency for additional consumer expenditure to find its way into an increased demand for imports rather than merely for the product of our domestic industry.

Therefore, my right hon. Friend's tax cuts involve a risk that some of the extra money released will find its way into imports. Since we are already in deficit on the balance of payments, and are heavily in deficit in trade in manufactured goods, it was unwise at this time to introduce tax cuts and so risk imposing further strains on an already weak balance of payments.

In the particular circumstances that obtain at present, I would have preferred my right hon. Friend to dispense his largesse in the form of public expenditure projects where import potential would be low or non-existent. In that respect, the NHS obviously comes to mind. Unlike the Opposition, I do not complain that there has been a reduction in expenditure in the Health Service over the last few years. That is not true. We all know that the only cuts in the Health Service that have taken place in the past 20 years took place under a Labour Government. None the less, it is possible further to increase expenditure in the Health Service and I would have preferred to see that done today. Apart from anything else, an increase in public expenditure would have enabled us to maintain a buoyant domestic demand and so protect the balance of payments. To me, it would have seemed a safer choice in the current conditions.

Having said that, I want to emphasise my support for my right hon. Friend's Budget judgment because of the importance of maintaining a high level of demand. Over the past 18 months the buoyancy of demand has enabled Britain to achieve a high growth rate, and, as a consequence of that, unemployment has fallen from 3·25 million to about 2·5 million—*[Interruption.]* I do not know whether the hon. Member for Glasgow, Cathcart (Mr. Maxton) thinks that this is funny, but the 750,000 people who are no longer out of work, but who were 18 months ago, welcome that warmly. The Budget will maintain that buoyant demand.

Of late I have detected an increasing complacency about unemployment, and there have been some rather silly suggestions in some quarters that our economy is becoming over-heated. As long as 2·5 million people are out of work that complacency is unwarranted and the idea that there is over-heating is nonsensical. Between 1945 and 1974 we had almost full employment. It is true that the level fluctuated a little, but throughout that period we managed to maintain employment at a high level. Twice, briefly, unemployment exceeded 1 million and twice, also briefly, it was as low as 1·1 per cent. of the working population. That was in 1955 and in 1965.

When we look at what was possible during the 30 years after the war, we can see that we have a long way to go to get unemployment down from 2·5 million to a level that is acceptable to our people. To achieve this, an essential prerequisite is the continuation of a high rate of growth, and I believe that my right hon. Friend's Budget will achieve that. However, as I have explained, I would have preferred the public expenditure route to have been taken rather than the tax-cut route.

Another prerequisite for reducing unemployment is that sterling should not be overvalued. We all remember the dreadful damage done to British manufacturing industry and employment in the early 1980s when sterling was overvalued. The recent increase in the value of sterling is deeply worrying, although I welcome what my right hon. Friend the Chancellor has said about that this afternoon. I hope that he will continue to do everything that he can to reduce the value of sterling to a more sensible level, and that he will do that by reducing interest rates and taking whatever other measures are necessary. I hope also that he will continue to pursue the highly successful policy of exchange rate stability that he has pursued for the last 12 months.

Among other things, that means that Britain should join the exchange rate mechanism of the European monetary system, because that would give us much greater stability for more than 60 per cent. of our trade. This is long overdue. I hope that my right hon. Friend will not let ideological obsessions divert him from exchange rate stability and from British membership of the exchange rate mechanism of the EMS. This would be greatly in the interests of our economy and of the economy of Europe, and ultimately it would be greatly in the interests of the world economy.

6.2 pm

Mr. Stuart Bell (Middlesbrough): I am grateful to be called by you, Mr. Deputy Speaker, so early in this debate. In my five years in the House this is the most important

[Mr. Stuart Bell]

Budget statement that I have heard. I came into the House in 1983 when the Chancellor made his first Budget speech. This is one of the most tempestuous Budget speeches that we have heard. The reason for saying that is clear, because the speech demonstrated the divide in philosophy between the Government and the Opposition. That was most precisely marked when we discussed the reduction in the top rate of income tax to 40 per cent. That showed the divide between the Opposition and the Government.

If anything, this is the most capitalist Budget that we have seen in the House this century. The Economic Secretary to the Treasury nods his head in approval. It is an offensive Budget to all our people. It is wrong to believe that our people wish to have tax cuts at any price—cuts that will benefit their pocket to the detriment of people as a whole. It is also wrong to suppose that we can ignore the spontaneous clamour in the National Health Service about the cuts that have taken place there.

The Chancellor gave a series of figures about the increases in public expenditure, and at Prime Minister's Question Time the Prime Minister also gave those figures. Those are the normal increases that we see in society year in, year out, and they are a reflection of inflation and pressure on the economy. They do not reflect real spending in the economy.

Hon. Members should consider what the Government have been doing in the Health Service. In Middlesbrough a hospital was closed because the health authority had to save £1 million. It made that saving by closing the Carter Bequest hospital.

It was wrong of the Government to give the nurses their pay increase before the last election and then to say to health authorities that they had to fund it out of savings. Obviously, it was right to give the nurses the benefit of an increase, but the way in which the Government funded it was wrong, and that has been the cause of the disruption and spontaneous protest in the Health Service. The Budget has not done anything to rectify the imbalance that is creeping into our economy. The public services are being starved of money, but a wide range of people will do well out of this Budget.

The Chancellor said that by reducing the top rate of income tax to 40 per cent. those on top incomes will work harder. That simply repeats the shibboleth that we have heard for many decades that people will work harder if they are given such an incentive. In this leisure world it is more probable that people will use the extra money to improve the quality of their life and to enjoy the leisure facilities that are available to them. In any event, there is no evidence whatever that people in business, those with responsibility, will be prepared for financial gain to work harder than they work now. That is one of the great shibboleths of our time and it is certainly one of the shibboleths of the Government.

People who are not so well off will gain nothing from the Budget. In 1979, I remember sharing a platform in Newcastle with Jack Jones, the leader of the Transport and General Workers Union. Mr. Jones told the audience that if the Conservatives were elected they would cut the benefit link between earnings and price rises, whichever was the higher. That was the basis upon which benefits were based. That was our philosophy, and we aimed to protect people who could not protect themselves by giving them the benefit of an increase either on the basis of increased earnings or increased prices. The Conservatives said that they would cut that link, and that was the first thing that the then Chancellor in the 1979 Conservative Government did. He based the increase in benefits not upon earnings but upon price increases. Inflation has come down and earnings have risen above inflation, and we have seen the gap between those who have and those who have not growing steadily. That is a direct consequence of Government policy and philosophy, and it is creating tensions and pressures in our society.

The argument has often been advanced that there is a link between violence on our streets and unemployment and that it is between those who have hope and those who have not. The Budget will do less for those who do not believe that they have a place in our society than it will do for the better off. The essential philosophy of the Opposition is that we want to see an egalitarian society. The priorities that we have had since the 1970s are not the priorities of the Government. One of our priorities is to keep people in work.

The Chancellor said that the Budget surplus was £3,000 million. It is perhaps no coincidence that we have 3 million unemployed, because it means that for every £1,000 of surplus there is a person unemployed. That is wrong. This is a financial Budget, not an industrial Budget. It will do nothing for our trade or industry and it will not lead to more investment in industry. We would like to see interest rates coming down. That would help industry, because the cost of borrowing would be lower and investment would go up. The Budget placed no emphasis on jobs or on the investment that we want to see in industry. It does nothing to encourage investment in manufacturing to offset the balance of payments crisis that is coming on our manufactured goods.

That brings us back to Tory philosophy. Getting rid of the exchange rate in 1979 led to massive investment in the United States, and now in Europe, by British investors. In the last Parliament I asked what was the return on that investment, and a Conservative Back Bencher, Mr. Stefan Terlezki, who is no longer a Member, said that it was £5,000 million a year. That is a return to Victorian values. In the last century, that was how our economy worked. Our balance of payments deficit on manufactured goods was covered by the invisible earnings of the City of London.

Why has that investment not taken place here? Why was it more fit and proper to invest in real estate in the United States, Germany, France and Belgium than to invest in our own industry? That philosophy has turned out to be not simply anti-worker, but anti-British. It has reduced our future status as a nation state.

The Chancellor is storing up many troubles and difficulties for the years to come. As was said by my right hon. Friend the Member for Islwyn (Mr. Kinnock), our economy was based on the oil revenues, which went up again after Sheikh Yamani resigned in Saudi Arabia. The figures are clear: the public sector borrowing requirement has gone down as the oil revenues have gone up. Those revenues have simply been used to ensure that we, as a nation state, do not borrow money.

As the nation, under the present Government, does not borrow the money, where does the money go? It does not crowd out any more the private sector; it goes straight from the Treasury to the City of London. Over the past few years, the alliance between the Treasury and the City has supervised the sale of national assets. When the

Conservatives came to power, they wished to sell those assets on the basis of a doctrine: they did not believe in natonalisation.

The concept of privatisation is legitimate. It was an ideological commitment that the Conservative party made at the time of the 1979 general election. But, as the public sector borrowing requirement came down, the City of London was able to take up more and more public assets. Now the Secretary of State for Energy is about to privatise the electricity industry for £28,000 million, and the money is there because the Government have ensured that it should be.

As well as the sale of assets and North sea oil, there is the massive consumer boom referred to by my right hon. Friend the Leader of the Opposition. That boom is based on plastic money. Although interest rates are at 28 or 30 per cent., people are prepared to indulge in the consumer society as long as they can use plastic money and the payment is made later. They do not look at the 28 per cent. interest rate. That, too, will be a problem for the Government, but it is a house that they have builded over the past five years.

Having sat through five Budget speeches, I feel that we, as a nation, have been set up for the launch of a capitalist society. The Government do not mind a man standing on his own two feet, as long as he stands on the backs of those poorer than himself. The moral lesson that they wish to teach is: "Stand on your own two feet, but stand on the back of someone poorer than yourself who has not got and will never have your advantages."

The divisions in our society are getting deeper and deeper. This is a financial Budget, but it is also a political Budget, cynically aimed at those who are doing well in society in the hope that those who are poorer will not understand it, and that those who are doing well will be seduced into not caring for their fellow man. That is the wrong philosophy, and it will backfire. The day will come when there will be a backlash against the Government's principles — against the idea that money is all that counts, and that people do not count. When that backlash comes, there will be a significant turning of public opinion away from this Government.

6.13 pm

Mr. Alan Haselhurst (Saffron Walden): I am grateful for the opportunity to make an early contribution to the Budget debate, Mr. Deputy Speaker. I do so with some diffidence, however, because of the penalty faced by those fortunate enough to catch your eye so soon after the Chancellor has sat down. They deny themselves the opportunity to read a more careful analysis of the Budget in the press the following day, when those who are expert at analysing such a major and complex financial statement are able to present it in perspective. We, who may have missed subtle details, can then understand the full implications of the statement for various aspects of national life. Inevitably, my own contribution will not be aided by that expert opinion. It will be based merely on immediate reaction.

It may not surprise some of my hon. Friends to hear that I find much with which to agree in what was said by my hon. Friend the Member for Staffordshire, Moorlands (Mr. Knox). I shall not repeat his observations line by line, but I shall start, as he did, by congratulating my right hon. Friend the Chancellor. His speech was most impressive. This is a positive Budget, and, like my hon. Friend, I believe that my right hon. Friend's judgment is about right. I welcome the Budget's reforming aspects.

If my right hon. Friend can be said to have risen to the occasion, the Leader of the Opposition and the Labour party certainly have not. I am surprised that the right hon. Gentleman was prepared to insist, both today and before the event, that this was meant to be a Budget for the National Health Service. Apart from misreading what the Budget is about, as opposed to the Autumn Statement on public expenditure — *[Interruption.]* If the hon. Member for Durham, North-West (Ms. Armstrong) wishes to gain a reputation in the House for making sedentary comments, so be it, but I am not prepared to give way.

The Budget is not about making decisions on extra public expenditure. The public have been considerably misled by the Opposition campaign in that respect. I am wholly committed to the success of the National Health Service, and I believe that the Government's record is much better than Opposition Members allow. They conveniently forget their own record on the NHS. Of course it is wrong that people should be kept waiting for such an important state service, but it has always been true that the list of things that we want to do — in health, in education or in any other regard — remains long, and lengthens as our expectations increase. That is bound to continue. The test of the Budget is whether it will control the economy in such a way as to ensure that more resources are generated for the Government to sustain such services.

I believe that the record of the present Government, and the present Chancellor, is very good. Certainly it is superior to anything done by previous Labour Chancellors.

Mr. David Winnick (Walsall, North): Will the hon. Gentleman give way?

Mr. Haselhurst: Not in the short time that remains. I am sure that the hon. Gentleman will understand.

The right hon. Member for Islwyn (Mr. Kinnock) would have done better to listen to his hon. Friend the Member for Middlesbrough (Mr. Bell) — whose maiden speech I once had the pleasure of following — and to consider the Budget from the point of view of the success of British industry. That success is also tied up with the amount of resources to be generated for my right hon. Friend and his successors to fund services such as the NHS. The real test of the Budget is what it will do to sustain the economy, and industry within the economy.

My right hon. Friend said that there was a need for industry to keep firm control of its costs, and I agree with that. However, he has an opportunity to help industry to control its costs. I applaud the effort to retain a stable currency. Many industrialists have told me that they are prepared to settle for an exchange rate with either the dollar or the deutschmark, which may not be ideal for their businesses, if they can at least reckon on its being stable and continuing for a year or more. It is the constant change that is disruptive and makes business planning so difficult. A Budget that can help ensure currency stability as far as is possible is to be welcomed, and I echo the comments made by my hon. Friend the Member for Staffordshire, Moorlands, who said that the Government should take the decision to join the exchange rate

[Mr. Haselhurst]

mechanism of the EMS. That would help the Government to manage the exchange rate for the benefit of our industry.

I also hope the Budget will help to reduce interest rates, which is also crucial to industrial development in many sections of industry. Such a reduction is not the only thing that affects investment decisions, but in certain industries it has an effect, so it is important to reduce interest rates to achieve an overall improvement in our investment rate.

It is also important that there should be enough resources for industry to engage in a faster rate of research and development. It is truly alarming that there is a widening gap between us and some of our competitor countries in Europe in this area. I do not need to be associated, as I am, with a number of industrial companies to be able to make that point in a purely generic way. It is vital to remedy Britain's backlog in research and development, and I had hoped that the Chancellor might have found an extra 1 or 2 per cent. to take off corporation tax. I know that the Chancellor is proud of his record on corporate tax, but any further margin that could have been found to encourage industry to invest more in research and development would have been welcome.

The Leader of the Opposition is also wrong to make the NHS the criterion by which to measure the Budget as opposed to the need to move towards the creation of a single European market within the Community. I should not be averse to moves towards tax harmonisation, which will surely come upon us. I am probably a lone voice in the House in not being prepared to say that some of the rather difficult political decisions that will be involved in tax harmonisation for the British Government should be seen as obstacles to the creation of a single European market, which would benefit this country enormously. I am prepared to take as objective a view as possible of the Government's negotiations on that. If the Chancellor had wanted to chance his arm with one or two moves in that direction today, I would not have grumbled.

On the other hand, the Chancellor has moved independently on petrol and cigarette duty. I welcome the further boost that he has given to "clean" cars through widening the differential between unleaded and leaded petrol—and he could have widened it still further. That would have been a further help. He remarked on the number of stations that now supply unleaded petrol, and it shows a gratifying rate of increase, but there are still not enough of them for customers to be able to rely on unleaded petrol being available at their local stations. I have counted only one in my constituency so far. So I welcome what my right hon. Friend did, but he could have gone further—perhaps at the expense of imposing a greater tax on cigarettes. If taxation can be used to emphasise the need to be environmentally sound, that is good.

I particularly welcome the fact that my right hon. Friend has doubled the rate of increase in the tax threshold—doubled what it would have been if it had been kept at the rate of inflation. That must help many people in the country, especially prudent elderly people who have put money by. So, although some of them may suffer from changes in housing benefit, this may be a way of compensating them, because probably quite a large number of them are taxpayers.

I am glad that the Chancellor emphasised improving thresholds as much as he did. In some ways, I am surprised that his reforms did not go further on mortgage tax relief. He would find that many of us are prepared to think the unthinkable and tackle some of the special exemptions to which he referred, so that a lower rate of personal tax could be achieved in due course. He will have to return to this issue if he is to achieve a standard rate of 20 per cent.

Unlike the hon. Member for Middlesbrough, I did not find this an offensive Budget. It is designed to maintain economic growth in the country, which is the best guarantee of improving the living standards of its people. I hope that the Government's policies will be designed to improve the living standards of all our people, and I believe that the Budget will help to maintain that prospect this year and in the future.

6.25 pm

Mr. James Wallace (Orkney and Shetland): Having now heard five Budget speeches from this Chancellor, I would not mark them high for technical merit, but he has a well-crafted method of putting them over and gets high marks for artistic impression. His speech today was subject to disturbances, and, however much one understands the strong reaction to some of the Chancellor's proposals, it is a sad day for free speech in the House of Commons if unpalatable views have to give way to the tactics of the terraces. I hope that that was a passing aberration that will not become a more regular feature of our debates.

The background to the Budget has been canvassed in the press over many weeks. The hon. Member for Staffordshire, Moorlands (Mr. Knox) said that he despised any comments to the effect that the economy was overheating. While I agree in a general sense, he would probably accept that, in the more prosperous parts of the country, there are bottlenecks, with localised overheating and inflationary pressures. The credit boom is evidence of that. At the same time we have an increasing balance of payments problem. Today, the Chancellor minimised that when he said that there would be a £4 billion current account deficit by the end of the year—but that was only about 1 per cent. of GNP. If he had been sitting on the Opposition Front Bench, he would have made rather more of that.

I fear that the Budget's approach will not help these problems. The Chancellor had an opportunity to do something constructive with the revenues that he has, but he seems to have missed it. The bulk of them will go on tax cuts for the rich. I generally welcome the increase in thresholds that has been mentioned. It will take many people out of tax, but there is nothing in the Budget for those who are not in employment and whose income will possibly fall as a result of social security changes at the beginning of next month.They never even get to the present thresholds, let alone the higher ones. Even those who will benefit to some extent from the increase in tax thresholds may find themselves disadvantaged by the interaction of the tax system and employee's national insurance contributions which, for some, can produce high marginal rates of tax as they move into taxable wage levels.

Mr. Kenneth Hind (Lancashire, West): Will the hon. Gentleman give way?

Mr. Wallace: There is little time, and other hon. Members want to speak.

I doubt whether the tax cuts that have been proposed will take the heat out of the economy in the parts of the country that appear to be overheated. As the hon. Member for Middlesbrough (Mr. Bell) said, there is no substantive body of evidence to show that if highly-paid people are taxed less they will produce more and their enterprise will be stimulated. I suspect that the vast majority of people who have been paying the high levels of tax are not in the sort of wage structure in which they are paid for doing overtime. It may be suggested that if people have more money they will use it to increase their leisure facilities and possibly buy more luxury consumer goods. So, although the Budget may well be a vehicle for growth, it may prove to be a vehicle for growth in some of the countries that export to us. It is more likely to add to our balance of payments problem than to solve it. The balance of payments problem could be exacerbated further if the value of the pound were allowed to go up and our exports became less competitive.

With regard to our competitiveness, the Chancellor's comments were interesting. He said that the onus would always be on employers to keep down unit costs and wages in order to make their goods more competitive. That comes rather oddly from a Government who, when they started out in 1979 totally hooked on monetary policy, saw little role for cost-push inflation; it was all subject to the money supply. Wage rates, on their theoretical analysis, had little to do with it. There now seems to be some appreciation that labour costs are a factor, as indeed would be an increasing value of the pound.

I agree with the hon. Members for Saffron Walden (Mr. Haselhurst) and for Staffordshire, Moorlands on the importance of a stable exchange rate. We on this Bench have for many years advocated membership of the exchange rate mechanism of the EMS. One suspects in one's heart of hearts that that is what the Chancellor would have loved to announce today, but it would appear that 10 Downing street is the one thing that stands between Britain and membership of the EMS.

Equally important, and related to this, is interest rate policy. Many would like to see interest rates come down in order to stimulate investment. The Chancellor is caught in a dilemma. He is worried, as he indicated at one stage in his speech, that by reducing interest rates he might give a further twist to the credit boom. Perhaps we have used interest rates for too long as a sledgehammer. If they are increased, this affects companies' willingness to invest and has an effect on young couples who are thinking of buying a house but are looking at the mortgage payments. It may well be time for us to start looking again at the introduction of credit controls. Hire purchase controls would perhaps have been a better way of controlling that side of the economy, without having to resort to the use of interest rates, which have so many other ramifications.

Just as fundamentally, this Budget strategy is wrong in the long term. The Chancellor has boasted about the receipts from the sales of capital assets, but it is quite clear from what he said to the House, in terms of his strategy, that the receipts from sales of capital assets are not going to be reinvested in the economy. We have argued for a long time that the prudent use of receipts from these asset sales would be investment in the fabric of our infrastructure; for example, in our housing. Far more could be done about the housing problem and the problems of the homeless if some of the receipts from the sales of council houses were used in a housebuilding programme rather than as tax relief for Rachmanism which the Chancellor announced in the context of reforms to the business expansion scheme.

We also want to see investment in a proper training programme which will enable our work force to be reskilled, and, as indicated by most Opposition speakers, investment in the National Health Service. The Select Committee on Social Services has indicated that a sum of £1·9 billion is needed by the National Health Service to meet its current crisis. I believe that it is increasingly being realised that the proposal that we put forward as a party at the last election for a 2 per cent. real increase in National Health spending showed very sound judgment. That is the sum of money that is needed to meet the ever-growing challenges to the Health Service of people living longer and of modern techniques in medicine which open up the range of opportunities and of services which the NHS can provide. There is no point in having a wealthy nation if we do not also have a healthy nation. Growth in this country and our long-term economic prospects depend to a very important extent on our having a well-educated, healthy nation. To squander oil revenues and receipts from the sales of assets in current expenditure and not invest in our people and our infrastructure is to be very short-sighted indeed.

The Chancellor identified the advantages which flowed from his reform of corporation tax in 1984, and pointed out how it had stimulated investment, particularly from companies outside the United Kingdom, and brought about a better quality of investment. We very much regret that he did not follow through the logic of that argument and, as his predecessor did in 1982, announce a staged reduction in corporation tax down to the rate that he has now set for the basic rate of income tax. That would have been a further welcome boost to our manufacturing industry.

It certainly rankles in a constituency such as mine, with a very large number of small business men and small businesses which are unincorporated, that the abolition of capital allowances, which went hand in hand with the reduction of corporation tax some four years ago, brought no benefits to many small business men and self-employed people. I know that the share fishermen in the Scottish fishing industry have made many representations to the Treasury on this and the effect that it has had on industries such as theirs. I hope that in the course of the passage of the Finance Bill further sympathetic consideration will be given to that.

On the subject of excise duties, I welcome the differential for beer of a lower strength, but I wonder about the Government's commitment to trying to discourage young people from taking to drink when they do not propose to increase the duties on spirits. There are two distilleries in my constituency and in the short term it might be seen as a welcome relief that there has been no increase. But I think that the whisky industry would much prefer a statutory maturing allowance, which, indeed, it has called for on a number of occasions, to a short-term break in the inflation-linked increase of exise duty. After all, people in my constituency who are dependent on cars might wonder why they have got to pay more for their petrol, above the rate of inflation, while those who drink whisky and gin are going to get off scot-free, if not Scotch-free.

Generally, we welcome the reforms which have been announced with regard to the taxation of married couples,

[Mr. Wallace]

but the detail of those proposals will merit close examination. The allowances which are being given to both husband and wife in terms of capital gains tax provide yet another example of the way that this Budget is very much slanted towards the rich — the haves — rather than to the have-nots. The principle of equal treatment is one that we would accept, but we shall wish to pay serious attention to the small detail.

I know that many other hon. Members want to speak, so I will not go into any further details. Generally, I think that the impact and overall impression of this Budget will be that the Chancellor has missed an opportunity. He has looked at the short term and given to those who have; he has not looked to the long-term interest of building up the education, health and infrastructure of our country and, in particular, the need to pay attention to those most in need.

6.36 pm

Mr. John Stokes (Halesowen and Stourbridge): I am sure that I am not alone in feeling very sorry indeed that this debate, which is not a very long one, has been shortened by over half an hour owing to two completely unnecessary Divisions and because of a disgraceful scene which led to the sitting being suspended. I feel that I am not alone in believing that that scene was very damaging indeed to the House. I am only grateful that we did not have television cameras here, because what would the British public think of us?

I always look forward to my right hon. Friend the Chancellor's speech because he is a professional, and he enjoys his professionalism. He has played a vital part in the success of the Government in setting the scene for the policies which have created widespread prosperity among all classes. Also, we owe a great deal to him for our triumph in the last general election.

I thought that the Budget was ably thought out and most ably presented. It was, as I expected it to be, both reformist and prudent. What a long time it seems now since we had that long series of doleful Labour Budgets in the 1970s. The tide was turned by the stern Budget of the Conservative Government in 1981, which started to squeeze out inflation from the system. From that time, progress has been steady and all kinds of severe difficulties have been overcome: for instance, the cost of the Falklands war, the expense of the very long coal strike and the loss of revenue through the collapse of oil prices. Public expenditure has been contained and people's energies are being harnessed for the good of the country.

There is, I know, a cry from the do-gooders — and I hear it also in the General Synod of the Church of England — that more taxpayers' money is the answer to almost every problem in this country. In fact, experience shows that far too much taxpayers' money has been spent in the past in, for instance, propping up dud companies, trying to force companies away from their natural places of business to places where they do not want to go, and all kinds of rather spurious public works.

The intellectual progressives have a puritanical attitude to reductions in taxation. They believe that the state should think for us. I believe that the individual should think for himself. He is the best person to decide what to do with his own money, some of which the Chancellor has given back to him. He can decide whether to spend the money, whether to save it or whether to give it away. How glad we all are that so much more is being given to charity.

Certainly my constituents in the industrial heart of England will be pleased with the Budget, because, contrary to many Opposition Members, I am glad to say that many of those skilled men and women are in work and will be very pleased to be paying less tax this summer and to be getting more of what they earn.

Mr. Doug Henderson (Newcastle upon Tyne, North): Will the hon. Gentleman give way?

Mr. Stokes: No; time is short.

In the bad times, when factory after factory was closing in my constituency, and the situation was worse than it was in Scotland and elsewhere, people never complained, and now they do not like industrialists and the CBI constantly moaning. They have never held out a begging bowl and they have never expected a handout. They picked themselves up, and paid more attention to marketing and sales. They greatly improved the performance of their companies and many new businesses were started. My constituency is now enjoying prosperity which the people have richly deserved. Confidence is returning, not only in my constituency, but throughout the west midlands. The amount of export trade, particularly for small companies, is staggering. I wish only that that good news would get into newspapers, in particular the local newspapers.

However, I am still not satisfied that enough financial help is being given to those who start up new businesses, either in the form of grants or loans from the Government, or through loans from the banks. When I visit new businesses, I find that all too often the criteria for loans seem not to fit many individual cases. It is curious that the banks should be so prodigal in lending to the Third world where they have lost billions of pounds, yet so Scrooge-like in lending to English companies where the risk is obviously very much less.

The cuts in personal taxation at all levels are bold and sensible. Contrary to what some Opposition Members say, they will encourage good, hard-working people to work even harder. I certainly do not object to the new arrangements for the curtailment of perks. The main benefits to a person in work should be in his earnings, which should be taxed at the lowest rate possible.

I very much welcome the long overdue improvement for married women.

I accept the increases in taxation on cigarettes, but I am sorry that tax has been placed on petrol and not on whisky and gin, and I hope that the Chancellor will think again about that.

The country is now starting to believe in its own success and the success of Government policies. In Britain, we have such brains and such ability that there is nothing that we cannot do if we turn our minds to it. Foreigners look with envy to our economy and to our Prime Minister. The only small cloud on the horizon is the amount of money and credit which perhaps is slopping about a bit too much in the economy, and whether the present rate of growth can be sustained. I hope that it can.

I believe that the situation can be contained if the Government maintain the strictest control on the supply of money, and if industry can increase productivity, control wage costs, and, above all, can manufacture more

of the products which are still flooding in from countries such as Germany and Japan. However, this is a problem of success and not of failure.

In freeing individuals from the burden of too high taxation, we must not forget the public enterprises which are still in the hands of the state, such as the railways, the coal industry and the National Health Service, about which we have heard so much. I believe that to run those services more efficiently does not necessarily mean, as the Opposition say every day, spending more money. It means better leadership, organisation and management, and, above all, the recruitment of higher calibre men and women. Many of our towns are still dirty, filthy and untidy and surely public works should be carried out by voluntary and by state-controlled labour.

Unfortunately, there is still great waste in several Government Departments and inefficiency in some public services. The Public Accounts Committee, a Select Committee of which I wholeheartedly approve, does a marvelous job in exposing such waste. I suspect the Ministry of Defence's buying policies. As the House is aware, I wholeheartedly support Her Majesty's forces, but the size of the Ministry of Defence and some of its actions, particularly on the commercial side, worry me, and I believe that they leave a lot to be desired.

The country has had so many years of economic failure in the past that we cannot get used to success. Industry must now take off and put the years of defeatism behind it. The answer to exporting depends not so much on the level of the pound sterling but on the research, development, design, production, marketing and sales of the products which customers want to buy. The unions have still to be weaned away from expecting automatic wage increases every year, and must look more to wage levels tied to productivity, which I know the Government are trying to encourage. Above all, there is a vital need for more training in industry and commerce. We have to worry about the flesh and blood, as much as money and fiscal assets. We must worry in the Budget about ordinary Britons, and we must get better value for money from the colossal amount of public expenditure.

The Government's enemies say that the Government are producing a greedy society. I believe that they are not. They are trying to create a more responsible society in which the head of the family will look to himself to look after his family and not, as in the years of the welfare state, to the state. Last year, during the cold weather, we heard about old people who were suffering. I should like to know what their families were doing. We hear about crime being committed by young people. What are their families doing? The state is not the answer to everything. It is often very harmful—*[Interruption.]* Before I was interrupted by my hon. Friend the Member for Mid-Norfolk (Mr. Ryder), I was about to say, and I am sure that the Whips will agree, that responsibility is the essence of what the Government are doing. Thank goodness the years when people's initiative and conscientiousness were warped by the welfare state are now over. I believe that, as a result of the Budget, we are making a healthier and more responsible society.

6.49 pm

Mr. Roy Hughes (Newport, East): The late Mr. J. H. Thomas, or Jimmy Thomas as he was more popularly known, was a famous, but rather notorious, son of Newport who, back in 1936, was hounded out of public life, allegedly for leaking Budget secrets. Then there was the late Hugh Dalton, Chancellor of the Exchequer in the post-war Labour Government, who in 1948 was forced to resign because a casual conversation with a journalist immediately before the delivery of his Budget might, it was supposed, have sparked off certain developments on the stock market.

In those days, not only did the Chancellor go into purdah for weeks before his Budget, but there was very little official speculation about the contents of the Budget. Today, things have very much changed, and the process has accelerated during the period of the office of the present Chancellor. For weeks we have been regaled with tales of the vast surplus held by the Chancellor, and the suggestion has repeatedly been made that he intended to dispose of a good deal of it through tax cuts. Much of the speculation would seem to have been officially inspired, a sort of exercise in kite-flying, to see what the reaction of the public would be.

What we all realise now, however, is that this is essentially an unusual Budget, which is not so much about raising taxation as about distributing several billion pounds. Windfall increases have, of course, accrued to the Chancellor: more value added tax than expected, due to increased consumer spending; £2·5 billion more than expected in North sea oil revenues; and the rake-off from the sale of the family silver, which has continued.

The present state of affairs does not point to a healthy economy. We are living in what I would describe essentially as a "candy floss society", for the Government are failing to tackle the real problems that are building up for the future. Superficiality and window dressing seem to be the operative words. For example, in 1979 our manufacturing surplus was £5 billion, but by 1987 we had a deficit of £8 billion. Even when we take into consideration invisible earnings from the City and from tourism, we are left with a £1,679 million deficit on the balance of payments for 1987.

The Chancellor has announced an increase in the tax on petrol. For a start, this will put up the price of just about everything. It would be far better to increase the taxation on spirits. Then there are the cuts in personal taxation, with the basic rate down to 25 per cent. and the top rate reduced to 40 per cent. This latter proposal is simply a disgrace, and this afternoon Opposition Members spontaneously displayed their indignation. Their reaction was perfectly understandable.

With concessions to higher rate taxpayers—and we must remember that the south-east already has the highest spending power—it is people living there who will receive the lion's share of these new handouts. It is another example of the creation of inequality, not only between the south-east and the other regions, but between the haves and the have nots. It is another instance of what Robbie Burns would have described as

> "Man's inhumanity to man, making countless thousands mourn!"

Cuts in income tax will also mean more consumer spending. I do not wish to be a killjoy, but we must face the fact that a good deal more will be spent on foreign imports, and this is bound to aggravate our deteriorating balance of payments deficit.

Much of the surplus should have been spent on rebuilding British industry. The north-south divide is getting worse. Areas such as Scotland, the north of England and Wales urgently need help to provide the jobs

[Mr. Roy Hughes]

of which they are so desperately short. The amount spent on regional aid, far from being drastically cut, should have been increased to encourage new businesses and new industries to move into those areas to try to iron out the differences between the regions. Tourism is important, but an economy cannot be securely based on service industries. Historic castles linked to Coca-Cola and hamburgers are just not good enough. We need to increase our manufacturing industry by stimulating investment and growth.

Our education system has deteriorated in recent years and is badly under-funded. Teachers' morale is at an all-time low. It is wrong that our children should be penalised by these cuts, for the future is with the young. Our education system should be properly funded.

Perhaps the greatest scandal of all is the rundown of the National Health Service. I support the contention that the health of the people is the highest law. There have been protests all over the country, and in Wales even Her Majesty The Queen Mother felt impelled to intervene over a ward closure in Merthyr Tydfil. A fortnight ago the Conservative-dominated Select Committee on Social Services recommended an extra £1 billion for the National Health Service. The ink was hardly dry on the report before it was rejected by the Government. Since then the Committee has accused the Prime Minister of appearing to misrepresent its recommendations. What a way for a Government to treat their own Back Benchers.

The three presidents of the royal medical colleges have told us that, despite the efforts of doctors, nurses and other hospital staff, patient care is deteriorating and acute hospital services have reached breaking point, but instead of tackling these fundamental problems the Government have been engaged in an exercise in deception. Figures in the White Paper on public expenditure purport to show dramatic increases in spending on hospitals, with current spending up by 26 per cent., it is suggested, since 1982. However, adjustment of the figures to reflect the rise in National Health Service pay and prices shows the increase to be only 0·6 per cent.

The basic question needs to be asked: why all this skimping and saving on essential public services which is so detrimental to the interests of millions of people? The massive accumulated surplus should have been spent on providing the services that people are crying out for. The Chancellor had a clear choice. He could, for example, have supported the National Health Service, reopened wards and provided for the nurses and the low-paid ancillary workers, besides providing better care for the elderly. All the opinion polls have indicated that this is the wish of the majority. Instead, he has opted to give handouts to the better off. This measure, together with the new social security regulations, will mean that the poor are poorer and the rich richer. In that sense, the Chancellor has failed the nation. When people come to consider more soberly what he has said today, they will realise that what they voted for at the last general election is highly detrimental to their own long-term interests.

Royal Assent

Mr. Deputy Speaker (Sir Paul Dean): I have to notify the House, in accordance with the Royal Assent Act 1967, that the Queen has signified Her Royal Assent to the following Acts:

1. Consolidated Fund Act 1988
2. Land Registration Act 1988
3. Norfolk and Suffolk Broads Act 1988
4. Welsh Development Agency Act 1988
5. Social Security Act 1988
6. Keble College Oxford Act 1988
7. Selwyn College Cambridge Act 1988
8. Whitchurch Bridge Act 1988
9. Hastings Borough Council Act 1988
10. City of Westminster Act 1988
11. Liverpool Exchange Act 1988
12. Corn Exchange Act 1988

British Railways (London) Bill

Order for Third Reading read.

7 pm

Mr. Sydney Chapman (Chipping Barnet): I beg to move, That the Bill be now read the Third time.

Hon. Members will be aware that we had a very full Second Reading debate on 20 January, since when I am glad to report that considerable progress has been made. First, British Rail has reached agreement with the three remaining petitioners, and as a result the Bill was examined upstairs by an Unopposed Private Bill Committee. The Bill started in the other place. I hope very much that the House will give it a Third Reading so that it may go on to the statute book.

The House will remember that this small but very important measure provides for works on British Railways new Thames link route, which will join the rail networks of north and south London, through the City. The Bill comprises three different sets of works. The first is the realignment of the railway between Blackfriars and Farringdon, which will also involve closing Holborn Viaduct station, at the end of a short spur. There will be a new St. Paul's station on the through line. The realignment includes the creation of a shallow tunnel instead of the viaduct and bridge. Hon. Members will know that the existing bridge near Ludgate circus blocks the great prospect of St. Paul's cathedral from Ludgate circus, and indeed from the east end of Fleet street.

I am also glad to report to the House that, since Second Reading, the Corporation of London has given planning permission for the redevelopment proposals on the old Holborn Viaduct site, which will pay for these works entirely. The latest estimate of the cost for Work No. 1 of the Bill is about £46·5 million.

The second section of works involves the reinstatement of tracks and equipment in two short abandoned tunnels that are just to the north of King's Cross station, thus connecting the Thames link with the east coast main line. That part of the works will cost £3 million. British Rail believes that the cost can be justified because of the increase in passenger receipts.

The third section of works detailed in the Bill——

Mr. Michael Fallon (Darlington): Before my hon. Friend leaves Works Nos. 3A and 3B, which he is about to do, will he deal with one of the difficulties that was revealed on Second Reading—that the connections that would allow through trains to operate from the south would allow them to go only as far north as Stevenage, Royston, Cambridge or Peterborough, but no further? I hope that my hon. Friend will bear in mind that we are talking of a yuppie Bill and yuppie works for London commuters, rather than of through connections that hon. Members would like between the south-east and the north.

Mr. Deputy Speaker (Sir Paul Dean): Order. I am sure that the hon. Member for Chipping Barnet (Mr. Chapman), when replying, will remember that we are on Third Reading of the Bill, and that remarks must be directly related to the content of the Bill.

Mr. Chapman: I am grateful, Mr. Deputy Speaker, for that reminder. I shall try to answer my hon. Friend within the provisions of the Bill.

The reason why InterCity trains cannot go directly from Darlington, to choose just one place that comes readily to mind, to Brighton, to pick another place out of the air, is that tunnels are not high enough to permit the large InterCity carriages and engines to use them. Although the tunnels have the standard 4 ft 8½ in gauge, the tunnel routes are 18 in lower than usual. Therefore, only the shorter carriages, which are like underground trains, can be used.

Mr. Edward Leigh (Gainsborough and Horncastle): That is a disgrace.

Mr. Chapman: It may be a disgrace, but I must say to my hon. Friend the Member for Gainsborough and Horncastle (Mr. Leigh) that it would cost about £100 million to alter the tunnels to provide for an InterCity through connection. The scheme would then fall. I hope that that deals with the problem.

My hon. Friend the Member for Darlington (Mr. Fallon) raised a separate point relating to long-distance trains from the north to the south. The reason why trains will not go further than Peterborough is that the carriages would not be economic to run when carrying fast services further towards the north-east. I hope that I have dealt with my hon. Friend's query.

Mr. Fallon *rose*——

Mr. Chapman: I see, Mr. Deputy Speaker, that my answer does not satisfy my hon. Friend, so I shall give way to him, and try to explain it again later.

Mr. Fallon: I am grateful to my hon. Friend for giving way. As I understand it, he is explaining the limitations of clause 10(1) and the definition of the bore. As I understand the Bill's promoters, the bore is 18 in narrower than is necessary to allow for the movement of trains from the north to the south, or the south to the north. Is that the position?

Mr. Chapman: I think that my hon. Friend understands it, but I shall try again.

Mr. Deputy Speaker: Order. I am sorry to interrupt the hon. Member again, but as the tunnel is in London, it is not really relevant to deal with the point raised by the hon. Member for Darlington (Mr. Fallon).

Mr. Fallon *rose*——

Mr. Deputy Speaker: Order. I remind the House that we are dealing with Third Reading. I recognise that there are links in the Bill, in relation to the hon. Gentleman's question, but it is not in order to have such a wide-ranging debate as on Second Reading.

Mr. Michael Brown (Brigg and Cleethorpes): On a point of order, Mr. Deputy Speaker. We all respect your rulings, of course, and we will adhere to them. The only matter that I would point out to you, with great respect, is that, as the tunnel will be built to a certain size, as my hon. Friend the Member for Darlington (Mr. Fallon) has said, the size of the tunnels is surely relevant to our discussions about the size of the rolling stock passing through them. As the size of that rolling stock has implications for the routes that the trains will take in future, surely it is relevant for us to discuss the routing of those trains, insofar as that is affected by the width of tunnels through which they pass.

Mr. Deputy Speaker: We must not spill over our debate to the north of England, or anywhere else. I am sure that the hon. Member for Chipping Barnet (Mr. Chapman), who has moved the Third Reading, well understands that.

Mr. Chapman: I am most grateful.

Mr. Fallon: On a point of order——

Mr. Deputy Speaker: Order. I think it would be very much better if the hon. Gentleman were allowed to proceed with his speech. I will listen carefully to him, and I am sure he will not stray out of order.

Mr. Chapman: Within the provisions of the Bill, I say to my hon. Friend the Member for Brigg and Cleethorpes (Mr. Brown) that it is a question not of building new tunnels but of reopening the existing tunnels. Those tunnels are built to a certain size, and that size will not take the InterCity carriages.

The third major section of works is to provide escalator sections at King's Cross, affording direct pedestrian access for people using the new Thames link service, connecting them conveniently to the main line station and the three LRT underground lines of Victoria, Piccadilly and Northern at King's Cross.

Sir John Farr (Harborough): Can my hon. Friend confirm that the new escalator connections which are to be constructed as a result of the Bill will have stricter protection in case of fire?

Mr. Chapman: My hon. Friend raises a vital point. He would have heard the full explanation given in the Second Reading debate. The new escalator connections will be supplementary to the existing ones at King's Cross, which were the subject of that terrible and tragic conflagration last November, but they will not be constructed until the report of Mr. Desmond Fennell QC, who is inquiring into the King' Cross disaster, is published. The new escalators will incorporate any recommendations made by him and will be constructed to the highest possible safety standards. Access and egress in the area will be made easier as there will be more escalators, which will be to the highest safety standards.

That part of the project is estimated, on the latest figures, to cost some £3·75 million, and the principal works will be financed entirely through the receipts from the development of the Holborn Viaduct station site, which will become obsolete. The provisions of the Bill represent great improvements to the public transport system in that part of London. The improvements will benefit Londoners using the public transport system, as well as people moving from north to south and vice versa. The principal works will be of no cost to the taxpayer.

I commend the Bill to the House. If points are raised which I can answer, I shall seek, Mr. Deputy Speaker, to catch your eye at an appropriate time in the debate.

Mr. Fallon: On a point of order, Mr. Deputy Speaker. I did not want to interrupt my hon. Friend the Member for Chipping Barnet (Mr. Chapman), but I would like clarification of the ruling you gave. As I understand it, you have confined the debate to the application of the tunnels to London. Whilst the tunnels are in London, they are being rebored for the purpose of traffic to and from London, which originates and terminates well outside London. There may be debate as to how far outside London that traffic should be facilitated, but, as I understand your ruling, you wish to confine the debate to London traffic, which places us in some difficulty.

Mr. Deputy Speaker: It would be easier if we were to get on with the debate. I am reminding the House that on Third Reading we can debate only what is in the Bill. I realise that whether tunnels can take traffic from the north-east is relevant, but on Third Reading we cannot have the wide-ranging debate that I remember we had on Second Reading, which was then in order. The Bill is somewhat complicated and it is difficult to control what is in order, but it would be better if we proceeded with the debate. I shall listen carefully, and I feel sure that all hon. Members will co-operate by keeping in order.

7.14 pm

Mr. Archy Kirkwood (Roxburgh and Berwickshire): I will, of course, abide by your helpful ruling, Mr. Deputy Speaker, but the House would like to have further details on one or two questions which relate directly to the Bill and which were discussed in Committee. I am sure that the hon. Member for Chipping Barnet (Mr. Chapman) will be as helpful on Third Reading as he was on Second Reading in trying to answer the questions. I should then like to turn to the implications of the new, redeveloped terminal at King's Cross on services at the station.

The hon. Member said that the Corporation of London has taken decisions on some of the proposals for redevelopment of the area around the station. I may have misheard him, but I thought he related those decisions to the financial implications of the redevelopment. Perhaps, in winding up, he will confirm whether attempts have been made to consult the planning department of Camden borough council, which I think is the relevant planning authority, and the London Regional Passenger Committee, which has a locus in the argument.

On Second Reading, some hon. Members referred to the wider implications of the private legislation getting round some of the planning procedures and strict planning requirements. Perhaps the hon. Member could deal with that question and my previous question together.

On Second Reading we were told of a time scale of two to three years. I ask the hon. Member to confirm that time scale, because on Second Reading he was labouring under some difficulty, but I am sure that he would have taken advantage of the time between Second Reading and Third Reading to get more detail from the British Railways Board.

The hon. Member has substantially assuaged some of the doubts raised about the Fennell inquiry, but I ask him to confirm that neither British Rail nor anyone else will be required to come up with amending legislation if the inquiry were to make drastic recommendations about the escalators. Are there any circumstances where it would be necessary to introduce amending legislation or additional private powers? The House would be concerned if that were the case. I understand from what the hon. Member said that there are no circumstances in which British Rail would be required to make amendments as a result of the inquiry, but it is important for us to hear what British Rail has to say about that.

The estimated cost of widening the tunnels was said by the hon. Member to be £1 million, which is a substantial sum. If that figure is correct, it would probably rule out the prospect of a direct link, for commercial reasons. Has the hon. Member gone into that in any detail? Neither he nor I have any economic expertise in costing railways, so for him to give a figure of £1 million is a little bit casual. I should like to know how that figure was made up and satisfy myself that someone has not simply worked it out on the back of a fag packet.

The question whether that £100 million is the right figure should sit cheek by jowl with an analysis of the cost benefits that would accrue, if the line was capable of taking wider gauge traffic. From my experience of using London and making frequent journeys through King's Cross, I have concluded that there would be a substantial benefit. I would take every opportunity to go round London, if I could avoid King's Cross, and I am sure that that would apply to many people travelling from the north.

I wonder whether British Rail has undertaken any survey to see what traffic would be generated by, and the additional benefit that would accrue from, wider tunnels, even if the proposal cost a substantial sum of money. If the Bill receives its Third Reading, I assume that British Rail will consider co-ordinating timetables so that trains which can go through the Thames link will be used and people will be encouraged to use the link. I understand that there are now no outstanding petitioners. That is a substantial improvement on Second Reading.

There has been some controversy about some of the redevelopment schemes envisaged in the works covered by the Bill. That is a constituency matter, and I do not wish to interfere in it. The hon. Member for Holborn and St. Pancras (Mr. Dobson), who represents the constituency concerned and is quite rightly in his place, can make his own arguments. However, the scale of the developments also makes this an important national issue, and I hope that the hon. Member for Chipping Barnet will comment on that.

Many hon. Members have spent a great deal of time on the Bill. My hon. Friend the Member for Berwick-upon-Tweed (Mr. Beith) and the hon. Members for East Lothian (Mr. Home Robertson) and for Darlington (Mr. Fallon) have all been assiduous in giving it thorough scrutiny. There has been a substantial change of attitude in the way that British Rail has handled the matter. There is now a much more positive attitude towards considering the worries and fears of hon. Members on both sides of the House and of all parts of the country in respect of the issues underlying the Bill.

The Bill could have long-lasting repercussions for the scale and nature of the services provided on the east coast route from King's Cross. As a result of the alterations in the Bill, after two or three years of rebuilding, new levels of service will be provided. For example, the longer platforms that will result from the redevelopment will allow the use of larger and electrified trains, and services which were due for closure in two months' time may become profitable after redevelopment.

My fears about the Bill will be substantially assuaged if British Rail makes it clear that the opportunities provided by the Bill will be seized with vigour and enthusiasm. My fears will be assuaged if British Rail discusses with local Members of Parliament and local authorities the opportunities that will arise from the redevelopment of King's Cross. My fears will be assuaged because British Rail now gives me the impression that it will do everything possible to minimise inconvenience to east coast day and night passengers using King's Cross during redevelopment and that it will carry out a detailed study of the possibility of bringing back at least one night service when the King's Cross redevelopment is complete.

7.24 pm

Mr. Michael Fallon (Darlington): The passage of the Bill through the House has shown that it cannot be regarded simply as a London Bill and that debate cannot be restricted to London Members. The financing of the works contained in clause 5 and the purpose of those works can be broadly described as national.

Let us consider the money required to facilitate the works in clause 5. Rather unusually for such a Bill, the money is being raised through a substantial property development in the heart of London, but it would be wrong to assume that Londoners alone have contributed to the asset sales from which the new resources are to be released. Indeed, the overall subsidy to the London and south-east area of British Rail from the taxpayer is the largest for any British Rail region. When my hon. Friend the Member for Chipping Barnet (Mr. Chapman) says that the figure of £100 million is too expensive, he should bear in mind that the overall subsidy each successive year is about £300 million from the taxpayers of the rest of the country to services and developments in the south-east.

We all have a financial interest in the Bill, because, as taxpayers, we have all contributed to the development and operation of Holborn Viaduct, whose redevelopment will finance the works in the Bill. For that reason alone, we are entitled to ask whether works Nos. 3A and 3B are sufficient for the national interest in linking up the respective regions.

Mr. Chapman: It may be helpful if I intervene now to deal with that point. I shall obtain justification for the figure of £100 million, which would be the cost of redesigning and rebuilding the tunnels and the bends and curves of the line to accommodate InterCity trains. My hon. Friend may have a point when he says that the additional money should be spent if it would provide a through link from the north to the Channel tunnel, but that can, and no doubt will, be provided by using the existing lines via Olympia to the west of London, rather than through the City. I hope that my hon. Friend is satisfied on that point.

Mr. Deputy Speaker: Order. We must deal with the link in the Bill. The hon. Member for Darlington (Mr. Fallon) is in order at present, but a slight temptation was opening up that he might widen the debate to include another link which is not in the Bill.

Mr. Fallon: I was going to make the point that we can examine only this link and not any proposed future link that might be part of the arrangements for the Channel tunnel.

The Bill does something unique, as it links up two parts of the network. We are entitled to ask whether it does so satisfactorily, bearing in mind British Rail's national obligations laid down by statute.

Before giving the Bill a Third Reading we have to ask my hon. Friend the Member for Chipping Barnet whether the promoters are justified in constructing a link in such a restrictive way. We have to ask whether, for the sake of 18in, the tunnel is being rebored and reopened in a way that limits the passage of traffic through it to certain parts of the rail network and to passengers from certain parts of the United Kingdom. I submit to my hon. Friends that we would be unwise to give a Third Reading to such a restrictive Bill at the first opportunity presented to us to link the southern, midlands and northern networks of British Rail.

If my hon. Friend the Member for Chipping Barnet can satisfy us on that point, if he can reassure those of us who

[Mr. Fallon]

are concerned to ensure that the new opportunities opened up by the development of the cross-Channel link, which we cannot discuss tonight, will be fully taken into account in all parts of the United Kingdom, and if he can show that the costs involved in satisfying us far outweigh any benefit to be gained to the midlands and the north, we shall all be much keener to get the Bill on to the statute book and proceed with the next business before us.

7.31 pm

Mr. Chris Smith (Islington, South and Finsbury): To myself and my constituents, many of whom live in the immediate environs of King's Cross, the proposals in the Bill are relatively unobjectionable. The reopening of the two tunnels that curve round either side of King's Cross station underground, the putting-through of new traffic to carry the Thames link services that will link places such as Bedford and Peterborough to the south of the river with no additional disruption of the surface, the construction of new subway links between the London Midland rail station, the underground and the main line stations at King's Cross are benefits. Therefore, we must give a cautious welcome to them. However, as hon. Members have already said, they are severely limited benefits.

The height of the existing two tunnels around King's Cross and the slope of the curve mean that it will be possible only for trains of a limited size and capacity to travel along the newly reopened lines. That is something about which my colleagues from the north-east and Scotland will undoubtedly wish to express considerable regret. The benefit of reopening the tunnels will be limited by those factors.

Having said all that, it is important to say that if the Bill were coming before us without anything else happening at King's Cross, it would be a welcome exercise. However, that is not the case. Only three weeks ago, after this Bill received its Second Reading and shortly before it was considered in Committee, the British Railways Board announced the public consultation exercise, which is now under way, in connection with major and dramatic redevelopment to the north of King's Cross and St. Pancras stations. Those redevelopments throw this Bill into a completely new light. I believe that it is important for us to ask some questions as the result of that announcement.

Part of the redevelopment packages to the north of King's Cross, which are being put before the public for potential selection as the consultation exercise proceeds, is the construction of what is called in the press handout of British Rail, a major new international railway terminus underground at King's Cross. The construction of an international terminus at King's Cross must entail the construction of new tunnels to carry InterCity traffic from King's Cross and areas to the north of London through to areas to the south of London and, potentially, through to the Channel tunnel.

I mention that simply because proposals of that sort, which form part of the consultation exercise that British Rail is currently undertaking for land and railway redevelopment around King's Cross, are completely incompatible with the measures proposed in the Bill. If major redevelopment takes place with a new international terminus at King's Cross and InterCity traffic travelling from the Channel tunnel to the north of London via new tunnels in the King's Cross area, the work to reopen the two tunnels in this Bill cannot possibly be cost-effective. Indeed, the line of new tunnels is likely to cross the line of the tunnels that are proposed to be reopened by the Bill. Therefore, the current major redevelopment proposals for the King's Cross area throw the provisions of this Bill into a new light.

The time scale is a long one. It may be up to 10 years before the line to the north of King's Cross is fully redeveloped. However, we are entitled to ask which of two things will happen in the event of that major redevelopment going ahead. Will all the work to reopen the two tunnels around King's Cross be instituted but only for a short time, and then be replaced by much more major development work? If that is to happen, we are entitled to ask whether British Rail will get value for money.

Alternatively, will the proposals never get off the starting block? Will we find that, we having passed the Bill, British Rail will decide in six months or a year, when it decides on the basic principles of its major redevelopment exercise, that it does not want to go ahead with the works in this Bill? If so, why is British Rail wasting valuable parliamentary time in bringing this Bill before us? I believe that important questions such as that need to be asked as a result of the new position that has been created by British Rail's recent announcements.

My constituents have expressed some concern about the impact of this Bill in the light of their general concern about the future of the King's Cross area as a whole. I do not want to trespass on the rules of debate, but I should like to put down four markers on issues which trouble my constituents and which I believe, in the context of the general redevelopment of King's Cross, British Rail ought to take on board.

First, if any new international underground terminus is to be contemplated, there should be the minimum disruption to the surface. Many homes and businesses are thriving in the immediate hinterland of King's Cross, especially along York road and Caledonian road, in my constituency. It is important that people's livelihoods and homes are not disrupted or destroyed.

Secondly, the impact of traffic coming to any new development at King's Cross and to the north of King's Cross will weigh heavily on the residents of Islington, rather than on those of Camden, although any such development will be situated principally in Camden. The flow of traffic must be watched carefully.

Thirdly, because any such development will be located in Camden, it is principally the people of Camden who are likely to benefit from any planning gain from such a development. I put British Rail on notice that I shall be looking for gains for the people of Islington as well.

Fourthly, the consultation exercises that are being undertaken at present by British Rail and by its prospective developers concentrate on consultation with the people of Camden. Again, I put British Rail on notice that it must include in its consultation exercises the people of Islington as they will be affected almost as much as the people of Camden.

I mention those four issues because they are of considerable concern to my constituents. As I have said, the basic provisions of this relatively minor Bill are of themselves fairly unobjectionable. However, in the context of British Rail's proposals for overall development at King's Cross, and the prospect that much more major work might be envisaged at, around or underneath King's

Cross, and with the prospect of further private Bills relating to such matters coming forward in the next year or the next year and a half, we are entitled to ask British Rail what precisely it is up to, and how this Bill meshes in with its overall and further proposals for much more widespread developments at King's Cross, which will have a much greater impact on my constituents and those of many of my colleagues.

7.42 pm

Mr. Peter Snape (West Bromwich, East): I rise to speak briefly to give the official Opposition view of the Bill. I am not attempting to wind up the debate in any way, so I hope that the Under-Secretary of State for Transport, the Minister with responsibility for roads and traffic, will not think that I am seeking to pre-empt the spot that he seeks to occupy.

I should like to put two points about the Bill to the representative of the promoter, the hon. Member for Chipping Barnet (Mr. Chapman), and to the Minister. My first point has not been raised so far. It refers to clause 9 in part II. It arises as a result of representations made by the London Cycling Campaign to one of its more famous cyclists, the hon. Member for Ealing, Acton (Sir G. Young) who——

Mr. John Home Robertson (East Lothian): Tebbit.

Mr. Snape: The hon. Member for Acton is perhaps not quite as famous as the right hon. Gentleman, but he is a well-known cyclist and, for obviously understandable reasons, he cannot be here to put these points tonight. I am asked to advise the hon. Member for Chipping Barnet, who represents the promoters, that the London Cycling Campaign has expressed concern about the closure of Pilgrim and Apothecary streets and their replacement by footpaths. The campaign makes the point:

"Cyclists cannot legally use a footpath. If these two roads are cut off to cyclists use, there will be no east to west route between Ludgate Hill and Queen Victoria Street".

The campaign then makes the point that Queen Victoria street has fast-moving traffic and is perceived as dangerous.

The campaign makes two suggestions arising from the difficulties that cyclists would encounter as a result of the Bill. It suggests that the two footpaths to which I have referred should be for "shared use" by pedestrians and cyclists, with a minimum laid-down width and segregation between the two users. The campaign also suggests—the Minister will be aware of this—that the policy of the former Greater London council, now adopted by the boroughs, is that where road closures are proposed, there should be an exemption for cyclists, unless there are overwhelming reasons against that. Shared footpaths are not that unusual and are neither expensive nor dangerous. There are at least two other such schemes in London at present, in which such sharing works successfully.

I should like to put another point to the Minister and the hon. Member for Chipping Barnet, relating to the vexed question, if I might so refer to it, of Works Nos. 3A and 3B. We understand the ire of the hon. Member for Darlington (Mr. Fallon), who is not in his place at the moment, but who intervened a couple of times during the speech of his hon. Friend the Member for Chipping Barnet.

Without rehearsing the arguments, and possibly provoking your ire, Madam Deputy Speaker, by straying outside the terms of the Third Reading, it appears strange, to say the least, that we should be discussing these works at the same time as British Rail is talking about the complete redevelopment of King's Cross and St. Pancras stations. Indeed, my hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) has referred to that. My hon. Friend asked, "Exactly what is British Rail up to?" If the hon. Member for Chipping Barnet can answer that, good luck to him, because he will surprise us all. British Rail frequently gives the impression that the left hand is not only unaware of what the right hand is doing, but, if it found out, it would object anyway.

The contradiction in terms that arises from the proposals relating to Works Nos. 3A and 3B and the reality of the development at those two main line stations is pretty obvious. As my hon. Friend the Member for Islington, South and Finsbury said, even if the Bill receives its Third Reading tonight we are not ensuring that the works can go ahead. British Rail often seeks permission for such works but does not proceed with them for a considerable time. For perfectly understandable constituency reasons, my hon. Friend and those of us who take an interest in railway matters generally are entitled to ask exactly what British Rail is up to.

I have here a statement on behalf of the promoters referring specifically to Works Nos. 3A and 3B, which states:

"Works 3a and 3b would not be physically compatible with any realigned route capable of taking InterCity trains. If it were subsequently decided to proceed with an InterCity route, works 3a and 3b would not be undertaken, unless the costs could be recovered before the larger scheme were implemented."

My hon. Friend the Member for Islington, South and Finsbury is entitled to ask questions about British Rail's intentions. Understandably, if there is to be widespread dislocation in and around his constituency, to no apparent purpose, he is entitled to ask some straight questions of the hon. Member for Chipping Barnet, who represents the promoters of the Bill. However, I readily repeat that if the hon. Gentleman is unable to provide answers to those questions, I for one will well understand.

Returning to the vexed question raised by the hon. Member for Darlington of why original Works Nos. 3A and 3B are suitable only for suburban trains rather than for InterCity trains, and without rehearsing once again their various destinations, it is true that there is nothing to stop an electrical multiple unit train from travelling as far as is necessary, once the east coast main line is electrified; indeed all the way to Edinburgh if so desired. I hope that the hon. Member for Chipping Barnet will agree.

I do not believe that the most comfortable way of making the journey to Edinburgh would be from somewhere south of the river, whether from Blackfriars, St. Paul's or even further south. However, I do not believe that British Rail's financial policy would stop such a journey from being embarked upon. Nobody knows what its financial policy is, least of all British Rail's management. What would stop it would be the uncomfortable nature of the journey, given the fact that suburban trains, as their name implies, are built merely for short, suburban journeys.

The difficulty in which the BR management finds itself as a result of the statement to which I have just referred is amplified by the difficulties that have arisen over the years with cross-London traffic, north to south London

[Mr. Snape]

traffic and traffic from the east and west coast main lines to the south of England. There was a perfectly adequate route — albeit sparsely used — through Kensington Olympia. Some time ago BR decided to dispense with that line and considerably reduced facilities at Kensington Olympia station. BR then decided to boost north-south traffic by routing it through that station — albeit that facilities had been reduced. It then realised that the trains that it had provided to run via Olympia were not particularly popular – principally because their average speed was about 40 miles an hour.

I have sought to amplify the confusion that is found, all too often, in the minds of those who run BR. I confidently predict that if the current management of BR had been responsible for Napoleon's retreat from Moscow, the French army would have been lucky to pass through the outer suburbs of that city.

7.52 pm

The Parliamentary Under-Secretary of State for Transport (Mr. Peter Bottomley): I had intended to withdraw the insult that I had offered to the hon. Member for West Bromwich, East (Mr. Snape) on Friday during "Any Questions". We had been talking to a wider audience until the line was cut as a result of the hon. Gentleman upsetting someone by something that he said. However, having heard him offer to amplify any confusion that there might be on the part of British Rail, I am not sure whether he has found his true role. When the hon. Gentleman talks about the left hand not knowing what the right hand does, I believe that he is talking about the Labour party rather than British Rail. If anyone wishes to pick up on the remarks that he passed on from the bicycling baronet, I should say that my Department has some extremely good leaflets on the shared use of footpaths by cyclists and pedestrians.

It may be helpful if, at this point, I briefly restate the Government's view on the Bill. The Government have considered the content of the Bill and have no objection to the powers sought by the British Railways Board. Indeed we support the aims of the Bill. The Bill will enable the board to provide a new modern station on the Thames link line over which, starting later this year, commuter services will run directly between north and south London, for the first time since the first world war. The Department approved the necessary investment for the scheme in December that will enhance the quality of service to the passenger.

The proposed new station will be funded by redevelopment with the private sector of the Holborn Viaduct site. We are pleased that the board is involving the private sector in this way. I hope that this House will be able to give its support to the Bill to enable the board to carry out this exciting and worthwhile development.

7.54 pm

Mr. John Home Robertson (East Lothian): A number of hon. Members from various parts of the country are rather reluctant to see this Bill go through, given the withdrawal of services to and from King's Cross. This matter has been of considerable concern to the north-east of England and the south-east of Scotland. Indeed, BR has announced the withdrawal of overnight services from King's Cross to those areas.

I recognise that the Bill is relatively narrow, and it is right that my hon. Friend the Member for Islington, South and Finsbury (Mr. Smith) should concentrate upon its local impact on his constituency and the surrounding areas. Obviously, a development of this nature has a national significance and I am sure that the promoter of the Bill will not object if hon. Members from further afield contribute to the debate.

Hon. Members have suggested their reluctance to sanction such developments in the context of the reduction in services to and from the capital through King's Cross. The hon. Member for Chipping Barnet (Mr. Chapman) may be aware that discussions have taken place between BR, a number of my hon. Friends and myself who represent constituencies in the south-east of Scotland and the north-east of England. I was happy when BR issued a public statement stating:

"passengers will be able to travel via alternative routes at no additional charge with appropriate connectional arrangements . . . InterCity therefore undertakes to review the situation on the East Coast route and will restore at least one overnight service on that line in 1991".

The electrification of the east coast main line will be completed in 1991.

With that understanding, and in the knowledge that my constituents will be able to enjoy the new facilities provided as a result of the Bill, I am happy that it should receive its Third Reading.

7.55 pm

Sir John Farr (Harborough): I wish to give a hesitant welcome to the Bill. However, as a result of what I heard on Second Reading, what I read in subsequent Committee proceedings and what I have heard today, I believe that it would be better if the Bill were completely withdrawn.

It is unbelievable to me that the House should be considering the passage of an important Bill, involving the expenditure of a great deal of money, without being able to apply the results of the inquiry into the King's Cross tragedy. On Second Reading, several hon. Members asked my hon. Friend the Member for Chipping Barnet (Mr. Chapman) about that. He said that nothing would be undertaken until the King's Cross inquiry had reported. Tonight, when I rather rudely interrupted when he was speaking, he said that the findings of that inquiry will be incorporated in the Bill.

The King's Cross tragedy was a major event, but the Bill was framed and finalised—down to crossing the last "t" and dotting the last "i"—long before that fire. It is inconceivable to me that it can go through without major surgery. In view of the significance of the works that are being included in the Bill, I believe that the best thing to do is to scrap it until the inquiry has reported. Indeed, I believe that its findings are bound to be most significant to any railway operator and that those findings should be incorporated in this measure.

Mr. Chapman: Perhaps this is a vain hope, but I might be able to avoid the confusion between my hon. Friend and myself. First, I hope that I am correct in saying that the undertaking that I gave on Second Reading was that the escalators would not be constructed until any recommendations made by Mr. Desmond Fennell, as a result of his inquiries, were made known to BR. That commitment stands. Whatever Mr. Fennell recommends will be taken on board—if I may use that phrase— by BR.

I believe that only Works No. 4 in the Bill, the escalator connection at King's Cross, has any relevance to the inquiry. However, if Mr. Fennell makes more wide-ranging recommendations about approaches to overground and underground stations and so on, presumably they will be incorporated in the new St. Paul's station and any other relevant works. Presumably those recommendations will also be incorporated by any other urban station in the country. Therefore, I hope that my hon. Friend's fears can be allayed on that point.

Sir John Farr: My hon. Friend always deals with these matters in a conscientious way, but he has not satisfied me at all. There is far more in the inquiry which is now taking place than the type of escalator used. As my hon. Friend will know, serious questions have been raised about the position of fire-fighting points at King's Cross. They were not concealed, but grave doubts have been expressed about whether they were in the best position.

Even more significant is the length of the access passage. In Work No. 4 it is 82 m. In that regard, statements made by the London fire brigade about the length of hoses and the abilities of men in smoke-laden atmospheres to travel more than a few yards are significant. I believe that I am right in saying that the passageway at King's Cross where the tragedy took place was considerably less than 82 m. The inquiry may make stringent recommendations on the length of underground or enclosed passageways. It will certainly make special recommendations on the access of fire brigades and fire-fighting crews, as well as on instructions to make sure that any future fire-fighting points are not only known but centralised, and so on.

Many other matters are coming out of the King's Cross inquiry which do not affect the Bill so much, such as the training of staff, which will no doubt be acted upon. As I have already said, the inspector may well conclude that sprinklers should be provided. The evidence of senior fire officers who were at the scene shortly afterwards was that, if sprinklers had been provided——

Madam Deputy Speaker (Miss Betty Boothroyd): Order. The subject is the rebuilding of King's Cross. The hon. Gentleman is going into the inquiry. Will he bring himself back to the Bill?

Sir John Farr: I was trying to point out that it will be difficult to proceed with the construction in the most effective way. If sprinklers are to be provided, that should be done when the building is being constructed.

In Work No. 4, there is to be a passageway of 82 m and the provision of escalators is included in the Bill. The King's Cross inquiry should give a ruling on the exact cause of the fire and we should see whether it is possible to incorporate an escalator which does not accumulate litter, is of a certain length, and so on.

Mr. Greg Knight (Derby, North): There is a motion on the Order Paper which suggests that the Bill should not be proceeded with until the British Railways Board gives an undertaking to electrify the London midland main line as far as Leicester. Has he received——

Madam Deputy Speaker: Order. We are not debating that at the moment. The hon. Gentleman is out of order.

Sir John Farr: The Bill should be delayed until we have the benefit of the inspector's findings, so that we can proceed with confidence with these works, which otherwise might have to be radically altered as soon as they are constructed.

Mr. Greg Knight: On a point of order, Madam Deputy Speaker. Is the motion in the name of my hon. Friend the Member for Harborough (Sir J. Farr) likely to be debated this evening? Some of us are interested in the electrification of the main line, particularly as far as Derby.

Madam Deputy Speaker: The instruction in the name of the hon. Member for Harborough (Sir J. Farr) has not been selected this evening, but the points raised by the hon. Member for Derby, North (Mr. Knight) earlier will be relevant to our forthcoming debate.

8.5 pm

Mr. Edward Leigh (Gainsborough and Horncastle): This is an important debate and I want to take up some of the points so skilfully made by my hon. Friend the Member for Darlington (Mr. Fallon). I pay tribute to the careful and assiduous way in which my hon. Friend has studied the Bill. The House will be grateful to him for what he has said this evening. He highlighted what must be apparent not just to London Members of Parliament but to northern Members such as myself.

I represent the constituency of Gainsborough and Horncastle, in the county of Lincolnshire. Although the Bill concerns London, it is of interest and concern to everybody, whether they represent constituencies in London or Lincolnshire. We are talking about the expenditure of £100 million—a large sum of money—and the House will want to debate the matter in some detail. There is a feeling of vexation and irritation among northern Members about the way in which British Rail is promoting the Bill.

The Bill will undoubtedly be of benefit. My hon. Friend the Member for Darlington referred to it as the yuppies' Bill. I would not be so disrespectful as to append such a name to it, but there is a feeling among county and northern Members that British Rail is placing too much emphasis on investment in the London region and not enough in the provinces.

I do not want to stray from the narrow remit that you have set for our debate, Madam Deputy Speaker, by talking about the fact that British Rail has failed to invest anything in Market Rasen station in the past 10 years. Therefore, I shall pass on rapidly to deal with the Bill.

We have heard about Works Nos. 3A and 3B. I do not claim to be an expert—*[Interruption.]* I am glad that the hon. Member for West Bromwich, East (Mr. Snape) thinks that I am making a brave attempt to look after the interests of my constituents.

I was most impressed by the comment of the hon. Member for Islington, South and Finsbury (Mr. Smith) that we may be spending a large sum of money, but for just a little more we might be able to do very much more to make InterCity services truly inter-city, not just, as my hon. Friend the Member for Darlington said, a yuppies' service. I am not convinced by what my hon. Friend the Member for—I cannot think of his constituency——

Mr. Chapman: Chipping Barnet.

Mr. Leigh: —Chipping Barnet (Mr. Chapman) said.

Mr. Nicholas Fairbairn (Perth and Kinross): Will the works at King's Cross enable those of us who travel on InterCity from Scotland to England to go on the east coast

[Mr. Nicholas Fairbairn]

route so that we do not have to go on the west coast route, which is such an inconvenience for those of us who live in the east?

Mr. Leigh: I should like to take up that interesting point.

Madam Deputy Speaker: I ask the hon. Gentleman not to do so, as the intervention was quite out of order.

Mr. Leigh: As usual, I am impressed by the concern and eloquence of my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn). I hope that he will forgive me if I do not reply to his interesting point because I wish to remain in order. I am glad to see that my hon. and learned Friend has a copy of the Bill. He may like to look at it in some detail because, like me, he is a lawyer. It is important that Parliament should consider these matters in great detail because to do so is in the public interest.

If my hon. and learned Friend turns to page 7 of the Bill, he will see provisions relating to a new ticket hall at King's Cross. I appreciate that I am touching on a sensitive area, but there is concern in the nation following the recent tragedy at King's Cross that the utmost consideration should be given to safety.

Clause 10(11) of the Bill provides:

"the Board may on any part of the land numbered on the deposited plans 10 in the London borough of Camden construct and maintain a ticket hall at concourse level within the Board's King's Cross station with all necessary works and conveniences connected therewith."

I hope that when my hon. Friend the Member for Chipping Barnet sums up he will give the House assurances about the ticket hall works.

The hon. Member for Islington, South and Finsbury made an interesting speech and I tried to make careful notes of what he said. Quite rightly, he spoke about the interests of his constituents. I am glad that my hon. Friend the Member for Brigg and Cleethorpes (Mr. Brown) has just entered the Chamber because he also takes a great interest in these matters. I am sure that he will want to talk not about Market Rasen station but about the new ticket hall in King's Cross that is mentioned in page 7 of the Bill.

As the hon. Member for Islington, South and Finsbury said, there is great concern among the residents of Islington that there should be consultation not just for the people of Camden, but for his constituents because they will be affected by these works. We want full consultation. British Rail is nationalised, and I am afraid that the record of nationalised industries on certain matters of consultation is not always what it should be.

Mr. Snape: It is different in the private sector then?

Mr. Leigh: If the hon. Member wishes to intervene, I shall give way. I am sure that the House will welcome his intervention.

The House would welcome true consultation. I have dealt with the new ticket hall at King's Cross. Clause 10(12) talks about York way. Those of us who have knowledge of the environs of King's Cross will know that York way is a busy thoroughfare. We will want assurances from my hon. Friend the Member for Chipping Barnet that traffic will not be unduly disrupted. While we welcome the British Rail proposals, we want to be reassured that during the course of these works undue irritation or inconvenience will not be caused to the people of London or to the residents of Islington.

Mr. Chris Smith: I understand that part of the construction work for the new ticket hall in the King's Cross concourse will involve the relocation of the present exit for royal mail vans going from King's Cross station on to York way. That in itself will mean the relocation of the bus stops alongside King's Cross station in York way. It is a dangerous enough place at the moment, and if the stops are pushed further up York way it is likely to become much more dangerous and less convenient for people who have to wait for buses. I hope that the hon. Gentleman will concern himself not just with the amount of traffic in general on York way, but with the impact on bus passengers interchanging on the rail and underground links at King's Cross, which are also important.

Mr. Leigh: I am grateful to the hon. Gentleman. He has admirable local knowledge and we all respect him as a good constituency Member. He makes a point that I could not have made as strongly as he has.

Mr. Michael Brown: My hon. Friend surprises and disappoints me because, like me, he uses the service into King's Cross. I am horrified at what the hon. Member for Islington, South and Finsbury (Mr. Smith) has just told my hon. Friend, because when I alight from my train at King's Cross I come to the House by means of a 77 or 77A bus and, on average, I have to wait about 20 minutes from the time I get off the train until I get the bus.

Madam Deputy Speaker: The Bill is not concerned with the number of the red bus that the hon. Gentleman takes.

Mr. Brown: On a point of order, Madam Deputy Speaker. The point that I was trying to make is that if what the hon. Member for Islington, South and Finsbury has told us about bus stops happens as a result of the relocation of the ticket office and the exit of the royal mail vans——

Madam Deputy Speaker: Order I have heard the hon. Gentleman's intervention and it is not at all relevant.

Mr. Leigh: I think that it will be in order to say that if Work No. 4 on page 7 of the Bill—and I shall stick to what is written there—results in what the hon. Member for Islington, South and Finsbury reports, it will cause inconvenience not just to his constituents but to mine. In that sense my hon. Friend the Member for Brigg and Cleethorpes was right to intervene because those of us who represent northern constituencies have a perfect right to be interested in these matters, because I and my constituents regularly use King's Cross. Incidentally, we are dissatisfied with the possibility that the 125 service may be withdrawn, but I do not want to go into that in any detail. I am sure that the people in British Rail who follow debates such as this will look at that matter.

I should like to return to the question of the construction of the new ticket hall at King's Cross. The hon. Member for Islington, South and Finsbury spoke about the London Cycling Campaign. That is of concern to the House. Clause 10(14) talks about stoppage. If there is to be a temporary or permanent stoppage—and it is not entirely clear from the Bill whether it will be temporary or permanent—the London Cycling Campaign has a bone fide interest and is right to make its view known to the House. Clause 10(14) provides:

"The Board during and for the purpose of the execution of the works may temporarily stop up and divert, and interfere with, any road or footpath and may for any reasonable time divert the traffic therefrom."

The Bill therefore gives considerable powers to British Rail and we should be concerned about that.

Clause 10(14) goes on to say that the board will

"prevent all persons other than those bone fide going to or from any land".

We should ask ourselves what is meant by "bone fide". Will British Rail inspectors stop innocent members of the public using public roads and footpaths? The clause says:

"The Board shall provide reasonable access for persons on foot bone fide going to or from any such land".

Mr. Michael Brown: The point with which my hon. Friend should concern himself in clause 14(2) is that it specifically excludes bicycles.

Mr. Snape: If the hon. Member for Gainsborough and Horncastle (Mr. Leigh) wishes to enlighten us further, he should encourage a few more interventions so that he can read the Bill before he makes such a fool of himself.

Mr. Leigh: The hon. Gentleman may think that I am making a fool of myself. I assure him that this is a matter of great importance. If the hon. Gentleman knew what was worrying my constituents, he would know that these matters are of great importance to them. I am determined to make my point, as is my hon. Friend the Member for Brigg and Cleethorpes. We shall do so, and we shall go on doing so, until British Rail realises that investment in the north-east and the north and east midlands is as important as investment in London. We are perfectly entitled to use Parliament to make our point, and we shall do so.

I am not in the business of making a fool of myself; I am in the business of making British Rail aware of my concern. In my experience, the only way to do that is to speak at some length on Bills such as this. Otherwise, British Rail will steamroller over us, which is not good enough.

This is no joke. It is a serious matter for my constituents and for me. We are determined that there should be a truly national inter-city service, and we shall fight for that every inch of the way. We shall not be steamrollered by the hon. Member for West Bromwich, East or anyone else.

Clause 14(4) states:

"The Board shall not exercise the powers of this section with respect to any road unless they have given not less than 28 days' notice in writing of their intention so to do to . . . the traffic commissioner".

It seems that 28 days' notice may not be adequate. I know not. I am not sure whether it is the period normally laid down in Bills of this sort. Perhaps my hon. Friend the Minister can tell us whether it is a normal provision, or whether on occasion more, or fewer, than 28 days are allowed.

Clause 14(4)(a) mentions

"the traffic commissioner, constituted for the purposes of the Public Passenger Vehicles Act 1981, in whose area the road is situate".

We should like to know who is the traffic commissioner, and whether he is aware of all the local problems that might be involved in blocking a road, or not blocking it. These are matters of serious concern, as the hon. Member for Islington, South and Finsbury has made plain.

Clause 14(5) states:

"The exercise by the Board of the powers of this section in relation to any road or footpath shall not prejudice or affect the rights of the operator of any telecommunications code system".

We should like to know exactly what is meant by that. After all, telecommunications are vital to all of us. We should like an assurance that the Bill will not result in any undue interference with such a vital national and local service.

I do not wish to delay the debate unduly. I want to give my hon. Friend the Member for Brigg and Cleethorpes the chance to speak—to make the same points that I have made——

Mr. Snape: Better, I hope.

Mr. Leigh: The hon. Member for West Bromwich, East is a past master at speaking at some length. I do not claim to have his skill, but I am prepared, if necessary, to do it for the sake of my constituents.

Clause 15(2) relates to works involving

"any available stream or watercourse, or any sewer or drain of a relevant authority".

This will be a matter of some concern to the public, who will want to receive reassurances about flooding and such like. After all, clause 15(2)(a) states:

"the Board shall not discharge any water into any sewer or drain".

We should like to know how they can be sure that that will not happen.

Clause 15(2)(b) provides that

"the Board shall not make any opening into any such sewer or drain save in accordance with plans approved by, and under the superintendence (if given) of, the relevant authority in whom the sewer or drain shall be vested and approval of those plans by the relevant authority shall not be unreasonably withheld."

That, in my view, gives draconian powers to the board. In saying that approval of the plans

"shall not be unreasonably withheld",

the Bill is really saying that British Rail can do what it likes.

The clause continues:

"Section 31 of the Control of Pollution Act 1974 shall apply to, or the consequence of, a discharge under the powers of this section into any relevant waters for the purposes of the said section 31".

The hon. Member for West Bromwich, East may understand that, but I certainly do not.

Clause 15(3)(b) provides that

"the Board shall not damage or interfere with the bed of any watercourse forming part of the main river of the Thames Water Authority or the banks thereof within the meaning of section 116 of the Land Drainage Act 1976".

We should like an assurance that there would indeed be no such damage. Obviously the matter is of some concern to the people of London.

Part III of the Bill deals with the purchase of land. Clause 23(1) lays down that

"the Board may purchase compulsorily and use such of the land delineated on the deposited plans".

Here again, we are giving considerable powers to the board. We are effectively giving it compulsory purchase powers, which must be a matter of some concern to Parliament. *[Interruption.]* I shall sit down shortly, but I am determined to make the point.

Mr. Snape: The hon. Gentleman is making the same point.

Mr. Leigh: No. I am going through the Bill, and I am in order. I will make my point so that British Rail is aware of the worries of people who live in the provinces.

Mr. Snape: On a point of order, Madam Deputy Speaker. Is it in order for an hon. Member who has

[Mr. Snape]

obviously not read the Bill before coming to the House to keep reading chunks from it, and then to say that either his constituents or Members of the House are concerned that the provisions are abided by? If we all do that, the debate will not get very far.

Madam Deputy Speaker: Order. That is not a point of order for the Chair. However, I remind the hon. Member for Gainsborough and Horncastle (Mr. Leigh) that we are all capable of reading the Bill, and it is therefore not necessary to quote great chunks of it.

Mr. Leigh: I shall not quote great chunks of it, Madam Deputy Speaker. I feel that I have made my point.

Mr. Michael Brown: I think that my hon. Friend should bear in mind—I am speaking as one who has served on Committees on many private Bills affecting British Rail and the London railways—that deposited plans have an uncanny nack of changing. It is all very well when a deposited plan is put before a Committee, but we often find that it has changed significantly by the time that powers have been given for the enactment of the legislation sought by the promoter. That is why it is so important to beware of the phrase "deposited plans".

Mr. Snape: The hon. Gentleman has not read those either.

Mr. Leigh: As my hon. Friend says, whatever the present plans may be, we are not sure whether they will change. But I see that I am irritating the hon. Member for West Bromwich, East, so I shall draw my remarks to a close.

Let me say this to the hon. Gentleman, and to British Rail representatives who are following the Bill. We are talking about a £100 million investment. It may be an excellent investment for the people of London, and I do not wish to hold up the Bill's passage for that reason. Having said that, however, I feel that my constituents will want to know why, although we have asked repeatedly for an assurance that a through-train service to King's Cross will be retained, British Rail has been unable to give that assurance. Why is it necessary for provincial Members to come to the House and speak on London Bills to make British Rail aware of their problems?

We shall go on speaking, and we shall go on fighting for our constituents' interests. We shall do it any way that we possibly can.

8.28 pm

Mr. A. J. Beith (Berwick-upon-Tweed): I am sorry that I was unable to attend the earlier part of the debate, because of matters arising from the Budget. I was, however, very much involved in the Second Reading debate on the Bill.

I am happy to be able to support the Third Reading of the Bill. The Second Reading debate was very useful, identifying a number of problems—some arising directly from the Bill, and others arising less directly from it. We discovered something to which I hope that British Rail will give more attention: that the works provided for in the Bill, particularly the opening of the tunnel, will not solve the problem of direct access to the Channel tunnel. We still await a definitive statement from British Rail about how direct rail links from the north-east of England to the Channel tunnel will be achieved. That is an important issue for the north-east, and we want answers to it soon.

The Second Reading debate concentrated the mind wonderfully. It also made British Rail realise that the improvements at King's Cross which the Bill will secure go naturally alongside the use of the newly electrified line in 1991 to restore overnight services from Scotland and the north-east down the east coast main line to King's Cross, from which passengers could then take advantage of the services provided by the Bill. I am glad that British Rail has made a statement showing its desire to do that, subject to the satisfactory conclusion of the study. I am grateful to my hon. Friends and hon. Members in other parties who helped to secure that happy outcome, and I wish the Bill success.

8.30 pm

Mr. Michael Brown (Brigg and Cleethorpes): I did not speak on Second Reading, but I was here for the debate and voted to give the Bill a Second Reading because I was impressed with the way in which my hon. Friend the Member for Chipping Barnet (Mr. Chapman) presented his case. To my regret, I failed then to recognise how the powers in the Bill will adversely interfere with my constituents who use trains into King's Cross and then make onward journeys to central or southern London.

I speak particularly of the period during which the works foreshadowed in the Bill will be under construction. My hon. Friend the Member for Gainsborough and Horncastle (Mr. Leigh) touched on the powers that are given in clause 11, and I want to deal in some detail with the way in which they will affect my constituents who use King's Cross station.

Many of my constituents come down to the station on the train from Cleethorpes that arrives at 9.20 am, and I cannot imagine what life will be like during the construction of Work No. 4. In the deposited plan No. 10, it is proposed that in the London borough of Camden there should be a new ticket hall at the concourse level. We have heard this evening, and on Second Reading, that the period during which the works are under construction may be from two to three years. It is likely that revamping a station and resiting a ticket hall could occupy a large amount of the total construction period. I am trying to envisage what life will be like on that concourse when the works are under way.

I have the fortune—or misfortune—to have to use King's Cross ticket office and concourse now. I use it at rush hour when I go to catch the 18.04 train on Thursday or Friday nights from King's Cross to Cleethorpes, and I have to queue there with many other people. Even without the works, it is a small concourse. Between 17.45 and 18.30 about six or seven InterCity high-speed trains depart from King's Cross to destinations in South Humberside, Yorkshire, Newcastle and Lincolnshire.

At that time, about 400 or 500 people are queuing for their trains and using the services of the ticket office and concourse. What will life be like for the departing passengers when the new concourse is under construction—not to mention the fact that in the earlier part of the week many passengers arrive at that time on long-distance trains? If no provision is made during the transitional period for some improved access to a temporary ticket and concourse facility, things will be even worse.

I hope that British Rail and my hon. Friend the Minister will be able to tell us what discussions have taken place in British Rail management about temporary ticket and concourse arrangements. We already know what life is like when temporary work is going on at King's Cross. For example, on Monday of this week I alighted from the train that brings me from Cleethorpes to King's Cross—I had had to change at Newark — at 4.30 in the afternoon. I tried to get to the Victoria line underground by means of the escalator, but could not, for understandable reasons.

British Rail and London Underground have failed to establish a temporary ticket concourse and queuing area to cope with the emergency. I accept that that was an unplanned-for emergency, so one can forgive British Rail and London Underground for failing to take appropriate action, because the emergency was nothing to do with them, but I was prevented by British Rail and London Underground personnel from gaining access from the King's Cross concourse area to the Victoria line underground station, so I could not catch a Victoria line train.

Unless British Rail is prepared to guarantee that its understanding of clause 11 will ensure arrangements being made for a temporary ticket office during the construction period, there will be a tremendous passenger traffic jam of people arriving at, and departing from, King's Cross, particularly at rush hour.

Mr. Leigh: My hon. Friend is quite rightly dealing with the problems of congestion around ticket offices. Does he accept that at one particular part of the day there is heavy congestion — when people queue up to take the 18.04 direct train to Market Rasen and Cleethorpes?

Mr. Brown: My hon. Friend is right. He and I experience those problems. I am concerned about the problems for passengers departing on the 18.04 train and other trains at or around that time. At rush hour, people will arrive and possibly purchase tickets in a non-existent ticket hall or, at best, some sort of temporary ticket hall. We do not know what the arrangements for that will be. We do know that there is limited space even without the works envisaged in clause 11. We know that there is tremendous congestion at present. When the two-year period of the works arrives, the congestion will be horrendous.

British Rail needs to be a little more forthcoming about what it will do to deal with this problem. I have not yet touched on the problem of the purchase of tickets. Often, passengers departing for Lincolnshire, Humberside, Newcastle, Sunderland and Yorkshire have to go to the ticket hall to alter their tickets, especially on Fridays in the summer months, when they are not aware that they cannot use their blue saver ticket and must obtain white saver tickets. There is already tremendous congestion on a Friday — it is worse in the summer — when departing passengers are reminded over the intercom that their blue saver tickets are not valid. There is a mass rush to the ticket area as they seek to upgrade their tickets from blue to white savers.

I know that, because I use those tickets on various occasions — *[Interruption.]* Yes, I do. I do not always use the first-class facilities provided for me by the Fees Office. I use blue and white saver tickets, and if the hon. Member for West Bromwich, East (Mr. Snape) doubts that, I have here in my pocket the blue saver ticket that I purchased — through the Fees Office — to travel from Barnaby to King's Cross yesterday. That is my contribution to keeping public expenditure down.

Mr. Snape: The hon. Gentleman could stay at home and save us all this nonsense.

Mr. Brown: It is not nonsense, because we are talking about many passengers who do not always recognise when they get to King's Cross on a Friday that they are not allowed to use the blue saver tickets that they have purchased from the railway station of departure perhaps a day or two earlier. They then go to that ticket concourse, causing, even at the moment, the most tremendous congestion, to upgrade their tickets to white saver tickets.

Mr. Chris Smith: I think that the hon. Gentleman may be under a misapprehension. Loth as I sometimes am to give the benefit of the doubt to British Rail, it seems to me from a careful study of the plans and this Bill that the existing ticket sale, exchange and provision facilities at King's Cross station will not be affected at all by any of the provisions in the Bill.

Mr. Brown: Of course, the hon. Gentleman knows more about his constituency than I do. All I can say is that I fail to understand how it is going to be possible to enact the provisions of clause 11 without some disruption to passengers arriving at and departing from King's Cross. I have had experience of works undertaken by British Rail in my own constituency. It says that there is no problem and that the temporary provisions will ensure that there will be no queueing problems. It says that, while the major works are going on, passengers will be able to purchase their tickets and there will be no failure of service at ticket halls. I simply do not believe the assurances that have been given to the hon. Gentleman, who is not a gullible Member of this House and would, I am sure, have pressed British Rail on that point. I am very surprised that British Rail has been able to give him that assurance.

One only has to look at the way in which British Rail and London Underground, even some three months after the tragic fire, have been unable to establish proper facilities that do not prevent passengers from using the underground ticket concourse area. As I have explained, yesterday, when I came off the train at King's Cross, I was forbidden by British Rail and London Underground personnel to use the ticketing facilities underground. We have had three months' experience since the fire, during which British Rail has failed to establish any temporary provision. If that experience is anything to go by, we cannot believe what British Rail has told the hon. Gentleman.

This is something that we must be concerned about. Passengers departing for Lincolnshire and South Humberside have only one train that they can catch. If they are caught up in passenger congestion, they may miss that train. The hon. Gentleman says that there is going to be no problem. I do not accept that. There will be a delay to any passenger departing from King's Cross at 18.04 pm while those works are going on. There is a risk that, when passengers are told over the intercom that they will have to upgrade their tickets, there will be delay. In my opinion, that delay will cause some of them to miss their trains.

If they miss their trains to Leeds, York or Newcastle, there is no problem; they can catch another train half an

[Mr. Brown]

hour later. They cannot do that if they wish to travel on the 18.04. If they are caught in massive passenger congestion and miss that train, they have had it until the next day; they will have to wait 24 hours—unless they are prepared to go and cool their heels on Newark station for an hour or two, which people sometimes do.

I simply do not have confidence that clause 11 gives British Rail the power to maintain and construct a new ticket hall without the most massive disruption of service to the customers of British Rail who live in Lincolnshire and South Humberside, in particular.

Mr. Eric Forth (Mid-Worcestershire): I am listening carefully to my hon. Friend. Would he not concede, however, that for British Rail to make any sort of improvement of necessity means temporary disruption to passengers? Is my hon. Friend not being entirely unreasonable in criticising British Rail in this respect? In complaining that its efforts to improve its service to his constituents mean that for a temporary period there might be a certain amount of disruption or that his constituents might have to make alternative arrangements for a short period to bring about in the longer term a genuine improvement in service, he is surely being somewhat unreasonable.

Mr. Brown: No, I will not concede that, because in the long run, as a famous economist once said, we are all dead. I do not accept that a two-year period is temporary. It is a lifetime of eternity, particularly for constituents such as mine, who already see the writing on the wall for the present service. I do not think that the long-term arrangements will be of benefit to my constituents. My experience tells me that, in the case of many road or rail improvements, it is not worth putting up with the temporary disruption because the service at the end is not always improved. I would dearly love British Rail to give me an assurance that, if my constituents are prepared to put up with the temporary arrangements that will arise from clause 11, two years afterwards we shall have better facilities for getting from King's Cross to my constituency. It has not done so.

Mr. Forth: My hon. Friend is now making quite a serious allegation against British Rail. I have to ask him whether he has done British Rail the courtesy of asking that question and getting an answer. If he has not, I think he should withdraw what he has said.

Mr. Brown: I have, Madam Deputy Speaker. In order to answer my hon. Friend, I am running the risk of going out of order. I have asked British Rail whether it can guarantee that there will be a high-speed 125 service from King's Cross to——

Madam Deputy Speaker: Order. That is totally out of order. Will the hon. Gentleman now come to the clause in the Bill to which he was referring?

Mr. Brown: I feared that you would say that, Madam Deputy Speaker, and I regret that I gave way to my hon. Friend, because you are absolutely right. The point is that disruption is going to be caused to departing passengers.

Clause 14 gives British Rail the power to divert traffic and to stop up footpaths and roads because it is undertaking works. Under clause 14(4), the board is going to give 28 days' notice of its intention to stop up a road or a footpath to the traffic commissioner and the operator over the road as defined in the Transport Act 1985. It is not prepared—I am surprised that the hon. Member for Islington, South and Finsbury (Mr. Smith) did not pick up this point—to give notice, as it is prepared to do under clause 26 when it comes to protecting the highway authorities, to the London borough of Camden.

Clause 26 specifically says that British Rail is prepared to give the mayor and burgesses of the London borough of Camden some 28 days' notice of any intention to stop up a highway, yet it does not seek the power in clause 14 to give any such notice to the local authority. That is something which the hon. Member for Islington, South and Finsbury should certainly be very concerned about. It is prepared to give a protective provision to the local authority of Camden when it comes to any public highway —for example, the A501 and the A41—yet it is not prepared to give the same protective provision when it comes to general works. Surely that is something that we ought to be concerned about.

Stopping up roads causes great inconvenience to local residents. I do not live in that part of London, but I come into it on the train. Over the last half mile into King's Cross, one is immediately aware of the congestion in that part of London, the number of private dwellings, and how many of them are older properties. If British Rail stops up roads without giving any notice to local authorities, and if it insists on those powers, it could be taking a slightly cavalier attitude.

In one clause, BR seeks powers that the local authority should be given notice, yet clause 14 does not seek powers to give that notice. That is very unfair, because if a road or a footpath is closed and no provision is made except for those who are going directly to their places of abode, quite severe inconvenience can be caused to a large number of residents.

There must be thousands of people who live in the area of King's Cross. When I come into King's Cross on the train, I am aware of the large number of properties. It is likely that a large number of people will not realise the inconvenience to which they will be put. After all, private Bills are often enacted without individual constituents knowing exactly what will happen.

I should not like to be the hon. Member for Islington, South and Finsbury or a councillor for any of the wards that are to be affected under clause 14(4). When many constituents find out that they cannot go about their normal daily business, they will start to shower their councils with complaints. If they are delivery men, they may not have access by many of their usual routes. I can see a large number of councillors and the hon. Member for Islington, South and Finsbury being inundated with many complaints from constituents when they are told what is to happen.

It is the responsibility of British Rail to be a little more forthcoming about the way in which people are to be affected. I speak with some feeling on the matter, because I have served on a large number of private Bills promoted by British Rail and by the London Docklands development corporation. I have seen how petitioners who have been alive to what the promoters have suggested have not taken on board what is to happen. Only under cross-examination have they become aware of some of the detrimental effects of private Bills.

Ordinary constituents are often not aware of the existence of such Bills, and do not petition against them.

This Bill was not petitioned against—or if it was, the petitioners have been sorted out and discussions have taken place. In any case, the Bill went through the private Bill procedure unopposed.

I can guarantee that individual constituents of the hon. Gentleman and individual electors will press their councils and ask, "How is it that suddenly I am inconvenienced and cannot go about my normal business and do not have access to roads where I have made deliveries for a number of years?" They will be told, "It was private business. You had the opportunity to petition against the Bill, but you did not do so. You lost the opportunity, and now you will have to put up with all the inconvenience."

We should not expect ordinary citizens to rely solely upon the House of Commons to make sure that all is well when it comes to their rights. British Rail has a duty to advertise more widely before it seeks such legislation and to make clear exactly how inconvenience will be caused by such private legislation.

Mr. Leigh: My hon. Friend will see that

"the board may purchase compulsorily and use such of the land delineated on the deposited plans."

Is my hon. Friend convinced that all those who are potentially affected, whose land is covered by those plans, have already been informed?

Mr. Brown: If my hon. Friend will allow me, I shall come to the question of compulsory purchase in a moment, as that issue gives rise to concern in its own right.

I wish to address myself to the way in which British Rail uses powers that it has been given in private legislation to bamboozle the general public. It can say, "We have these powers. They were presented to Parliament and debated in Parliament, and people have to put up with those powers. We are giving you 28 days' notice. We do not have to advise local councils in the case of general works provisions, and we are doing everything legally." Of course it is doing everything legally. If the Bill is passed tonight, as it might well be, British Rail will have the right to defend itself and acquit itself of any need to consult the local populace. However, the local populace have some rights which transcend the enactment of private legislation.

British Rail should have given an undertaking that it would ensure that a leaflet would be sent to every resident in the area affected by clause 14(4) and that it would provide a leaflet, with more than 28 days' notice, detailing the way in which it will use its powers to construct the necessary work.

I have had experience of a highway authority exercising powers that have been legislated for in this House. In 1981, I took a great interest in the private Bill promoted by Humberside county council, which was given powers by this House. It used the minimum legal powers to use stop-up works orders. The local population were told simply, "We are exercising powers given to us under private legislation. We do not have to give you any notice, and even if we did, it would be only 28 days. There is nothing that you can do about it." That is wrong.

Ordinary people seeking access and egress to and from their homes, going about their business and going to and from work in the rush hour in heavily congested areas of London with a high concentration of people moving about during the rush hour should have the right to more than 28 days' notice. If it is to be only 28 days' notice, it should be given specifically to each householder. There is nothing worse than a householder, a tenant or a landlord being confronted with "access only" signs to the street that he normally uses when he might have made arrangements for tradesmen, and when tradesmen cannot seek access—

Madam Deputy Speaker: Order. The hon. Gentleman has been tedious in his repetition. Will he now move on to another clause in the Bill?

Mr. Brown: It may be tedious, but I am simply trying to suggest—

Madam Deputy Speaker: Order. The hon. Gentleman has made a number of suggestions about clause 14, which we have heard very carefully. He is being very tedious. I am absolutely serious in suggesting that he should move on to another clause.

Mr. Brown: I shall now move on to clause 26, under which the highway authorities and the local councils are to be given notice that the A501 and the A41 trunk roads may be affected by works which are to take place. The clause says that it is for the protection of the highway authorities. I am not sure that it will be for the protection of the highway authorities. What will happen is that the A41 trunk road, a major road into London, carrying traffic from the A1—

Mr. Leigh: And from Lincolnshire.

Mr. Brown: —and from Lincolnshire, will be affected by the works that will take place.

I should like to know what kind of assessment British Rail has given or is likely to give to the London boroughs of Camden and Islington of the transitional arrangements that will be made for the works taking place there.

Mr. Chapman: Perhaps it will be helpful if I tell my hon. Friend that the London boroughs of Camden and Islington were of course consulted on all aspects of the provisions of the Bill and fully consent to what is in it.

Mr. Brown: I am grateful to my hon. Friend, but it is interesting that British Rail seeks to give notice only to Camden and Islington when it intends to carry out works that affect the A501 or the A41 but will not give that notice, except for the general 28 days to which I referred, when it comes to clause 14(4). So I am very unhappy about clause 26 and the fact that there is likely to be severe traffic congestion.

I do not know what assessment has been made of the likely effect of traffic congestion. My hon. Friend says that the boroughs of Islington and Camden have been fully consulted and that they are, I assume—I am prepared to accept his assurance — happy with the likely consequences of any traffic congestion that may arise. I can only suggest to my hon. Friend, with regard to those of my constituents who are worried about the pedestrian congestion arising out of the works under clause 11, that those who might otherwise have used British Rail to come into King's Cross may, during the enactment of the provisions of the Bill, decide instead to use their cars. They will come in on the A1 and use the A41 into London.

I am not sure that my hon. Friend will be able to give the same assurance that he has just given, that the London boroughs were consulted, when it comes to those who do not live there but who will be affected by the traffic congestion that is bound to arise on the A41. It does not take much for traffic congestion to arise on the A41 now, and there will clearly be more, because powers will be sought to protect the highway authority.

[Mr. Brown]

I do not think, therefore, that my hon. Friend can give an assurance that will cover all the people who will be adversely affected by the provisions of clause 26 when it comes to the certain congestion that will arise on the A41.

Mr. Forth: If I may say so, my hon. Friend is on to an important issue here. He is touching on whether the traffic implications of the works which are envisaged will spread beyond the authorities mentioned in the Bill. It would help the House if he could suggest to us which other authorities might be affected and perhaps suggest in what way the Bill is defective—because this could be a serious defect in the Bill and one which may affect the constituents of many hon. Members other than those already mentioned. Does my hon. Friend not agree that, in that case, the Bill is seriously defective?

Mr. Brown: The point that my hon. Friend has just made is that the Bill gives the local authorities in which is situated the A41 trunk road the right to be consulted in the event of highway work. That is perfectly reasonable. What my hon. Friend draws attention to is the fact that large numbers of people make their journeys from all parts of the United Kingdom, certainly from eastern England and a large number of counties elsewhere. They come into London on the A41 trunk road. One cannot get into London without using it. I know, because occasionally I use it myself. What British Rail has failed to do is make any provision in the Bill for other local authorities or people who live in other local authority areas and who use the A41 to be given notice that there is likely to be traffic congestion.

A large number of people in Lincolnshire and South Humberside might decide to come to London by road. They will not know, when they set out on their journey, that when they get to the other end there is likely to be trouble on the A41. How can they be helped to know? It will be said that 28 days' notice will have been given to the London borough of Camden and 28 days' notice will have been given under clause 26(1) to the London borough of Islington. These boroughs know that there will be problems, but I will not know, and nor will my constituents. The constituents of my hon. Friend the Member for Gainsborough and Horncastle will not know.

Mr. Leigh: If, of course, the through service to King's Cross from Cleethorpes and Market Rasen is done away with, there may be many more people on the A41 and they will suffer double inconvenience because of British Rail.

Mr. Brown: I have a horrible suspicion that my hon. Friend is tempting me to stray out of order, but one of the things that I try to do when I am speaking in the House is to keep within the rules of order.

Of course, if fewer passengers come into King's Cross station, there are likely to be more people using their motor cars to come into London. We all wish to discourage that practice. If commuters come to London by car, they have to pass along the road for which British Rail seeks the power in the Bill. The use of that power will disrupt the highway. That can only mean traffic jams and congestion in the boroughs of Camden and Islington. It is highly likely that traffic congestion will be caused throughout central London.

I recall that, just before Christmas, a water main burst at Swiss Cottage. That isolated event caused the roads of central London to seize up. The point is that, if traffic congestion is likely to result from works undertaken by British Rail that disrupt traffic on the A41 trunk road in Islington and Camden, there are inevitable consequences for traffic flow in central London as a whole. We cannot escape that. It does not matter where the traffic comes from, whether from the constituency of my hon. Friend the Member for Darlington (Mr. Fallon) or anywhere else.

Mr. Forth: I must press my hon. Friend to answer me. I think he has edged towards the point, although he has not conceded it yet. Is he suggesting that the Bill is defective because it does not refer explicitly to other local authorities that might be affected, directly or indirectly, by the sort of traffic problems that my hon. Friend describes?

I hope that my hon. Friend agrees with me that the Bill is defective in this way. Indeed, I believe that the House should have serious reservations about the Bill generally, and the fact that other local authorities that might be affected are not mentioned in the Bill. Will my hon. Friend concede that point?

Mr. Brown: Yes, I concede that point. Equally, I accept that it would be unreasonable for British Rail to be forced to give legislative notice, in relation to a Bill of this sort, that there is likely to be traffic congestion on, say, the A41 trunk road. It would be unreasonable to expect British Rail to advise all local authorities whose residents travel by road to the A41 that road works are likely to be undertaken there. It would be unreasonable for British Rail to give legislative notice to, say, the borough of Cleethorpes, or West Lindsey, or East Lindsey. However, I believe that British Rail should ensure that notice is given in some way, as it is by the Department of Transport when major road works are expected on motorways. In that case, notices are displayed clearly in national newspapers saying that there will be road works in a certain part of the United Kingdom, or in London.

Only the other day, notices were put in *The Times* by my right hon. Friend's Department. As a result of such notices, sensible people will read about road works and likely congestion on the M1, M6, or M25. They will make decisions about journeys accordingly. Such notice is given without resort to legislation.

The Bill does not require British Rail to do the same thing. My hon. Friend the Member for Mid-Worcestershire (Mr. Forth) suggests that the Bill might be defective and should contain a power to notify the public. That is unreasonable. However, British Rail should be required to give some indication of works to be undertaken in a hub of central London—whether it is a hub for motorists or railway travellers. For example, it might say that there is likely to be traffic congestion on the A41 or severe congestion because of construction of the new ticket hall at King's Cross station, which is referred to in clause 11.

The Bill should ensure that British Rail takes the general public into its confidence. I am not referring just to, say, the constituents of the hon. Member for Islington, South and Finsbury. British Rail should not simply give 28 days' notice to the mayor, burgesses and corporation of the borough of Camden. Surely there should be a requirement to give notice to the travelling public of the United Kingdom.

Mr. Leigh: My hon. Friend mentioned the difficulty caused by a burst sewer on the A41, which is used by his

constituents and mine. Clause 15(1) gives very wide powers to the British Railways Board to discharge water from any works carried out. That may also cause problems, and perhaps my hon. Friend will deal with that matter.

Mr. Brown: I will deal with that point in time. I am dealing with the need for British Rail to give notice to the wider travelling public, which does not stop at the boundaries of the two London boroughs mentioned in the Bill. The travelling public are those people who use trains running into King's Cross, not just those people who travel in London. Some people think that the only people who should be consulted about transport in London are London constituents, London Members and London authorities. That is not the case.

Apart from my hon. Friend the Member for Chipping Barnet, who is steering the Bill on behalf of British Rail, almost all hon. Members who have spoken in the debate represent constituencies outside London. I resent the charge from the Opposition Front Bench and some other hon. Members that only London Members have the right to be concerned about the Bill. What happens at the King's Cross railway station affects hon. Members from the north-east, the east and Lincolnshire, and affects all constituents who drive into London on the A41.

British Rail must ensure that the travelling public are made aware, with more than 28 days' notice, of temporary construction work. The powers given to British Rail in clause 26 are not sufficient to protect the interests of the wider travelling public, so British Rail has a duty to be less than cavalier in giving notice about undertaking works.

British Rail has a bad habit of undertaking work without giving notice. Recently a Minister was in my constituency and wanted to travel back to London on a Sunday. British Rail failed to give more than 24 hours' notice of a major works, for which it must have made provision long before it decided to embark on it. No notice of the work was given, and my hon. Friend the Minister found that he could not catch a train to London. With that experience, I am sceptical of British Rail's power under clause 26 to give adequate notice to the travelling public.

My hon. Friend the Member for Chipping Barnet and the hon. Member for Islington, South and Finsbury may have received assurances that satisfied their constituents, but I have not received assurances that satisfy my constituents. The many people who travel on public transport in and around London, particularly on Fridays and at weekends, are not confined to people who live in London. Many people are affected by works at King's Cross or on the A41, and they have reason to be concerned about British Rail's cavalier attitude.

I am not confident that British Rail will give adequate notice of the work. Why should the period of notice be 28 days, when four weeks' notice is given to local authorities? Most local authorities have cyclical council meetings to consider matters such as this, so that they can make objections if they wish.

I know why British Rail has selected 28 days. It is obvious. It knows that the average local authority will not sit between one meeting of the transportation committee and the next. It will tell the London borough of Islington, "We're exercising our powers as laid down in section 26 of the Act. We're going to do this work and we're giving you the required 28 days' notice." The local authority will not necessarily have the chance to comment on British Rail's intention. The local authority will work on a cycle of 35 to 45 days. It will receive notice of British Rail's intention, saying, "We're going to undertake the works which the Act has empowered us to do, and we are giving you 28 days' notice."

Mr. Forth: My hon. Friend is dealing with an important point, and I hope that he will expand on it. Does he accept that two different sorts of works may be involved? One sort of works could be long foreseen and may be part of a major new project which must be planned months, if not years, ahead. However, there may be other works which could come up at short notice. Has my hon. Friend made any distinction between those two sorts of works? Does he think that the Bill deals adequately with both kinds of works?

Mr. Brown: I should like to comment on the point raised by my hon. Friend, but you, Mr. Speaker, would call me to order. I can comment only on the specified works in the Bill. In fairness to British Rail, it is reasonable to assume that it will have set out in deposited plans what the specified works will be. If I were to speculate idly on my hon. Friend's comments, I would be outside the terms of the debate.

British Rail is seeking powers to give notice to the London boroughs of Camden and Islington about when it intends to undertake specified works. Specified works, which will be detailed in the deposited plans, will need to have been drafted, planned and trailed for a long time in advance. The Bill is not concerned with matters that might suddenly arise during construction. In all fairness, British Rail could not anticipate those and is not seeking powers in respect of such matters. We are concerned about specified works and about the intention in the Bill to provide a new highway.

Twenty-eight days' notice is unreasonable, because British Rail knows well in advance what those plans will be. It could tell the House now what those plans are. We know what British Rail's intention will be. However, at a time of British Rail's choice, within the two years' estimate of construction, British Rail can suddenly say, "Now we're going to exercise the powers to undertake the specified works in the Bill. Now we're going to bounce Islington council and Camden council. Now we're going to bounce the hon. Member for Islington, South and Finsbury. Now we're going to give them all 28 days' notice. We've kept this lot up our sleeve for a year or 18 months."

I do not know the London borough council scene as well as I know county council structures. In a county council, we have a transport policies and planning committee. I assume that, since the demise of the GLC, London boroughs must have an equivalent committee that would consider anything of this sort from British Rail. That is why 28 days is unreasonable. I would have thought that at least 56 days or even three months would be a much more reasonable period of time for giving notice.

I am not suggesting that no work should be undertaken by British Rail simply because there is a risk of disrupting someone at some time. I accept that it has the right and the duty to improve its services in such a way as will lead to the long-term future benefit of passengers. However, I do not believe that within 28 days it is possible for local residents to put their affairs in order without disruption. In my view, we have to give serious consideration to clause 26. We cannot amend it now, and that is one reason why I am not happy about the Bill.

[Mr. Brown]

My hon. Friend the Member for Gainsborough and Horncastle tempted me to talk about sewers and watercourses. That is not my speciality, and I shall rest my case on that basis.

9.21 pm

Mr. Chapman: With the leave of the House, I shall seek to reply to the points that have been raised by 11 hon. Members in a wide-ranging debate. I must confess that there are 14 significant and separate points with which to deal, some of which I did not anticipate. The hon. Member for West Bromwich, East (Mr. Snape) warned me that, whatever my answer to one of the points, he would not be satisfied. I shall do my best. I am immensely grateful to the hon. Members who have raised points, many of which have been raised by more than one hon. Member. I shall deal with them in the order in which they were raised.

When I referred to the fact that between the Second and Third Readings of the Bill planning permission had been granted by the Corporation of London, I was referring to the redevelopment proposals in the area of Holborn Viaduct station. It is the realisation of that redevelopment scheme that will pay for the Work No. 1 part of the Bill. I shall come to the exact amount involved in a minute.

I should like to confirm that the London boroughs of Camden and Islington, wherein some of the works are taking place, were fully consulted and expressed themselves content with the arrangements. It may be helpful for the House to know that the London Regional Passengers Committee and the Transport Users Consultative Committee have been consulted about all the provisions of the Bill and have said that they are content. The unions have also been consulted. I hope that that deals with that point.

The next significant point raised was the time for completing the project. Hon. Members who were present on Second Reading will recall that I did not have an opportunity to reply to many of the points that had been raised. I should like to confirm that it is expected that the Holborn Viaduct area works could take about two and a half years, and that the works at King's Cross could take up to two years. Again, I shall come to the detail of that shortly.

The hon. Member for Roxburgh and Berwickshire (Mr. Kirkwood) asked whether there would be any circumstances whereby British Rail would have to come back to change the provisions of the Bill. The answer is that neither British Rail nor I can anticipate any circumstances in which that might happen. However, there is one minor qualification, and I shall deal with that when I seek to deal with the point about the latest redevelopment proposals at King's Cross. This was raised by the hon. Member for Islington, South and Finsbury (Mr. Smith) and by one or two others.

Another significant point is that some hon. Members want justification for the £100 million estimate that I gave the House for, in effect, rebuilding the tunnels so that InterCity trains can use the new Thames link, and especially the two presently disused tunnels north of King's Cross. The cost of modifying the existing tunnels to take InterCity trains was investigated most carefully and a detailed study was made by civil engineers at the instigation of British Rail. That is where British Rail got that figure from, although perhaps it should be added to a little to allow for inflation. However, the figure was carefully worked out. At the same time, detailed studies of cross-London train demand were made. The inescapable conclusion of British Rail was that the significant extra work and extra cost involved could not be justified on a financial cost-analysis basis.

There was also the question whether any petitions remain outstanding. Originally, when the Bill was introduced in the House of Lords, there were 17 petitioners. Sixteen of those 17 were completely satisfied before the Bill was examined in Committee in the other place. When the Bill came to this House, there was one outstanding petition, plus three others. All those four have now been completely satisfied and that is why the Bill was examined upstairs in this House by the Unopposed Bills Committee.

A major and significant point that has been raised is the possible redevelopment of King's Cross station. The point was made eloquently by the hon. Member for Islington, South and Finsbury. This is an ambitious project and will involve a larger lower-level station capable of accommodating InterCity and possibly even international trains. As I understand it, the proposal relates to the redevelopment of derelict and unused land in the ownership of British Rail and other agencies, and could remedy the present inadequacies at King's Cross and St. Pancras main line stations.

Mr. Chris Smith: I am grateful to the hon. Gentleman who, as always in these matters, is dealing generously and fully with all the points that have been raised. However, if a new international terminus is to be created at underground level at King's Cross, as I understand it from the layout of tunnels and existing Tube tracks in the area—we must remember that five Tube lines converge on the King's Cross area, so the underground topography is complex—only one location could be used for such an international terminus, and that is not under existing derelict land; it is under existing used buildings.

Mr. Chapman: I note what the hon. Gentleman says, and I shall try to satisfy him. This project is at the very earliest stages and, as he knows, the ideas of two groups of developers have been presented for public consultation. As I understand it, that is the position at the moment. If powers are required for railway works associated with that development—if that development comes to fruition—clearly British Rail will have to deposit a Bill for parliamentary consideration. A low-level station capable of accommodating InterCity trains is not part of a fully developed plan. As I understand it, it is only a possibility at the moment and, in that sense, it is not even an idea. Where the links would go, what services would use that station and whether it could be financially justified are questions that cannot yet be answered. Indeed, they may not be answered for several years.

If the terminus development went ahead, Works Nos. 3A and 3B could be affected. I do not seek to hide that fact in any way. I ask the House to consider the fact—I am satisfied about this—that the reinstatement of the tracks and electrification of the lines in the two short, disused tunnels forming Works Nos. 3A and 3B are relatively cheap to provide and are short-term proposals. They provide the basic, needed link to plug in the suburban services from the east coast main line, St. Albans and so on, through the Thames link to the south.

If we knew at this stage that the more ambitious proposals regarding the new underground terminus were to go ahead — given that British Rail is satisfied that Works Nos. 3A and 3B can be justified on a cost basis — those developments may not prove to be worthy of investment. Nevertheless, it is still worth undertaking Works Nos. 3A and 3B. That is the best way in which I can deal with the matter raised by the hon. Member for Islington, South and Finsbury.

My hon. Friend the Member for Darlington, (Mr. Fallon) rather unfairly suggested that this was a yuppies' Bill. My hon. Friend the Member for Brigg and Cleethorpes (Mr. Brown) has said that there is a need to prove that the Bill will be of benefit to people other than Londoners. That is precisely the argument that I made in my contributions today and on Second Reading. The Bill will be of convenience to Londoners, but it will also be of convenience to many other people outside London. As a London Member, I do not regard the word "yuppie" as a description of a Londoner. I do not believe that this good, beneficial Bill can be described in such derogatory terms — if "yuppies' Bill" is a derogatory term. When I leave the Chamber I shall look up that word in my copy of "The Concise Oxford Dictionary".

The hon. Member for West Bromwich, East has great experience and knowledge of BR matters. He mentioned the access points for the new St. Paul's station. The accesses to and egresses from that station, replacing the old Holborn Viaduct station, will represent an improvement. There will be entrances on Holborn Viaduct, Ludgate hill — Pilgrim's court to be precise — and Farringdon road. Incidentally, the new station will have a taxi rank — the old station did not — and will be fully accessible to disabled passengers.

The hon. Gentleman also raised — quite fairly — the question of facilities for cyclists. I know that BR will seriously consider the arguments that he has drawn to the attention of the House. My initial reaction is that this is not only a matter for BR, but is also for the local authorities. They should work in concert with BR.

I note that the hon. Member for Islington, South and Finsbury put down four markers of a wider context regarding the future possible, more ambitious redevelopment proposals for King's Cross. I am sure that BR will note those points.

I am grateful to the Front Benches for their support for the Bill. I hope that I might, at least partially, reassure my hon. Friend the Member for Harborough (Sir J. Farr). He kindly allowed me to intervene during his contribution, and in addition to what I said then he should know that the escalators will not be constructed before the Fennell inquiry has reported. He is right to say that the Fennell inquiry is not confined to escalators, but, in fairness, I hope he will consider that this could affect every other station, not just this new one. The works at King's Cross, and, indeed, the new St. Paul's station, should not be inhibited while waiting for the Fennell inquiry report. The new escalators will be additional escalators, so they can perfectly honestly be described as an additional emergency exit. That can only be good news. The sooner those escalators can be constructed and provided, the better and safer for people using the station.

My hon. Friend the Member for Gainsborough and Horncastle (Mr. Leigh) could not remember my constituency. I was tempted to refer to him as my hon. Friend the Member for Gainsborough and Hardcastle, but I shall resist that temptation. In addition, Chipping Barnet does not nestle in the Cotswolds, but sits in north London.

My hon. Friends the Members for Gainsborough and Horncastle and for Brigg and Cleethorpes mentioned the amount of British Rail investment in London as represented by the Bill. Works No. 1, which represents about 95 per cent. of the total cost of the provisions in the Bill, is being made possible by the redevelopment of the old Holborn Viaduct station. As I said on Second Reading, the asset cannot be realised until the new station is built, and vice versa, because Holborn Viaduct is at the end of a short spur that will become obsolete. It is impossible to transfer that £46·5 million — the latest figure, which I gave earlier — to any other British Rail project outside London or elsewhere inside London, simply because it cannot be realised unless the station is closed and the new St. Paul's station is provided.

Mr. Leigh: This is a serious and important point, so my hon. Friend will forgive my asking whether he appreciates that I am constantly told by British Rail that stations in my constituency are falling into dereliction because it does not have the money to refurbish them, yet we are discussing this kind of investment in London. That is what is worrying.

Mr. Chapman: My hon. Friend should carry back to the burghers of Gainsborough and Horncastle the good news that this development cannot be provided unless Holborn Viaduct station is closed. Therefore, if the Bill is not proceeded with, that £46·5 million estimate cannot be realised for any project. That puts the matter in its context.

My hon. Friend inadvertently said that the provisions of the Bill came to £100 million. That is not so. The provisions of the Bill, according to the latest estimate, come to just under £53 million, and 95 per cent. of that is on realising an asset.

Mr. Leigh: I hope my hon. Friend will appreciate that my hon. Friend the Member for Brigg and Cleethorpes (Mr. Brown) and I could, had we wanted, have sought to talk out the Bill. We purposely did not do so.

Mr. Chapman: I am most grateful indeed. I can only assume that support for the Bill now becomes near unanimous.

Mr. Home Robertson: Just to confirm why it is so unanimous, will the hon. Gentleman acknowledge that an important part of the package has been British Rail's clear undertaking that one of the facilities that will be provided in the refurbishment scheme will be a platform for sleeper services right up the east coast after electrification has been completed?

Mr. Chapman: I am glad to hear that news transmitted to the House by the hon. Gentleman. However, that matter is completely without the Bill, so I shall be careful not to be drawn into it.

My hon. Friends the Members for Gainsborough and Horncastle and for Brigg and Cleethorpes asked about clauses 14, 15 and 26. I can only say that clauses 14 and 15 are general works provisions and are entirely normal. As far as I can see, British Rail is not trying to put in other conditions that may be more restrictive to the public.

In relation to clause 26, I repeat that the local borough councils were consulted and that they consented. I ask my hon. Friend the Member for Brigg and Cleethorpes to

[Mr. Chapman]

keep a sense of proportion. He rightly said that if British Rail was required to consult other boroughs whose citizens might be inconvenienced if the roads were temporarily blocked, where does one stop? If my borough council, whose territory is close to the A41, was consulted, I could claim that British Rail may have consulted my borough council, but that it did not consult me. Thanks to the media co-operating and giving public information, more and more motorists can be made aware of where traffic works are being undertaken. I am confident that British Rail will co-operate with the media to deal with that problem.

My hon. Friend the Member for Brigg and Cleethorpes talked about the inconvenience that would perhaps be caused to some of his constituents and to many other people when the works were taking place at King's Cross. I have two points to make about that. First, British Rail is determined that if there is any inconvenience it will be kept to a minimum. It is interesting to note that these works will generally be at the eastern corner of the present concourse and will not be right in the middle. That will be partially helpful. Secondly, when the works are completed they will be of benefit to my hon. Friend's constituents and to many other people, not only because there will be additional access and egress, but because the whole system will work more smoothly.

Mr. Michael Brown: In his usual charming and very helpful way my hon. Friend has successfully sought to reassure me. I accept that there will be long-term benefits, which is the point he is trying to make, with some degree of success. The only thing that I should like to put on record is that I sincerely hope that when these works are completed there will still be a train from King's Cross to Cleethorpes.

Mr. Chapman: I am sure that the British Rail authorities will pay attention to what my hon. Friend has said.

I do not think that these works will deleteriously affect the passenger concourse. I know that British Rail is anxious to see that any inconvenience that there may be is kept to a minimum.

I apologise to the House for taking so long to deal with 14 significant points raised by 11 hon. Members. I am delighted at the widespread support for the Bill and to see that the fears of some hon. Members have been allayed between the Second and Third Readings. The Bill started its journey exactly a year ago in the other place. It deals with work that is badly needed in this part of our great metropolitan city. It will bring benefits, in some cases substantial benefits, to many people, not just to Londoners. I commend the Bill to the House.

Question put and agreed to.

Bill read the Third time and passed, without amendment.

British Railways (No. 2) Bill *(By Order)*

Order for Second Reading read.

9.43 pm

Mr. Patrick McNair-Wilson (New Forest): I beg to move, That the Bill be now read a Second time.

Mr. Speaker: I have not been able to select the instruction on the Order Paper.

Mr. McNair-Wilson: The Bill is the 25th in a long series of general purpose Bills introduced by the British Railways Board since its reconstitution under the Transport Act 1962. As on previous occasions, it will provide the House with an opportunity to discuss some of the many matters affecting our railway system. It also gives an opportunity to me and to others to draw attention to the real improvements that are being made to the service throughout England, Scotland and Wales.

Those who live in my lovely part of the world—the south-west — may be provided with an important improvement to which we shall all thoroughly look forward. Brand-new 100 mph trains, with extra seats for commuters and faster journey times, are all contained in a package of improvements being introduced on the Bournemouth main line. The recently completed electrification of the line between Bournemouth and Weymouth and the introduction of the Wessex electrics have provided a springboard to launch the new schedules.

The network manager for SouthWestern services said:

"There is something for everybody travelling on the main line between Waterloo, Southampton, Bournemouth and Weymouth. Apart from the all-electric service and new trains, the timetable has been reconstructed to meet changing customer needs."

Indeed, the new trains will provide more seats from May, and, when the whole fleet is running, there will be 8,329 seats in the peak periods—8,772 on Fridays—compared with the current total of 6,227. Services will be very much improved for my constituents.

There will be a 5.15 am departure from Poole serving the principal stations, including Bournemouth, Southampton and Winchester, and arriving at Waterloo at 7.20 am. That will be especially useful for passengers wishing to catch early InterCity departures from King's Cross and Euston, in which many hon. Members have expressed interest.

A number of hon. Members on both sides of the House have expressed concern about some of the Bill's many provisions, and, indeed, about some of the matters outside its narrow scope. It may be convenient for the House if I describe the board's response to some of the concerns that have been expressed.

The hon. Members for Berwick-upon-Tweed (Mr. Beith) and for Roxburgh and Berwickshire (Mr. Kirkwood) earlier mentioned east-coast sleeper services. The announcement in the south-west relates to May of this year. That date is likely to be significant in this respect as well. InterCity is making major changes in May to the Anglo-Scottish sleeper service, to reduce costs and provide a more attractive service for the important Scottish market. Fewer, longer trains will be run, and all will operate from Euston via the west coast line, where they can be electrically hauled for most of their journey. The longer sleeper trains will have fewer intermediate stops to avoid disturbing passengers' sleep, and will be limited to 80 mph. They will include a lounge car, open all night, and

breakfast in the morning. This strategy involves the withdrawal of the London-Newcastle sleeper away from Alnmouth and Berwick.

Newcastle is now only two hours and 50 minutes from London by the fastest train, with the first south-bound train arriving in London before 9 am, and the last train back at 10 pm. Demand for the sleepers has fallen, and is now below 20 a night south-bound and 10 north-bound. Berwick is used by an average of only two passengers a night, and Alnmouth by only one a week.

My hon. Friends the Members for Harborough (Sir J. Farr) and for Rutland and Melton (Mr. Latham), together with the hon. and learned Member for Leicester, West (Mr. Janner), have also expressed concern to the board about main line midland electrification. The board's position is that there has been increasing pressure recently to electrify the line from St. Pancras to Leicester and Sheffield. At present, the route is electrified as far as Bedford, and Network SouthEast has modest plans to extend to Kettering and Corby, in connection with a proposed theme park called Wonderworld at Corby. However, the financial case for electrifying the whole line is poor. The service is now entirely operated by InterCity 125 trains, whose journey times are almost as good as could be offered by electric services. A £25 million electrification scheme has just been completed covering the Bedford-Leicester-Loughborough area, and the new timetable from 16 May will offer InterCity trains between London and Leicester every half hour.

Mr. Michael Fallon (Darlington): My hon. Friend said that the cost of the scheme was £25 million. That places the House in the quandary that I attempted to articulate on Second Reading of the previous Bill some weeks ago. These Bills have no financial memoranda attached to them. At some stage when a Bill is deposited, some estimate is laid in the Private Bill Office, but such an estimate is not attached to the Bill. We cannot, therefore, compare the estimated cost for these works with those of other works, and we cannot judge the whole. I know that there is a Joint Committee on Private Bill Procedure, but could some memorandum containing the estimated costs of the work be attached to the Bill so that we can all see——

Mr. Speaker: Order. This is an intervention, not a speech.

Mr. McNair-Wilson: I understand what my hon. Friend has said. He referred to the Joint Select Committee, of which I happen to have the honour to be Chairman.

Whenever general purpose Bills are debated, it has been the practice to discuss the problems of the rail networks in general to allay concerns expressed by hon. Members who are not directly affected by the Bill's contents, but whose constituents are affected by the rail system in general.

Mr. David Tredinnick (Bosworth): My hon. Friend mentioned several hon. Members who are concerned that the line from St. Pancras should be electrified as far as Leicester, but that concern extends west of Leicester. My constituents are just as concerned as those of the hon. Members whom my hon. Friend has mentioned. It is a serious problem, and my hon. Friend the Member for Harborough (Sir J. Farr) shares my concern about it.

Mr. McNair-Wilson: I take note of what my hon. Friend has said, and the board will also have noted his concern. I am responding to the anxieties of hon. Members about general issues. The figures that I have given were provided by the board, but we have not yet begun to discuss the Bill's provisions.

Sir John Farr (Harborough): I apologise for interrupting my hon. Friend in the middle of his interesting speech. I have just heard for the first time the figure of £25 million that he gave. Would it be possible before the debate is resumed at another time—assuming that it is—for the exact break-down of the cost to be made available in the form of documentation placed before the House so that we can consider it?

Mr. McNair-Wilson: I am grateful to my hon. Friend. His request will no doubt be recorded in the *Official Report* and hon. Members will be able to study it at their leisure.

Electrification, I am assured by the board, will be reviewed periodically in the light of changing fuel costs or the need to renew the rolling stock, should that be necessary.

I should like, in this general introduction, to deal with the concerns of my hon. Friends the Members for Gainsborough and Horncastle (Mr. Leigh) and for Brigg and Cleethorpes (Mr. Brown), who expressed concern, although unsuccessfully, about Market Rasen station. Just to make it clear, to reduce operating costs of the local services from Lincoln to Grimsby and Cleethorpes, the board plans to transfer ticket issuing and checking from the station to the train at most stations on the route. An early-turn clerk will remain at Market Rasen to deal with bookings for the busy morning trains, including those to London.

My hon. Friends have had a meeting with the board on this matter and, as a result, will know that a decision has been made not to sell the station building until there have been discussions with the local authority, and to make it clear that a member of staff will be present if trains are delayed, so that the lights are on and passengers are not locked in.

My hon. Friend the Member for Rutland and Melton has made it clear that he is concerned about safety on level crossings, on one of which, sadly, there was an accident in which a young constituent of his was tragically killed. He has now also had a meeting with the board and assurances have been given to him.

This Bill is divided into a number of parts. Part I deals with standard procedures with which the House is familiar. Clause 3 deals with the incorporation of general enactments and clause 4 deals with the application of part I of the Compulsory Purchase Act 1965.

Part II of the Bill deals with a series of works. Work No. 1 is the spur road at Battersea. It requires the provision not only of a spur line but of a station, so that there can be dedicated services to and from Victoria. This is to enable visitors to attend the new leisure complex, which, as hon. Members will know, is coming in the place of the old power station, in the same building.

Mr. Fallon: I wonder whether, in view of my earlier comments, my hon. Friend can give us some estimate of the cost of Work No. 1. I understand from clause 36 that the various costs of this Act will be defrayed from the board's general expenses. But he has referred to Work No.

[Mr. Fallon]

I and I wonder whether he has any estimate to offer us on behalf of the promoters as to the cost of undertaking that work.

Mr. McNair-Wilson: My hon. Friend will know that the board has had new financial targets set for it, so all these works are against the background of a system which can provide money for the board in return for the works which are being done.

Works Nos. 3 and 2A refer to a railway and cut at Kilnhurst, and this is to build a new chord railway which will link the Sheffield and Swinton line with the great central line between Rotherham and Mexborough. Members may be interested to know that originally it was hoped that it might be possible that the intended Swinton curve, which was in the 1984 Act, which I also sponsored in the House, could be used. However, a possible new role has been identified for that curve, involving the establishment of a new station at Swinton on the midland route and served by Sheffield.

9.59 pm

Mr. Bob Cryer (Bradford, South): The Bill is important and interesting and contains a wide range of provisions. One of the most important elements of the provisions is that there is a cross-London link from the northern routes through King's Cross to the southern half of the country. That is very important because——

It being Ten o'clock, the debate stood adjourned.

Debate to be resumed upon Thursday 17 March.

Lookout Posts (Newry and Armagh)

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Kenneth Carlisle.]*

10 pm

Mr. Seamus Mallon (Newry and Armagh): I welcome the opportunity to air my views about what I believe to be one of the most serious issues facing people in the North of Ireland. No doubt there will be those who tell me that there are more serious problems, and I shall probably accept that. However, if one examines the situation in South Armagh, one must reluctantly reach the conclusion that there is an artificial and optical attempt to present South Armagh as a showpiece for a military approach within the North of Ireland.

I say that with some reluctance, because I believe that there are Ministers in the Government and those in the Northern Ireland Office who are seriously and genuinely trying to solve a very difficult problem. I can come to no conclusion other than that, within the sphere of Government advice and within the Northern Ireland Office, there are those whose approach can be described only as malign. It is an approach which centres on a spurious philosophy which certainly could not succeed. It is a psychology that says that, somehow or other, there is a military solution to the problems within the North of Ireland.

I agree with the Secretary of State for Northern Ireland, with General Glover, with Brigadier Bray and with Gerry Adams, who, individually and collectively, have said that there is no such thing as a military solution to the problem. All sides having accepted that there is no such thing as a military solution, it is entirely cynical and detrimental to the cause of peace in Northern Ireland to adopt such an approach. It has been stated publicly on numerous occasions by the Government, by me, by my party and by representatives of Sinn Fein that there is no military solution. If that thesis is accepted, to pursue and to search for a military solution would be a cynical exercise in relation to the people of Northern Ireland.

I take this opportunity to appeal once again to the Government to rethink their position. I believe that they have embarked on a course which will bring disaster to the North of Ireland. They have embarked on a course of callousness and cynicism which is dedicated to a line of approach which even they agree cannot and will not work.

It is a blinkered approach. If history has taught us anything in Ireland, if we have learnt anything from the lessons of the past 20 years, it is that one cannot solve the problems of violence by being violent. One cannot solve the problems of lawlessness by breaking the law. One cannot solve what is essentially a political problem by military and quasi-legal means. It is in that context that I wish to make these few remarks tonight.

Let me put it this way. All hon. Members represent constituencies and are familiar with the difficulties of doing so. If any hon. Member representing any constituency in this House had said to me 15 years ago that in his constituency there was a fortified Army installation for every 600 people, I would have said that it was not possible, that we were not living in that kind of world, and that we were living in a free society where such things did not happen; they might happen in Afghanistan and in South Africa, but not in our civilised society.

I represent a constituency the major part of which now has one fortified Army camp to every 600 of the population, 18 in all, if I take the word of the Minister of State in answer to a recent parliamentary question. While he did not avoid the truth in giving that answer, I think that he may have evaded it slightly because he omitted to include those camps which are police stations and which are now acting in a dual capacity. If we included them, we would have something like one armed camp to every 500 of the population.

If such a situation were to exist in any constituency in England, Scotland, Wales or anywhere else in western Europe, it is something that people would be concerned about, would marvel at and would want to examine. Is that the case here? I am afraid that it is not, because, for too long, the matter has unfortunately been ignored by the Northern Ireland Office, by the Government and, by and large, by those who choose to pontificate on all the problems that we experience daily.

Since I was elected to this House, I have consistently spoken about this issue. I made it the central point of my maiden speech. I have made request after request to the Northern Ireland Office that some of the Ministers come to visit my constituency and see for themselves what is happening. None of them has yet had the courage to move himself from the safety of Stormont castle and see how the people whom he governs exist.

I should add that the Under-Secretary of State who is present tonight is the one person who has taken himself out of his area. He has come round the constituencies in the North of Ireland. He has gone out and done what he should do, meet the community. I now take this opportunity of paying tribute to him for doing that and of asking him to continue to do so and to come where those who are responsible for security do not seem to have the courage or the interest to come. I await his response to that.

But it goes further than this. I am very concerned about the whole trend of this Government, because they are doing something that will be very serious for politics, not just in the North of Ireland but in this country as well. Politics must surely be about consensus and about arriving at solutions, not about confrontations and minor pyrrhic victories. It is not about macho tests, whether in the Health Service or in a military approach to solutions in the North of Ireland. It is not, and cannot be, about retribution. It is about getting solutions to long-standing problems. It is not about attrition. It is particularly not about the attrition that we are witnessing in the North of Ireland tonight and, unfortunately, probably tomorrow, next week, the week after and the week after that.

Politics is not simply about that. The political process is about binding wounds and solving problems, as well as creating a climate in which problems can be solved. The saying has been attributed to Disraeli that politics is the art of the possible. That is not so, as politics, if it means anything, is the art of creating the circumstances and a climate in which we can solve apparently intractable problems. But I fear that we are not creating that climate, and it worries me greatly.

The Government are not creating that climate. I fear that that is represented in my constituency by 18 of those hideous outposts, as the Minister has described them. They serve no purpose other than to satisfy the atavistic demands of those in the Northern Ireland Office and the political sphere who want confrontation and a military solution. It satisfies those in the Army and the police, who regard the outposts as a sign that they are doing what they regard as their duty.

It is a false premise. It will not succeed. We should consider what the Secretary of State has said, and what General Glover has said. We must realise that the further we go in this direction the faster we will slide down a slippery slope. There is no way back. Generations of Irish people will be forced to pay the price.

It is also significant that, since the recent appointment of the Minister of State, a new brigade has been formed to operate in the border area, which is also centred upon my constituency. In relation to that, I must ask the Minister why there is a "Gaza strip" in Northern Ireland. It concerns us greatly. Where is the primacy of the police in those circumstances? They cannot retain their primacy. It is already obvious that the Army "calls the shots" and that the sort of policing that was painstakingly built up has gone by the board.

What is this for? It is to satisfy the atavistic attitudes and approaches of some within the Government, the Northern Ireland Office and the security services. They do not have the vision and the courage to tackle the problem, in the hearts and minds of the people of Northern Ireland, where it should be tackled. They should try to create peace rather than confrontation. I ask the Minister this paradoxical question because it is worth thinking about: are the priorities and objectives to beat the IRA or to create peace? We must start to think in those terms.

This "long war", as it is called now, has continued four times as long as the previous world war. It could continue for another 30 to 35 years. There is no problem about that. The British Government have the resources to continue it and the Provisional IRA has the resources, too. The war can and will continue for another 30 years, unless someone has the courage to break the log jam.

The question of the Government's objective is central to the problem. Is it to defeat the IRA or to create peace and stability? If we take this question to its logical conclusion, it will surely lead the Government to re-examine their position and approach. They will realise that what they are doing now is laying very sound foundations for this terrible tragedy to continue for another 30 years.

I address my last point to the Minister, as he is responsible for education in Northern Ireland. Again, I pay tribute to him as he has had the courage to do what he thinks is right, not sitting in the safety of Stormont castle, but working on the ground. I should like him to visit Cloughoge school in my constituency. Within 350 m of that school is one of the lookout posts that I have mentioned, and 350 m in the other direction is a very heavily fortified road check. If there is an attack on either of those installations, without a doubt that school will be hit. There are 330 children there. I cannot escape the conclusion that the posts were sited there simply to have the protection of that school.

I warn the Minister that it is inevitable that an attack will be made on those lookout posts, and that the school is in grave danger. I ask him to take action before there is a tragedy. At Aughnacloy the young man, McAnespie, was shot from a distance approximately the same as those guards posts are from that school. If a heavy missile is fired and misses its target, as it will, and hits the school, we would see the wringing of hands. Before that happens, we must end the callousness that we have seen for so long.

[Mr. Seamus Mallon]

The happenings in Northern Ireland are tragic and are brutalising soldiers, policemen and members of the community, especially young people. Above all, they are brutalising those in the Government who make the decisions; who are not showing or attempting to show any compassion or vision; and who are dedicated to confrontation, not solutions.

10.16 pm

The Parliamentary Under-Secretary of State for Northern Ireland (Dr. Brian Mawhinney): The hon. Member for Newry and Armagh (Mr. Mallon) does the House a service in raising a very important issue. If he spoke in strong language, I defend him, at least part of the way, against those hon. Members who do not represent areas which have suffered as his constituency has suffered in recent years.

Having said that, he will forgive me if I say that, even allowing for that, his language was a little extravagant. On reflection, perhaps he would want to modify some of the terminology that he used. He suggested that my right hon. Friend the Secretary of State and his colleagues in the Northern Ireland Office are malign and interested only in a military solution, and that they are brutalised and without care, concern or consideration for people who have to suffer at the hands of terrorists, week in and week out. That was an unfortunate way to make his point, and I make it clear at the outset that those charges are quite unfounded.

Mr. Mallon: The Minister understands what I said. I did not make that point in relation to everyone at the Northern Ireland Office. The Minister of State has brought with him an attitude dedicated to a military approach, not an imaginative approach, which is clearly at odds with that of the Secretary of State and others in the Northern Ireland Office. I did not make the criticism collectively.

Dr. Mawhinney: I am glad that the hon. Gentleman has clarified the point, but he would not expect me to accept what he said about my right hon. Friend the Minister of State, who brings to his responsibilities a knowledge of defence matters that is a great asset to the Government in seeking to tackle the problems caused by terrorism in Northern Ireland.

The hon. Member talked about a political process, the point of which is to bind wounds and find solutions. I agree with him on both points. The political process is also about combating terrorism in a democracy so that people can enjoy that most basic of freedoms, the freedom from fear, intimidation and death.

The hon. Gentleman asked a central question, from which I do not resile. He asked whether we were seeking to beat the IRA or to create peace. It is unfortunate that he put that question in either-or terms. All of us wish to create peace, but it is the view of most people in Northern Ireland, including the Government, that we are not likely to create that peace unless it is made crystal clear to the IRA that it has no role in Northern Ireland and that it cannot achieve by the bullet what it cannot achieve by the ballot.

This Adjournment debate provides the House with the opportunity to review the security situation in South Armagh. As hon. Members will know, this particular part of Northern Ireland has seen some of the worst atrocities of the terrorist campaign and has for many years proved one of the most difficult and dangerous areas from the security point of view. I should like to begin by examining the circumstances in which security force operations are conducted in this part of the Province.

South Armagh has witnessed a series of dreadful terrorist crimes. In the 10 years from the beginning of 1979 to the end of last year, 101 members of the security forces lost their lives there while seeking to counter the terrorist threat. The House will recall many of the individual incidents that have taken place in recent years, including the horrifying mortar bomb attack on Newry RUC station, which cost the lives of nine police officers in February 1985.

It was because of the terrorist threat that, in the summer of 1986, the security forces undertook the construction of a number of observation posts in the hon. Gentleman's constituency. Their aim was to improve the effectiveness of counter-terrorist operations in the area and to increase the level of security afforded to law-abiding members of the community. The idea was not a new one. For a number of years the security forces have taken advantage of high ground to maintain surveillance of likely terrorist targets, but at three particular sites specially designed structures were erected consisting of fortified sangars and observation towers. A similar tower was added earlier this year on Cloghoge mountain in order to overlook the site of the new permanent vehicle checkpoint on the Belfast to Dublin road. None of those installations occupies more than about an acre of ground, although, in each case, the Army has made arrangements to use some of the surrounding farm land, and none of the towers is more than 50 ft high. I understand that it is those installations that have been the subject of some local controversy.

I want to make it clear this evening that these structures are a vital part of security force operations in South Armagh. They provide the Army with secure bases from which soldiers can mount patrols of the surrounding countryside, and they enable the security forces to maintain surveillance on suspected terrorist activity.

The towers pose no threat whatsoever to law-abiding members of the community. Their presence is a threat only to the terrorists and they will remain — I give this assurance to the hon. Gentleman—only so long as they are required to counter the campaign of the Provisional IRA. Members of the security forces, whose job it is to protect the community from violence, are themselves entitled to the best possible protection from terrorist attack.

Mr. Mallon: I note the Minister's point. Will he tell the House how many lookout towers there are in every other constituency in the North of Ireland? If the virtues of those towers are so great, we can judge the Minister's reply, as I think I might anticipate it.

Dr. Mawhinney: The hon. Gentleman knows the answer. He knows that there are no towers anywhere else. He will be encouraged to know that I took the debate seriously, and I inquired why that is the case. The answer is that the terrain in the rest of the Province does not lend itself to the use of towers in the same way as it does in South Armagh.

I accept, of course, that some inconvenience has been caused to local people by the erection of the towers, but

many of the complaints that have been made, mostly by people who are unaffected by the installations, are out of all proportion to the problem. It has been suggested, for example, that equipment used at the towers is emitting harmful radiation. That is completely untrue. It has also been said that damage to fences has caused the spread of disease among cattle. Again, there is no evidence to support such claims.

Where damage has been caused, or where small parcels of land have been occupied, adequate compensation or rent has been paid. Soldiers on duty in the area are regularly and carefully briefed on the need to avoid such damage wherever possible. However, during the course of their operations soldiers have inevitably caused some damage to farmers' ditches, fences and crops. That is very much regretted and every effort is made to keep it to a minimum. Legitimate claims have been speedily and properly dealt with, and anyone who is not satisfied with the level of compensation offered can appeal to the courts.

The purpose of the towers is to provide the whole community with better protection against terrorist violence and to reduce the risk of innocent civilians being injured as a result of the Provisional IRA campaign.

Allegations of harassment by soldiers should be reported to the police. They will be fully investigated. Following complaints from the hon. Gentleman that printed cards had been distributed by soldiers, those responsible have been disciplined and warned that there should be no recurrence. That incident is regretted by the military authorities and I understand that my hon. Friend the Minister of State for the Armed Forces will be writing to the hon. Gentleman.

I believe the House will accept that these observation posts are necessary for the conduct of security force operations in South Armagh. It is gratifying to note that, since the construction of those towers, the security forces have not suffered any fatal casualties. That is something that all hon. Members will welcome.

The hon. Gentleman raised the question of helicopter noise. Again, having made inquiries, I know that he will be pleased to learn that shortly the Ministry of Defence is planning to introduce a scheme for noise insulation grants for houses near helicopter landing sites at Bessbrook, Crossmaglen and Forkhill. The grants will cover the reasonable costs of installing double glazing.

I have little time left, and I want to deal with the question of the school, which was raised by the hon. Gentleman. I know that it is a matter of considerable concern to him. He raised certain questions about the school with me recently. I assure him that since the checkpoint was built soldiers have not entered the school grounds, apart from the day of Mr. Wilson's visit, and they will not do so except for urgent operational reasons. Further, helicopters will not overfly the school unless weather conditions preclude any other flight paths. I can also tell the hon. Gentleman that, except for the very youngest children, pupils continue to use the school grounds at break times and lunch and that the presence of the checkpoint has not prevented children from attending their classes.

As the hon. Gentleman knows, I was unhappy about the way in which these issues were bought to the public attention, but I am pleased that he has since raised them with me in the normal way and I have sought to respond to what I believe were his legitimate concerns. I am pleased to tell him that, as part of my usual programme of visiting schools, I intend to visit Cloghoge in the near future.

We all look forward to the day when observation posts and fortified police stations are no longer necessary in any part of Northern Ireland. I hope that all those who abhor terrorism as I and the hon. Gentleman do will recognise that the existence of the various installations in South Armagh are in their long-term interests. It is the concern of the Government that disruption to the local community should be minimised and adequately compensated for where appropriate.

I hope the hon. Gentleman will encourage his constituents to see the towers, not as a threat, but as part of their protection against against terrorism, and that he will advise them to raise any complaints that they may have with local civilian representatives.

It is our concern and the concern of the whole House to do everything that we can within the law to defeat terrorism and we will, therefore, continue to give our support to the policemen and the soldiers whose prime task that is.

Question put and agreed to.

Adjourned accordingly at half-past Ten o'clock.

House of Commons

Wednesday 16 March 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

Oral Answers to Questions

ENVIRONMENT

Haringey Council

1. **Mr. David Shaw:** To ask the Secretary of State for the Environment when he last met the leader of Haringey council; and what was discussed.

The Minister for Local Government (Mr. Michael Howard): On my right hon. Friend's behalf, I met the leader of Haringey council on 1 February to discuss with him my right hon. Friend's proposal to set a rate limit of 214·69p for Haringey for 1988-89.

Mr. Shaw: Is my hon. and learned Friend aware that during the past year proposals have been considered by Haringey council to employ a number of policy assistants for committee chairmen and vice-chairmen, at a cost of £143,000, I believe? It has sponsored a gay rights week, which it has been promoting in schools — sometimes primary schools — and has wasted a considerable amount of money in other sectors of Haringey's expenditure. According to a recent statement by a former director of social services, Haringey council is now run on such strong politicised lines that ratepayers are not receiving value for money in their local services.

Mr. Howard: My hon. Friend is quite right. What is particularly preposterous is that while all this activity is going on Haringey council complains that it is short of funds for legitimate services, such as the trading standards service. Haringey council would be well advised to devote its resources to the services that are most and properly needed.

Mr. Bernie Grant: Will the Minister say whether he has any hard evidence whatsoever that Haringey council is abusing its statutory duties with regard to schools or anything else? If he does not have that evidence, will he institute an inquiry so that the good name of Haringey council can be cleared once and for all?

Mr. Howard: I shall quote verbatim from the former director of social services of Haringey council, who said of his former employer:

"Working in a borough as highly politicised as Haringey could be difficult. It's hard to accept a decision to spend thousands of pounds on a festival to make a point about nuclear waste, or even £60,000 a year on a cats' home, when you have 40 child abuse cases waiting for a social worker, and pensioners eight to a room in an old people's home".

Sir Hugh Rossi: I am extremely grateful for the solicitude of my hon. Friends about the suffering of my constituents and the Tammany Hall pork barrel politics that prevail in Haringey. I welcome very much the rate capping, which has brought some relief to my constituents, but the best way in which my right hon. and hon. Friends could help my constituents would be to undo the damage that their Department did to my constituency in 1964. They should dismantle the London borough of Haringey, restore the constituency boundaries and return to the annual election of one third of the council, which would concentrate the minds of councillors enormously.

Mr. Howard: I can well understand my hon. Friend's concern, but we have an alternative remedy to propose. The community charge will being home true accountability and will enable all the residents of Haringey to take a responsible attitude to local elections and to electing a responsible council in future.

Dr. Cunningham: Is the Minister aware that we deplore this abuse of Question Time for the purpose of making wild, dishonest and unsubtantiated allegations about Labour councils? Is the Minister aware that today the chair of the education committee in Haringey has denounced the allegations of his hon. Friend the Member for Dover (Mr. Shaw) as being without foundation? Why does the Minister not get the facts from the authority instead of listening to petty, malicious and dishonest abuse?

Mr. Howard: I can well understand why it causes the hon. Gentleman considerable embarrassment to listen to the truth about what Labour local government is really like. If the hon. Gentleman is suggesting that Haringey's former director of social services is dishonest, I hope that he will withdraw that allegation.

Imported Waste

2. **Mr. Heathcoat-Amory:** To ask the Secretary of State for the Environment what is the most recent annual tonnage of imported waste disposed of in United Kingdom land sites.

The Parliamentary Under-Secretary of State for the Environment (Mr. Colin Moynihan): The latest estimate of waste imports for landfill is 174,000 tonnes during 1987-88, of which 44,000 tonnes were treated before disposal.

Mr. Heathcoat-Amory: Is my hon. Friend aware that such imported material contains a good deal of hazardous waste? Does he agree that the regulations governing the disposal of hazardous chemicals are a good deal less stringent than those governing the disposal of nuclear waste? Will his Department give more thought to the safe disposal of hazardous chemicals, and at least as much thought as the Government give to the safe disposal of nuclear waste?

Mr. Moynihan: We ensure that all waste is properly controlled in transit and disposed of without risk to public health. We are looking to introduce a statutory code of practice to place greater responsibilities on the producers of waste to ensure its safe disposal. We are also looking at several other measures that I announced in the House two months ago on this important issue.

Mr. Barry Jones: May we urgently have a set of stringent regulations to govern the matter? Last year my constituency received a large tonnage of contaminated soil

from Holland. My constituents were upset and worried and, to some degree, quite frightened that material that the Dutch had rejected was about to be placed near their homes. Does the Minister realise that people make a profit from receiving contaminated soil from abroad and dumping it in constituencies such as mine? We need an urgent review and strict regulations.

Mr. Moynihan: We have strict regulations. One of the reasons why waste imports have increased—albeit they represent a small percentage of total waste inports; only 0·5 per cent.—is that we have a long history of waste control. Treatment and disposal operators are required to achieve the highest standards. The Government intend to ensure that that continues to be the case.

Mr. Sayeed: Will my hon. Friend confirm that the statutory code will include the proper fencing of sites? He will be aware that children have gone to sites, dug into the area, and come across highly contaminated materials.

Mr. Moynihan: I confirm that the statutory code of practice will place greater responsibilities on producers of waste to ensure its safe disposal.

Mr. Allan Roberts: Is the Minister aware that the Government do not have a good record on the safe disposal of toxic waste? There is great concern about the fact that 500,000 tonnes of toxic waste are being imported into this country, and the tonnage is ever growing and increasing. In answer to parliamentary question after question the Minister has refused, or been unable, to say where imported waste goes and how it is disposed of. He does not know, or he will not tell us. Is it not unsatisfactory? Is it not wrong for the Government to cover up their balance of payments deficit by importing toxic waste to be disposed of in this country?

Mr. Moynihan: I totally reject the hon. Gentleman's last point, but I share his concern about the potential growth in imports where there is no wider technical or environmental benefit to be gained by treatment or disposal of waste in this country. Therefore, the Government are considering ways in which imported waste may be more closely controlled.

Sir Hugh Rossi: The Environment Select Committee is concerned about the problem and intends to conduct a rigorous inquiry into the matter soon after Easter. No doubt my hon. Friend will have to answer us in some detail about the form of statutory declarations and other measures proposed by the Government.

Mr. Moynihan: We look forward to the outcome of the review. I assure my hon. Friend that the Government will carefully consider all the detailed representations made through that report.

Radioactive Discharges

3. **Ms. Ruddock:** To ask the Secretary of State for the Environment if he will list all the non-nuclear industrial sites in England and Wales making authorised discharges of radioactive substances and gas to the air.

Mr. Moynihan: I am arranging to have placed in the Library of the House a list of all non-nuclear establishments in England and Wales authorised to dispose of radioactive waste under the Radioactive Substances Act 1960. It is not practicable to segregate industrial premises or those solely authorised to make discharges to air.

Ms. Ruddock: I am grateful to the Minister for that action. Can he confirm that the Smiths Industries factory at Bishop Cleeve, Gloucester and the Capper Pass smelting works at Humberside are on that list? I understand that the latter is authorised to discharge a higher level of alpha emitters than that allowed at Sellafield. Is the Minister concerned that there could be a connection between discharges from the sites that he has listed and childhood leukaemia clusters being found in children in their vicinity? Will he repeal the secrecy clauses in the Radioactive Substances Act so that there can be proper public examination of these issues?

Mr. Moynihan: The answer to the hon. Lady's first question is that both establishments will be on the list that will be placed in the Library. With regard to the second question, Her Majesty's Inspectorate of Pollution has cleared Bishops Cleeve. In regard to her third point, the Government intend to follow the presumption that any new powers to be adopted should be in favour of openness. That will mean that there will be a review of the implications of section 13, as outlined implicitly in pollution paper No. 23, which has recently been published.

Mr. Cran: I am grateful to my hon. Friend for the reassuring information that he has provided to me and my constituency in relation to Capper Pass in north Humberside and the associated cancer cluster problem. Will he let me know when he will be in a position to announce the date when HMIP will begin its investigations of the Capper Pass, as that is in the public interest? The company wants it, my constituents want it and so do I.

Mr. Moynihan: I assure my hon. Friend that HMIP has already started work. I shall provide him in writing with as comprehensive and accurate a timetable as possible when I have received the information from HMIP.

Mr. Frank Cook: The Minister has been most helpful, and we are grateful to him. He will know that the National Radiological Protection Board has amended its recommendations on radiation levels. Will he give the House an assurance today that the criteria on which licences for that type of effluent are granted will be reviewed, in terms of new licences to be issued in future, and in terms of existing licences that control emissions?

Mr. Moynihan: At present, the Government are content with the licence system. The reason for my statement this afternoon is that it is important to provide more information and greater public accountability of the information that is available. To date it has been very difficult for people to contact the Government or local authorities on a case-by-case basis. The fact that some 1,100 establishments will be listed brings to public accountability the full range of all non-nuclear establishments in England and Wales. This will allow hon. Members and the public to follow up each and every case if they so wish.

Mr. Butler: Can my hon. Friend say whether I am right in thinking that coal-fired power stations emit substantial amounts of radioactivity to the immediate environment? How does that compare with nuclear-powered generation?

Mr. Moynihan: As far as I am aware, it would be misleading to say that they emit "substantial" degrees of

radiation. As for my hon. Friend's request that I give a comparison, I shall ensure that a comprehensive answer on the scientific data is provided in a letter to him as soon as possible.

Mr. Campbell-Savours: Will the Minister make a point at the Dispatch Box of condemning the front page article in *The Star* newspaper last week, which linked malformed fish in the Irish sea to discharges from Windscale? Is the Minister aware that we are tired, sick and fed up of the national media completely distorting information about discharges from Sellafield? We regard objective criticism as helpful, but we intensely dislike damaging publicity based on inaccurate information and no statistical evidence at all.

Mr. Moynihan: It is a special pleasure to say that I am in total agreement with the strength of opinion expressed by the hon. Gentleman, especially about *The Star* article, which was grossly misleading and inaccurate.

Rent Arrears

4. **Mr. Heddle:** To ask the Secretary of State for the Environment what steps he intends to take to monitor efforts by local councils to reduce rent arrears.

The Parliamentary Under-Secretary of State for the Environment (Mrs. Marion Roe): My Department monitors local authorities' performance in collecting rent arrears through their annual subsidy claim forms, which give the rent arrears figures at the end of each financial year. The latest figures for 1 April 1987 were placed in the Library of the House on 20 January.

Mr. Heddle: Is not £250 million owed to councils in rent arrears? Are not some Labour-controlled authorities owed between 20 and 30 per cent. of their rent rolls? Is that not a scandal and gross negligence by those authorities? Should not rent collection from and the management of council estates be put out to the private sector?

Mrs. Roe: Direct Government intervention in the performance of individual local authorities would serve no useful purpose. As day-to-day management functions are matters for them, it would be wrong for the Government to intervene. I agree that the current levels of arrears in some local authorities are an unjustifiable waste of resources. They place an immense burden on those tenants and ratepayers who have to bear the costs of interest charges and, ultimately, the writing off of debt.

Mr. Eastham: Is it not true that since 1979 rents have risen two or threefold under this Government? Does that not mean that more than half of tenants' income is accounted for by rent? From 1 April, will not those arrears probably increase and their incidence accelerate?

Mrs. Roe: We do not accept that high rent levels lead to arrears because tenants cannot afford to pay the rent. Individual local authorities have discretion to set rents that reflect the location, size and amenities of their dwellings. However, we continually seek to persuade local authorities to set rents sufficiently high to ensure that funds are available for repair and maintenance. The housing benefit system exists to help tenants in real need.

Mr. Gow: Will my hon. Friend reconsider her answer to my hon. Friend the Member for Mid-Staffordshire (Mr. Heddle)? Is not the total of rent arrears, which now stands at £250 million, larger than ever before? Is it not clear that the Department should take powers to bring that scandalous state to an end?

Mrs. Roe: Local authorities have repeatedly been warned about the damaging effects of arrears, most recently in a circular issued in May 1987. That warned that we would not rule out the possibility of legislation if authorities continued to fail to bring the problem under proper control. We shall keep the matter under review.

Mr. Soley: Rather than the Government making persistent attacks on local democracy, would it not be more constructive if they responded to our offer to reform housing finance to make it fairer for those who rent or buy? Not only could we then deal with those made homeless because of mortgage or rent arrears, but we could do something about a Chancellor of the Exchequer who is sufficiently inept to push people out of the privately owned sector while giving tax handouts to potential Rachmanite landlords.

Mrs. Roe: The Government announced their plans for housing finance in the Budget yesterday.

Residential Areas

6. **Mr. Chapman:** To ask the Secretary of State for the Environment what steps Her Majesty's Government take to protect the character of residential areas, particularly in the London boroughs.

Mrs. Roe: Detailed policies to protect the character of residential areas are best determined locally.

Mr. Chapman: Will my hon. Friend sympathetically consider whether there is a need to offer further protection for certain residential areas outside conservation areas by making it Government policy to support local planning authorities in resisting developments unless they blend in scale, character and density with surrounding buildings? Would not a good start be made by requiring permission to be sought for demolition of properties in such areas, in accordance with the early-day motion tabled by my hon. Friend the Member for Harrow, East (Mr. Dykes)?

Mrs. Roe: We should avoid excessive complexity in the planning system. Local authorities have substantial powers to control the environmental character of their areas. General control over demolition would not necessarily secure the end that my hon. Friend seeks. Permission is often granted before any demolition takes place. Forced retention of buildings is not always in the interests of the character of the area.

Mr. Simon Hughes: Is the Minister aware of how disastrous yesterday was for the conservation of inner London? The London Docklands Development Corporation took two decisions through its planning committee. The first will result in the construction of a blue marble and glass tower block of residential flats following the demolition of the whole of the St. Saviour's dock conservation area, one of the only two remaining conservation areas in London along the riverside. This will be done contrary to the advice of the City of London, the local authority, English Heritage, the Minister's Department and the Victorian Society. At Hay's wharf there is to be a mock-up of the Palace of Westminster that will be nearly 200 ft high and provide 1 million sq ft of office space. That will be done against the express advice,

following consultation, of the guardians of the Royal Tower of London and the parks authority, which comes under the Department of the Environment. Will the Minister please intervene to protect the heritage that the LDDC is destroying in the capital city?

Mrs. Roe: We believe in leaving planning decisions to the local authority in whose area those planning matters arise. The LDDC is responsible for the planning in its area. The hon. Gentleman has made representations in the past, to which I have responded in the House, and I am sure that he is aware that I have always listened to what he has had to say.

Mr. Squire: Does my hon. Friend accept that one of the major impacts on the environment is the increasing dirt, filth and litter that cover our streets, including the litter from takeaway shops? Will my hon. Friend again carefully consider the possibility of introducing on-the-spot fines, as already happens in a number of other countries?

Mrs. Roe: We shall want to see how Westminster council progresses with its proposals.

Mr. Pendry: Is the Minister aware that paragraph 15 of Government circular 2/81, which refers to the calling in of planning applications by the Secretary of State, says that he will be very selective and will do so only when the issues are of more than local importance? In view of the calling in of the planning application on the Chelsea FC ground at Stamford bridge, may I ask whether the Secretary of State has changed the criteria? The reasons given were the density of the proposed building and the consequent parking and traffic problems. Clearly, those are local issues. Has the Secretary of State changed the criteria? Will he make plain the details?

Mrs. Roe: As the hon. Gentleman has said, call in is considered only if the application has regional or national importance. I am not able to discuss on the Floor of the House the particular application to which the hon. Gentleman referred.

Mr. Butterfill: Does my hon. Friend agree that the environment in many areas would be greatly improved if derelict land could be developed? Does she agree also that this land should be developed, where possible, for the provision of housing to let? Does my hon. Friend welcome the business expansion scheme that was announced yesterday by my right hon. Friend the Chancellor, which should encourage the provision of rented housing under assured tenancies?

Mrs. Roe: I welcome my hon. Friend's point. Some of the land must be provided by bringing derelict and unused sites on to the housing market. There are about 4,000 acres of under used land on the land register in London and about 2,500 houses were built in docklands last year. I also welcome the announcement yesterday by my right hon. Friend the Chancellor on the business expansion scheme for rented housing. Deregulation of new private lettings will open up new opportunities for investment in much needed private rented accommodation.

Rating Reform

7. **Mr. Allen:** To ask the Secretary of State for the Environment what proposals he has to review the cost of collecting the poll tax in Nottingham, in the light of the estimates prepared by the Association of District Councils of the comparative costs as against rate collection.

Mr. Howard: As my right hon. Friend the Secretary of State announced on 8 March in his reply to the hon. Member for Copeland (Dr. Cunningham), he is commissioning a national study into the costs of preparation and collection of the community charge.

Mr. Allen: Is the Minister aware that the rates cost £1·4 million to collect in Nottingham, whereas, according to figures produced by the Conservative city of Nottingham authority, the new poll tax will cost £3·3 million to collect and that, whereas 68 people now collect the rates in Nottingham, it will take 158 staff to collect the poll tax? The Minister tells us that the poll tax will be simpler and cheaper. How can he justify double the number of staff and double the cost to the people of Nottingham and the rest of the country?

Mr. Howard: The hon. Gentleman has it wrong. We never said that it would be cheaper to collect, but we think that it is a price worth paying for the advantages of the new system. I have seen the study produced by Nottingham city council, and I can tell the hon. Gentleman that Nottingham will be included in the study to which I referred.

Mr. Brandon-Bravo: May I put it to my hon. and learned Friend that the question asked by the hon. Member for Nottingham, North (Mr. Allen) has little to do with genuine concern about the cost of collecting the poll tax in our city of Nottingham? I suggest to my hon. and learned Friend that it has much more to do with Opposition Members' growing concern and their realisation that what they look upon as their captive audience — those who can be relied upon to campaign, lobby and vote for them at local level—will now have to pay something towards the measures for which they vote.

Mr. Howard: My hon. Friend is absolutely right. As the Labour co-ordinating committee recently put it:

"When the community charge is in force and the local council wants to carry out a programme of service expansion, local people will want to know that increased expenditure is well spent."

Mr. Rooker: Notwithstanding the merits that the Minister might see in introducing the poll tax — for reasons that the Government may think are positive— does he agree that the public will not look well upon the conduct of public administration when they realise that they are paying a tax, each pound of which will cost twice as much to collect as each pound of the tax that it replaces? The public will see no sense in that and it will bring the rest of the conduct of public administration into disrepute.

Mr. Howard: I do not accept a word of what the hon. Gentleman has said. I do not see how the effects to which he has referred apply in any sense to the collection of income tax from those who do not pay it on PAYE. As the hon. Gentleman well knows, that costs more as a proportion of the yield to collect than the community charge will.

Mr. Rooker: That is not true.

Mr. Dykes: What did the Minister think about the letter on this matter from our hon. Friend the Member for Beckenham (Sir P. Goodhart) in *The Times*?

Mr. Howard: I could answer my hon. Friend's question at some length. However, the most important point about the letter that our hon. Friend wrote to the newspapers

earlier this week was that he took the first-year figures, which include the effect of the safety net, and not the figures that would have applied had the community charge been fully in force this year, which would have been to the great benefit of his constituents.

Estuarine Development Schemes

8. **Mr. Ron Davies:** To ask the Secretary of State for the Environment what information he has as to how many estuarine development schemes are presently under consideration for England and Wales.

The Secretary of State for the Environment (Mr. Nicholas Ridley): I am not sure what an estuarine development scheme is.

Mr. Davies: If that is the case, I am not quite sure what we have a Secretary of State for the Environment for.

When the right hon. Gentleman gets round to doing some work in his Department and starts to identify the many estuaries around the coast of England and Wales threatened by developments — to control the ebb and flow of water or provide marinas, barrages or crossings — perhaps he will take the opportunity to study the number of estuaries affected by such developments and identified as sites of special scientific interest. When he has done that, will he be prepared to make a clear statement to the country about the value that he attaches to sites of special scientific interest when they are threatened by development?

Mr. Ridley: I would not dare to make any clear statement about any matter to do with planning in Wales. As the hon. Gentleman knows, it has nothing to do with me. As any application for development in relation to an estuary or anywhere else comes forward, it will be treated in the normal way and all relevant considerations will be properly weighed.

Mr. Steen: Since I have virtually more estuaries in my constituency than Labour voters, will my right hon. Friend be good enough, when looking at estuarial development, to realise the pressure on the land around estuaries, particularly in constituencies such as mine, where there are areas of outstanding natural beauty and where people want to come and live and constantly want to erode the natural beauty of the area? Will he consider issuing some circular or guidance to encourage local planning authorities to resist any suggestion that areas such as that should be spoilt for development?

Mr. Ridley: I shall certainly resist any Labour voter development schemes that come to my notice. The factors that my hon. Friend mentioned are important and are, or should be, taken into account at the level of applications, and certainly will be if anything comes to me on appeal. I think that these matters are already covered adequately in circulars.

Rating Reform

9. **Mr. Nellist:** To ask the Secretary of State for the Environment what is his estimate of the number of single pensioners who will be *(a)* losers or *(b)* gainers under the poll tax; and if he will make a statement.

Mr. Howard: In England and Wales 80 per cent. — around 2 million — of single pensioners living alone and 66 per cent. — around 2·75 million — of all single pensioners would have gained if the community charge had been introduced in full on the basis of 1987-88 local authority spending. Twenty per cent. — around half a million and 34 per cent. — just over 1 million — respectively would have paid more.

Mr. Nellist: It is bad enough that a third of a million single pensioners living alone would suffer under the poll tax and be losers, often the poorest pensioners living in the lowest-rated authorities. Why has the Minister not admitted, almost until the answer today, that of the 1 million single pensioners living with their children or grandchildren, two thirds will be losers under the poll tax? Yesterday, half a million of the richest people in this country gained £2,000 million in tax cuts, while, in reality, 1 million single pensioners in England alone — just over 2,000 per constituency — will lose under the poll tax.

Mr. Howard: It is absolutely typical of the hon. Gentleman that when a measure is taken that ensures that 80 per cent. of single pensioners living alone will benefit, he complains about it. The effect of the Budget yesterday on a single adult on national average earnings will be to make him better off by more than £200 a year. That is virtually enough to pay for his community charge in the average area.

Sir George Young: Does my hon. and learned Friend recall defending the poll tax as a fair tax before the Budget by saying that households in the top 10 per cent. of incomes would pay 16 times as much as households in the bottom 10 per cent.? How does he propose to defend it now?

Mr. Howard: My hon. Friend is quite right. We have to reconsider our figures in the light of the Budget. I have to tell the House that we have not yet completed that exercise. Preliminary estimates show that instead of the top 10 per cent. of households paying 16 times as much as the bottom 10 per cent. towards the cost of local authority services, in future they are likely to be paying 15 times as much.

Mrs. Fyfe: Would the Minister care to tell us how much more the top earners are earning when compared to the bottom earners? Is it more than 15 times as much?

Mr. Howard: I am afraid that I tried to follow the hon. Lady's question, but I did not catch it.

Mr. Speaker: Quite exceptionally, will the hon. Lady say it again?

Mrs. Fyfe: The Minister said that the top earners would now be paying 15 times as much, implying that the tax changes have made very little difference the comparison about which we are talking. Those top earners may be contributing 15 times as much to local taxes, but how much more are they earning when compared with the lowest earners? Is it more, or less, than 15 times as much?

Mr. Howard: It is not how much they are earning, or even how much they are paying in national taxes, that is the figure that I gave a few moments ago. The top 10 per cent. of households in income terms will pay 15 times as much as the bottom 10 per cent. towards the cost of local authority services.

Housing (Maladministration)

10. **Mr. David Martin:** To ask the Secretary of State for the Environment whether he will meet members of the

local authority associations to discuss the findings of the latest annual report of the Local Government Ombudsman concerning maladministration in housing.

Mrs. Roe: No. The Local Government Ombudsman's findings of maladministration are addressed to the authorities being investigated and it is for them to consider what action they should take in response.

Mr. Martin: Has my hon. Friend noticed that the report's findings of maladministration by Labour councils outnumber those by Conservative councils by four to one? Does that not provide eloquent evidence of what even the *New Statesman* admitted the other day, which was that Labour authorities make lousy landlords?

Mrs. Roe: There are many poor landlords among local authorities, but the Government's policies will change that. Tenants' choice will act as a powerful incentive for local authorities to bring their management and maintenance standards up to those of potential new landlords. Tenants will be able to seek a new landlord if they are dissatisfied with the standard of service they are receiving.

Mr. Cohen: While the Minister is considering maladministration in local government, will she give a thought to Westminster, which sold for 15p three cemetries which were worth about £5 million? That sum could have been used in the public sector for housing. Will the Minister take direct action to refer that waste of public money to the ombudsman?

Mrs. Roe: That is for the local councils and local ratepayers to do.

Mr. Harry Greenway: Does my hon. Friend agree that the time has come to put some teeth into the Local Government Ombudsman's reports, bearing in mind that often serious maladministration is thrown up in them and nothing is done about that by local councils, particularly Labour local councils such as Ealing?

Mrs. Roe: It is for the local authorities themselves to take note of what the Local Government Ombudsman says. I hope that local councillors will put pressure on management to put right whatever has caused the difficulty.

Dr. Cunningham: As there is such anxiety about the efficiency and conduct of Labour-controlled local government among Conservative Members, why is there such a deafening silence about the conduct of the Conservative-controlled City of Westminster, which has facilitated and connived at the asset-stripping of cemetries in several other London boroughs? Would the Minister recommend to the ratepayers of Westminster that they raise that matter with the ombudsman?

Mrs. Roe: I think that this subject is already being investigated by other authorities.

Mr. Heddle: Is it not true that the Local Government Ombudsman in Northern Ireland has the legal teeth which, as my hon. Friend the Member for Ealing, North (Mr. Greenway) said, the English local ombudsman does not have? Is it not also true that the Labour-controlled local authorities which he cited will not carry out the recommendations unless there are legal reasons why they should?

Mrs. Roe: That is so.

Local Government (Functions and Powers)

11. **Mr. Beith:** To ask the Secretary of State for the Environment when he last met representatives of local authority associations to discuss the functions and powers of local government.

Mr. Ridley: I frequently meet representatives of the local authority associations in the Consultative Council on Local Government Finance and on other occasions, when the functions and powers of local authorities are regularly among the topics discussed.

Mr. Beith: Why do the Government find it so difficult to accept that elected local authorities, such as are represented in these associations, should have the freedom to act on policies which differ from those of central Government? Why did the Secretary of State in his recent pamphlet about local government refer to it "conforming to the national model"? Does he think that that was the ideal for which his father or brother went into local government when they became chairmen of county councils, or is that the type of Tory paternalism that he wants to sweep away with the county councils?

Mr. Ridley: Many councils do not conform to the suggestions that the Government make. The hon. Gentleman does not seem to understand that consultation is supposed to be two-way: local councils can listen to me just as well as I can listen to them.

Mr. Jack: Does my right hon. Friend think that the imposition of an 18 per cent. rate increase by Lancashire county council was a justifiable use of its present functions? *[Interruption.]* May I repeat for my right hon. Friend——

Mr. Speaker: Order. It takes up a great deal of time if questions have to be repeated.

Mr. Jack: Does my right hon. Friend think that it was a justifiable use of the Labour-controlled Lancashire county council's functions to impose upon its citizens an 18 per cent. rate increase?

Mr. Ridley: It is within the powers of the county council to fix its rate, although one wishes that it had not put up the rates in that way. I very much hope that the large amount of money that my right hon. Friend the Chancellor of the Exchequer put back into people's pockets yesterday will not be taken out again by Liberal and Labour councils.

Mr. Corbett: Will the Secretary of State assure the House that he is a keen supporter of elected local government and that he will go out of his way to resist turning elected local councillors into mere openers of sealed bids for what is left of local services?

Mr. Ridley: I assure the hon. Gentleman that I am a keen supporter of elected local government and that I am looking forward to seeing many Labour councils turned out at the elections in May. Birmingham may well be one of those councils.

Mr. Corbett: Not Birmingham.

Mr. Ridley: Birmingham is on our list. The hon. Gentleman had better get back there and do what he can, if anything, to stop that. He need have no fear but that I will be there trying to get the Conservative councils in.

Planning Appeals

12. **Mr. Thurnham:** To ask the Secretary of State for the Environment how many planning appeals have been decided by him during the last 12 months.

Mr. Ridley: A total of 17,606 appeals were decided in the 12 months to January 1988—619 by myself and 16,987 by my inspectors.

Mr. Thurnham: Does my right hon. Friend welcome the fact that the inspectors' advice has been overruled much less often under this Government than under the last Labour Government? Will he confirm that, when their advice is overruled, careful judgment should always be exercised, especially if historic covenants are involved?

Mr. Ridley: I confirm that the number of times when inspectors' advice has not been taken by the Miniser, in those cases where Ministers have decided appeals for themselves, has fallen considerably from the days of our predecessors. As my hon. Friend the Minister for Housing and Planning informed my hon. Friend yesterday, applications may be made to me for the discharge or modification of certain restrictions and I will, of course, consider such applications on their merit.

Mr. Haynes: Why does the Secretary of State ignore people who object to planning applications from a large organisation that wants to build a large store that will affect small businesses, particularly in my constituency? Why does he say yes to a large organisation that contributes to Conservative party funds?

Mr. Ridley: The other side in these cases—those who wish to make developments—is equally ferocious and sometimes just as vehement as the hon. Gentleman in complaining about not being able to obtain planning permission.

Mr. Forman: Is my right hon. Friend aware that one of the strongest complaints from residents in my part of the world, Carshalton, and elsewhere, is that far too often the local planning authority is bereft of effective powers to control local developers? Given that his hon. Friend said in answer to an earlier question that such matters are best decided locally, will he reconsider the proportion of cases that go to appeal, as that seems to convey an unfair advantage to property developers who use the length of their purse and their determination to wear down local residents?

Mr. Ridley: Ninety eight per cent. of planning permissions are given by local authorities, and only 2 per cent. result from appeals to Ministers. That puts the matter in perspective and makes it clear that local planning authorities take 98 per cent. of the decisions to grant permission. This matter must not be seen out of perspective.

Homeless Families

13. **Mrs. Clwyd:** To ask the Secretary of State for the Environment how many homeless families there are in England and Wales at present.

Mrs. Roe: Local authorities in England secured accommodation for 27,500 households accepted as homeless under part III of the Housing Act 1985 in the October—December quarter. My right hon. Friend the Secretary of State for Wales has responsibility for these matters as they affect the Principality.

Mrs. Clwyd: Is the Minister not thoroughly ashamed of the fact that there are twice as many homeless people now as in 1979; that in our wealthy society people are living in cardboard boxes and in unhealthy and overcrowded accommodation, and that councils are allowed to buy bed-and-breakfast accommodation but are prevented from using their money more wisely and economically by building homes for people? Why has the Chancellor done nothing for the poor and the homeless?

Mrs. Roe: The primary responsibility for helping the homeless rests with local authorities under the Housing Act 1985. It is for local authorities to decide how to fulfil their duties.

Homelessness is a long-standing problem and the increase reflects the underlying social changes. I advise the hon. lady that there are now more divorces—we have the second highest divorce rate in Europe—that there are more illegitimate births and that more young people are now leaving the family home.

Mr. Bowis: Will my hon. Friend put the problem into context by giving the number of vacant homes that are owned by local authorities and the number of homes that are lost to housing by the Labour party's Rent Act?

Mrs. Roe: There are more than 112,000 empty local authority properties, and no fewer than 25 per cent. of them have been empty for more than one year. Local authorities must make better use of their existing housing stock. The number of local authority properties standing empty for more than a year is nearly three times the number of families who are in bed-and-breakfast accommodation. We have sought to help to get empty local authority properties back into use through our estate action scheme. We have approved schemes totalling nearly £5 million for 1,200 dwellings since August 1986 and, more recently, through our £25 million supplementary allocation.

Mr. Soley: Only this Minister could believe that dealing with divorce will help the homelessness. Is she not aware that 200,000 families applied to be registered as homeless and that 100,000 were accepted, which is an all-time record? Is she not aware that this Government have cut public housing investment by two thirds and that that is what is causing the problem? Is she not aware that local authorities have less of their stock empty than the private sector or housing associations or, above all, the Government sector, which has no less than 6·9 per cent. of its housing stock empty?

Mrs. Roe: There is a reduction in local authorities' allocations from £1,360 million in 1987-88 to £1,290 million in 1988-89, but that is more than offset by the increase in capital receipts available to local authorities. Overall, local authorities' capital spending will increase by 4 per cent. The Government have urged that priority should be given to those in special need, and homelessness is taken into account when determining those allocations.

Rating Reform

14. **Mr. Forth:** To ask the Secretary of State for the Environment what information he has on research into the likely effect of the community charge on voting turnout at local elections.

Mr. Howard: A recent NOP opinion poll found that nearly a quarter of those surveyed said they would be more

likely to vote in local elections when the community charge is introduced. That is a clear sign that our proposals will revitalise local democracy and lead to improved accountability.

Mr. Forth: I am encouraged by my hon. and learned Friend's reply. Does he agree that when voters receive the bill through their doors their minds will be concentrated wonderfully? Is he not optimistic that the long-broken relationship between representation and taxation will at long last be re-established under his community charge proposals?

Mr. Howard: Yes, my hon. Friend is right. I believe that that is what accounts for the panic and hysteria with which the Opposition greet our proposals.

Mr. Andrew Welsh: Does the Minister agree that it will be in the implementation of the poll tax that the first signs of its effects will be seen? Is he aware of the answer given me by the Scottish Office, showing that, far from the expected increase in electorates over the next two years, this year there has been a fall in the electoral rolls in 52 of the 72 Scottish constituencies? In particular, all but one of the city constituencies have fewer voters registered. Are not those the first signs of the effects of the poll tax?

Mr. Howard: No, they are not. I listened to the responsible officer for Strathclyde, who, in an interview on the radio, attributed the fall in registration for electoral purposes to the fact that those such as students, who are entitled to register at two addresses, are now registering at one rather than two. That cannot be attributed to the community charge, nor is it in any sense a sign that people will be less likely to register on the electoral roll.

Mr. Cormack: With regard to the point made by my hon. Friend the Member for Mid-Worcestershire (Mr. Forth), is not the historic slogan, "No taxation without representation," rather than the other way round?

Mr. Howard: All aspects of these matters must be considered, and the essence of the point was that put by my hon. Friend the Member for Mid-Worcestershire (Mr. Forth).

Mr. Doran: Is the Minister aware that in my constituency of Aberdeen, South, 63,000 electors were registered at the June 1987 election, but in the draft register published in December that figure had fallen to 58,000? Can he explain where the 5,000 went?

Mr. Howard: A number of factors could account for that. I referred to one earlier. There is also a known tendency for fewer people to register after a general election than before it.

Mr. Baldry: Does my hon. and learned Friend agree that it is common sense that more people will be encouraged to vote after the introduction of the community charge because they will wish to hold their local authorities accountable to them? Does he not think that those who vote will be more inclined to vote for candidates and parties that are prudent and efficient than for those that are profligate and wasteful?

Mr. Howard: My hon. Friend is quite right. I cannot believe that anyone in the House takes any comfort from the fact that in the last local elections fewer than half the electorate bothered to vote in elections in the metropolitan districts. That is intolerable. One of the great advantages of the community charge is that it will go a long way towards remedying that.

Chlorofluorocarbons

15. **Mrs. Ray Michie:** To ask the Secretary of State for the Environment what plans he has to introduce legislation on chlorofluorocarbons.

Mr. Moynihan: On 21 March the European Communities' Council of Ministers will have a first exchange of views on the Commission's proposals for implementing the Montreal protocol on substances that deplete the ozone layer. That will enable us to consider the extent to which legislation, at Community or national level, will be necessary.

Mrs. Michie: Will the Minister consider introducing legislation to make it compulsory for manufacturers to list the CFCs in their products, particularly, as he said, as we know that they lead to the destruction of the ozone layer?

Mr. Moynihan: It would be quite wrong to pre-empt the discussions that start next week with legislation. Obviously, we shall need to examine the range of options that the European Community is addressing — from regulations to directives. If a European-wide directive emerges, there will be no need for national legislation.

In answer to the second point, a number of companies are responding to the hon. Lady's wish and are using the slogan, "ozone friendly," which is to be commended.

Mr. Summerson: Will my hon. Friend consider strengthening the BS standard on air-conditioning systems in vehicles to ensure that the coolant that they use, which is swarming with chlorofluorocarbons, does not leak?

Mr. Moynihan: That was an important point at the centre of the discussions with the Americans when we began negotiating on 16 September in Montreal. It will certainly be looked at in more detail in the discussions that start next week in the Community.

Mr. Wigley: Does the Minister accept that this is perhaps the most important matter that we shall face this week or any other? Because of that, will he say what resources the Government are providing for research into it?

Mr. Moynihan: I totally agree with the hon. Member that this is a critically important issue for environmental protection. I welcome the fact that action was taken in international forums before the scientific data came along to demonstrate that there is a major problem. More research is required and is currently going on. I will ensure that the hon. Member has details of the specific sums involved as soon as they become available.

Rent Arrears

16. **Mr. Gerald Bowden:** To ask the Secretary of State for the Environment whether he will meet councillors of the London borough of Southwark to discuss the level of rent arrears in the borough.

Mrs. Roe: This would serve no useful purpose. The Government have already offered advice and assistance to the London borough of Southwark to help it to reduce rent arrears from their present scandalous level of £14 million — by far the worst in the country. The responsibility is that of Southwark.

Mr. Bowden: I am interested in my hon. Friend's reply. The figure that I had heard mentioned was £30 million in relation to rent and possibly rate arrears. Can she say what this represents in cost per household? Has the time not come to put commissioners in to do the job which Southwark council is unable or unwilling to do itself?

Mrs. Roe: I know that Southwark's performance on rate arrears is equally deplorable. The arrears stand at nearly £14 million, bringing the total of all arrears, as my hon. Friend has said, to £28·5 million. That is equal to £462 per tenant household. In effect, Southwark's hard-pressed ratepayers are subsidising the inefficiency of the borough's housing department to the tune of nearly £19 million. That is an appalling indictment. I have noted what my hon. Friend has said.

Sharpeville Six

3.30 pm

Mr. Gerald Kaufman (Manchester, Gorton) *(by private notice)*: To ask the Secretary of State for Foreign and Commonwealth Affairs what reply has been received from the South African Government to the representations made by Her Majesty's Government that President Botha should see fit to exercise the prerogative of mercy in respect of the Sharpeville six.

The Minister of State, Foreign and Commonwealth Office (Mrs. Lynda Chalker): No reply has been received. The best outcome would be the exercise of the prerogative of mercy by President Botha.

Mr. Kaufman: I am grateful to the right hon. Lady for her reply. I trust that she will keep the House informed of any response that comes from the South African Government.

I am sure that the right hon. Lady will be aware that the response of the international community to the threatened executions has been overwhelming and unprecedented, and that today the European Commission has called in the South African ambassador to that body and asked for clemency and the abandonment of the executions. I understand that the United Nations Security Council will consider this issue later today. May we have the right hon. Lady's assurance that the representative of the United Kingdom will both speak and vote for a clemency resolution?

The House greatly welcomed the Prime Minister's firm statement yesterday opposing the hangings, and the Minister of State herself has rightly declared that if the South Africans ignore international appeals we must be sure that we have done all we can. In that spirit, may I ask her to urge the Prime Minister this afternoon to pick up a telephone and speak directly to President Botha, urging him personally to stop the hangings?

One of the condemned people, Theresa Ramashamola, has said that Jesus died for the sins of others and that she is ready to die like Jesus. In what the Prime Minister herself has described as the very unusual circumstances of this particular case, will she make that telephone call to prevent the martyrdom of Theresa Ramashamola and her five fellow victims?

Mrs. Chalker: We are playing a constructive role in the United Nations Security Council in securing a suitable text which we expect to emerge shortly.

As my right hon. Friend the Prime Minister said yesterday, we have done everything in our power to help. In early 1986, our then ambassador expressed to the South African Deputy Foreign Minister our concern at the allegations, made in the course of the original trial of the Sharpeville Six, of torture being used against three of them to extract confessions. Once their appeals had been rejected, we took bilateral action with the South African Government on several occasions — at least three formally and several others informally. We also supported representations made by the German presidency on behalf of the European Community, as well as the statement by the President of the Security Council in December 1987. I cannot add any more to what my right hon. Friend told the Leader of the Opposition in the House yesterday.

Mr. Andrew Hunter (Basingstoke): While hoping unequivocally that clemency will be exercised and that the defence lawyers' last efforts will be successful, may I nevertheless draw my right hon. Friend's attention to the appeal court judgment, a copy of which I have recently obtained? It contains assertions and facts not yet reflected, to the best of my knowledge, in the United Kingdom media. I hope that the House and you, Mr. Speaker, will bear with me——

Mr. Speaker: Order. This is question time.

Mr. Hunter: In that case, Mr. Speaker, let me simply say that the appeal court judgment contains evidence of the direct involvement of the accused. I ask my right hon. Friend to comment on that.

Mrs. Chalker: I cannot comment on that. I believe that the House already knows that it is our long-held policy to make representations only in cases that are clearly political when there are extenuating circumstances and strong humanitarian grounds for such action. Our appeal is on humanitarian grounds, and such an approach has the best chance of success.

Sir Russell Johnston (Inverness, Nairn and Lochaber): Does the Minister agree that the humanitarian grounds are not simply strong; they are overwhelming? Surely she agrees that there is no precedent for any country claiming to be civilised to put to death six people who have not directly committed the crime with which they are charged? In view of what has already been said by the right hon. Member for Manchester, Gorton (Mr. Kaufman), will the Minister urge the Prime Minister to follow the example of Chancellor Kohl, and lift a telephone and ask President Botha to change his mind?

Mrs. Chalker: The Chancellor of the Federal Republic is acting in his role as President in Office of the European Community. I believe that the overwhelming nature of this case is what prompted all the appeals that have been repeatedly made for clemency. I do not think that, in the particular circumstances of the case, any more can be done. All that could be done is being done now.

Mr. Michael Grylls (Surrey, North-West): Does my right hon. Friend accept that, while it is understandable that humanitarian views have been expressed, in the House today and when the matter was raised with the Prime Minister, we should be slightly careful about interfering with another country's system of justice when a criminal case is before the courts? If that happened in Britain, people in this country would understandably resent it very much.

Mrs. Chalker: I understand what my hon. Friend has said. It was because we were aware of the continuing efforts by lawyers on behalf of the Sharpeville six that I did not comment further.

Mr. Ernie Ross (Dundee, West): Surely the Minister can take from the House this afternoon the point that is being repeatedly made by the Opposition. The Prime Minister has made it clear that she is a friend of South Africa, in that she does not wish to impose sanctions. Surely that is the best reason why she should be the one to pick up a telephone and suggest that President Botha should exercise clemency.

Mrs. Chalker: Sanctions have nothing to do with this case. My right hon. Friend the Prime Minister has expressed her hope that President Botha will see fit, even

at this late stage, to exercise the prerogative of mercy, and that is exactly what the South African Government have been told.

I find it deplorable that the Opposition should seek to turn this human tragedy into a party political issue.

Mr. Eric Forth (Mid-Worcestershire): Is this really any of our business? Is my right hon. Friend satisfied with the judicial procedures of every country in the world? Will she seek to intervene where she is not satisfied with those procedures in any other country, for example, in Africa? Has she sought to intervene in the recently reported execution for fraud in the People's Republic of China? Where will this end? Is not my right hon. Friend a little worried that in singling out a case such as this she is setting a precedent for gratuitous interference in the judicial processes of many other countries?

Mrs. Chalker: I refer my hon. Friend to what the Prime Minister said in this House yesterday. It is the particular circumstances of the case that have led my right hon. Friend to express the hope that

"President Botha will see fit, even at this late stage, to exercise the prerogative of mercy."—[*Official Report*, 15 March 1988; Vol. 129, c. 991.]

I will not comment on the internal judicial and legal procedures of other countries.

Mr. Andrew Faulds (Warley, East): Since it is quite clear that the South African apologists on the Conservative Benches do not support the Prime Minister's representations to President Botha, would it not perhaps strengthen her representations, in her own interests, were she to make it clear that she and her Government will now contemplate the imposition of sanctions?

Mrs. Chalker: No, Mr. Speaker.

Mr. Simon Burns (Chelmsford): Is my right hon. Friend aware that the actions of the Prime Minister in these extraordinary circumstances are to be warmly welcomed? Is she also aware that if, sadly, the executions take place on Friday they will lead to revulsion and horror throughout this country and the world and will make a mockery of the word "justice"?

Mrs. Chalker: I cannot believe that the entire South African Government are not already aware of the revulsion throughout the world at the impending sentences of death on the Sharpeville six. My hon. Friend is absolutely right to welcome the Prime Minister's statement given in answer to a question from the Leader of the Opposition yesterday. We have all along taken the stance outlined in my right hon. Friend's statement, and we sincerely hope that the prerogative of mercy will be exercised.

Mr. Peter L. Pike (Burnley): Will the Minister make it clear to the Prime Minister that she should tell the South African Government that if they are not prepared to concede clemency in this case, in response to worldwide demand and the demands of our ambassador, even she will find it necessary to cease to maintain normal diplomatic relations with them—given that they are not prepared to take any notice of such relationships?

Mrs. Chalker: I must point out to the hon. Gentleman that all the representations that have continued to be made in this case, as in many other cases, simply could not be made if we were not properly represented within the Republic of South Africa.

Mr. Tony Baldry (Banbury): Does my right hon. Friend agree that if, alas, these executions take place, the opprobrium, blame and shame of that will be the South African Government's and the South African Government's alone?

Mrs. Chalker: Yes, Sir.

Mr. Eric S. Heffer (Liverpool, Walton): As somebody who opposed the Soviet movement into Afghanistan, who has consistently supported the rights of the Czechs to freedom, who supported the rights of the people in the Soviet Union to have free trade unions, who supported the fight against dictatorships in Chile and elsewhere, and who does not have double standards regarding the rights of freedom for people throughout the world, and accepting that the Prime Minister has done a good job in getting our ambassador to make representations, could she not nevertheless, even at this late hour—I am not trying to blame her — put pressure on Botha to whom she apparently still talks? Could that not be done as a last-minute effort to try to save these people, four of whom I understand are supporters of the justice and peace movement of the Roman Catholic church?

Mrs. Chalker: We shall continue to do all in our power to get the South African state President to respond to the worldwide, widely shared appeals, which are supported by practically every person in this House, for the exercise of the prerogative of mercy.

Dame Elaine Kellett-Bowman (Lancaster): Is my right hon. Friend aware that the communication that most hon. Members have received today contains none of the observations made by my hon. Friend the Member for Basingstoke (Mr. Hunter)? Is she further aware that, although I support capital punishment, I am fully behind my constituents in backing the Prime Minister in seeking clemency for these people?

Mrs. Chalker: This is a very special case, as my right hon. Friend the Prime Minister said yesterday, and it bears no relation to the other matters that my hon. Friend mentioned. I have not seen the round robin letter that was sent by the South African embassy, but I am not surprised by what my hon. Friend has said.

Mr. Brian Wilson (Cunninghame, North): The Prime Minister has used such phrases as "do all" and "do everything in our power". Does the right hon. Lady believe that the use of those phrases is accurate if the Prime Minister will not take the basic step of lifting the telephone and making personal contact with President Botha, thereby doing what the families of the Sharpeville six want her to do?

Mrs. Chalker: It has long been the case that diplomatic channels are always used for representations of this kind. A senior official of the Prime Minister's private office saw relatives of two of the Sharpeville six yesterday and made it quite clear that we would use all the proper channels, and that we are doing.

Several Hon. Members *rose*—

Mr. Speaker: Order. I must have regard to the fact that there is great pressure on the Budget debate and that this is a private notice question. I shall call two more hon. Members from each side of the House.

Mr. James Couchman (Gillingham): Like many hon. Members, I am sure, I have written to the South African

[Mr. James Couchman]

ambassador to urge clemency. Is my right hon. Friend aware that those who have resisted the blandishments of the Left to wreck the South African economy by imposing mandatory sanctions will nevertheless find it increasingly difficult to support evolutionary change in South Africa if this step towards barbarism is taken and those six people are executed, apparently as a warning to those who might indulge in riotous assembly?

Mrs. Chalker: I sincerely hope that even at this late stage common sense and understanding will prevail in South Africa. Whatever happens, the process of evolution in South Africa is one for which everybody must work. We hope that that will be done through dialogue and not through violence.

Mr. Greville Janner (Leicester, West): Will the right hon. Lady completely repudiate the suggestion that was made twice by her hon. Friends, that the proper representations made by the Government amount to an interference in the affairs of South Africa? Will she state, having regard to the extraordinary failure of the South Africans to reply to the representations made by the Government, what further steps she proposes to take to avert this incipient tragedy, which would appal the vast majority of hon. Members?

Mrs. Chalker: I must say to the House, with some regret, that I do not think that the questions being asked are helping the Sharpeville six. What is helping them are the representations that are being made and will continue to be made for as long as it is necessary. I understand the hon. and learned Gentleman's point about some of the views that have been expressed. The Government, as my right hon. Friend the Prime Minister told the House yesterday, sincerely hope that in this particular circumstances the state President in South Africa will see fit to exercise the prerogative of mercy. It is to that end that we shall work unceasingly.

Sir Ian Lloyd (Havant): As one who is opposed to judicial murder at any time, in any place or in any country, I hope that the appeal for clemency will succeed. Should we not make it clear to the President of South Africa that we are appealing not only for clemency for those six individuals but for him to show clemency for the reputation of his country?

Mrs. Chalker: I thank my hon. Friend for what he has said. I completely endorse his comments.

Mr. John Home Robertson (East Lothian): What is the good of maintaining diplomatic or trading relations with a regime that conducts itself in the way that the South African regime is threatening to do on Friday?

Mrs. Chalker: A phrase that was once used was that talking is far better than anything else. I believe that that is right. All I hope is that there is listening as well as talking. Without listening by the South African Government to the views of the whole world, there will be no respect whatsoever for that country.

Belfast Funeral (Shooting Incident)

3.50 pm

Mr. Seamus Mallon (Newry and Armagh): I beg to ask leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing a specific and important matter that should have consideration, namely,

"the shooting incident at the funeral today in Belfast of the three people shot by security forces in Gibraltar."

Right hon. and hon. Members may be unaware that the incident has taken place. After the funerals had been concluded peacefully and with dignity, there was an attack on the mourners. Three people have already been killed and 23 people have been seriously injured.

Over the past 20 years, we have seen many instances of the obscenity of violence. This one involves the desecration of consecrated ground in a cemetery. The type of sacrilegious act that we have seen today must revolt every person who is aware of the enormity of the type of crimes that we have seen. Those of us who have condemned and will continue to condemn every act of violence from wherever it may come must be aware of the implications of the terrible assault today.

Over the past 20 years, we have become the killing fields of Europe. On public television, on the first day of this week, the Ulster Defence Association, which is not banned or proscribed, clearly announced to the people of the North of Ireland that it was stepping up its campaign against the Catholic community in Northern Ireland. As a result of that, one young man was shot at his work yesterday morning and at least three people have been killed today.

In the light of that announcement and the horrific offences today, we must take this opportunity to ensure that the voice of the House is heard again calling upon the Government to ensure that that organisation, which is committed to bloody murder, is proscribed, as it should have been long ago.

Mr. Speaker: The hon. Member has asked leave to move the Adjournment of the House, under Standing Order No. 20, for the purpose of discussing an important and specific matter that he believes should have urgent consideration, namely,

"the shooting incident at the funeral today of three persons shot by security forces in Gibraltar."

I have listened with great concern, respect and sympathy to what the hon. Member said. As he knows, my sole duty in deciding whether a matter should be given precedence over the Orders of the Day is to decide whether it meets the criteria laid down. I regret that I cannot find that that is so, and, therefore, I cannot submit his application to the House.

Mr. Frank Dobson (Holborn and St. Pancras): On a point of order, Mr. Speaker. We understand that news of the awful events in Northern Ireland is still coming in. Will you confirm that, should the Government wish to make a statement this evening, you or your deputies will facilitate the making of a statement? In view of the grievous events in Belfast, the sooner the matter is reported to the House the better.

Mr. Speaker: I fully understand the concern of the whole House about the matter. Of course I shall bear carefully in mind what the hon. Member has said.

Mr. Merlyn Rees (Morley and Leeds, South): Further to that point of order, Mr. Speaker. I realise the difficulty of the situation and that statements are statements, but when tit-for-tat killings start, little can be done. Through you, Mr. Speaker, I ask the Secretary of State to use the available channels to get messages to the heads of the paramilitary organisations telling them that, unless they assert control, the bloodshed will go on for weeks, that the House has had enough of it, and that something must be done. The authority is in Northern Ireland, and the British security forces can play little part in this.

Mr. Speaker: I fully appreciate what the hon. Gentleman has said. His background will, I know, ensure that his comments will be carefully noted.

BILLS PRESENTED

School Boards (Scotland)

Mr. Secretary Rifkind, supported by Mr. Michael Forsyth and Mr. Norman Lamont, presented a Bill to make new provision for the government of public schools in Scotland; and for connected purposes: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed. [Bill 122.]

Crown Prerogatives (House of Commons Control)

Mr. Tony Benn, supported by Mr. Jeremy Corbyn, Mr. Bill Michie, Mr. Eric S. Heffer, Mrs. Alice Mahon, Mr. Bernie Grant, Ms. Dawn Primarolo, Mr. Harry Cohen, Ms. Mildred Gordon, Mr. Tony Banks, Ms. Diane Abbott and Mr. Dennis Skinner, presented a Bill to extend and entrench the democratic rights of the electors of the United Kingdom, through their representatives in the House of Commons, over all Crown prerogatives that do not, at present, derive from statute; and for purposes connected therewith: And the same was read the First time; and ordered to be read a Second time tomorrow and to be printed. [Bill 117.]

Statutory Instruments, &c.

Mr. Speaker: With the leave of the House, I shall put together the first five statutory instruments on the Order Paper. I understand that the sixth is not to be moved.

Ordered,

That the draft Financial Services Act 1986 (Stabilisation) Order 1988 be referred to a Standing Committee on Statutory Instruments, &c.

That the Financial Services Act 1986 (Extension of Scope of Act and Meaning of Collective Investment Scheme) Order 1988 (S.I., 1988, No. 496) be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Financial Services Act 1986 (Investment Advertisements) (Exemptions) (No. 2) Order 1988 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Financial Services Act 1986 (Delegation) (No. 2) Order 1988 be referred to a Standing Committee on Statutory Instruments, &c.

That the draft Pneumoconiosis etc. (Workers' Compensation) (Payment of Claims) Regulations 1988 be referred to a Standing Committee on Statutory Instruments, &c.—*[Mr. Peter Lloyd.]*

Scottish Grand Committee

Ordered,

That, in the course of its consideration of the matter of Education in Scotland, the Scottish Grand Committee may meet in Edinburgh on Monday 21st March at half-past Ten o'clock.—*[Mr. Peter Lloyd.]*

3.54 pm

Mr. David Steel (Tweeddale, Ettrick and Lauderdale): May I raise a point of order, Mr. Speaker, concerning section 3 of Standing Order No. 94, under which the motion on the Scottish Grand Committee was moved?

You, Mr. Speaker, will recall that last December, when a similar motion was moved, it was blocked under the terms of the Standing Order by some 20 hon. Members rising in their places. I should have thought that the fact that the meeting did not take place would have taught the powers that be a lesson, and we would have had adequate notice, the lack of which we were protesting against on the last occasion.

I have letters from successive Government Scottish Whips dated December 1986 and December 1987, accepting the need for at least two weeks' notice, and probably more, of the meeting of the Scottish Grand Committee in Edinburgh. Indeed, when the Standing Order was drafted, and consultation took place through the usual channels, it was accepted that the meeting should take place on the date of Welsh questions in the House, of which there is usually four to five weeks' notice.

Now we have been given five days' notice. That is wholly inadequate. My home and constituency happen to be near Edinburgh and I have only to cancel an industrial visit in my constituency, but other hon. Members are required to leave early on Sunday evening to get to the meeting. The hon. Member for the Western Isles (Mr. Macdonald) and my hon. Friend the Member for Orkney and Shetland (Mr. Wallace), if they are to attend the meeting at 10.30 on Monday morning, will have to leave home on Saturday afternoon.

It is a scandalous and arrogant abuse of the Standing Order to put down a motion of this kind at such short notice. I would normally be asking you, Mr. Speaker to refer the matter to the Select Committee on Procedure for a tightening of the Standing Order, but that Committee has not been set up since the general election. Therefore, I ask you, Mr. Speaker, as the custodian and protector of the interests and rights of hon. Members in whatever part of the House they sit, to advise us how we can prevent the repeated misuse of the Standing Order without losing the meeting altogether through further blocking action.

Mr. Speaker: I appreciate what the right hon. Member has said. Unfortunately, as he correctly states, there is no Procedure Committee. I shall consider what he has said, but it is not a matter for me if motions are put on the Order Paper. If the right hon. Gentleman objects to a motion, he should voice his objection, and, provided that 20 hon. Members stand, the motion will not go through.

Later——

Sir Russell Johnston (Inverness, Nairn and Lochaber): On a point of order, Mr. Speaker. My right hon. Friend the Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel) raised a point of order about Scottish business, and I wish to ask you one question. You said that the proper course would be to object as we did on the previous occasion, but that would result in putting off a meeting

[Sir Russell Johnston]

that we are not against having. We are seeking some way whereby civilised, sensible and decent warning can be given. Surely something can be done.

Mr. Speaker: The hon. Gentleman knows that I am not responsible for motions on the Order Paper. The House decides whether or not to accept them. The best course for the hon. Gentleman and his colleagues would be to have discussions through the usual channels about the shortage of time. I fully appreciate the point made by hon. Members.

Mr. James Wallace (Orkney and Shetland): On a point of order, Mr. Speaker.

Mr. Speaker: Order. The hon. Gentleman is the Chief Whip of the alliance party, and I must tell him that a large number of hon. Members wish to speak in today's debate, including a number from his party.

Mr. Wallace: The point made by my right hon. Friend the Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel) was that the usual channels had singularly failed to ensure that the Government adopted decent procedures towards hon. Members. We are looking to you, Mr. Speaker, to protect our position, which is why we raised the point of order.

Mr. Speaker: Unfortunately, I cannot help. As the hon. Member for Bolsover (Mr. Skinner) reminded the House —it is something on which I do not readily look back these days—I used to be in that position, but I am no longer there.

Standing Order No. 39

3.57 pm

Mr. Patrick Cormack (Staffordshire, South): On a point of order, Mr. Speaker. May I refer to Standing Order No. 39, which states:

"Mr. Speaker or the chairman may, after the lapse of two minutes if in his opinion the division is unnecessarily claimed, take the vote of the House, or committee, by calling upon the Members who support, and who challenge his decision, successively to rise in their places; and he shall thereupon as he thinks fit, either declare the determination of the House or committee, or name tellers for a division."

This is not to be taken in any sense as a criticism of you, Mr. Speaker, or of any occupant of the Chair. On a number of occasions recently, the occupant of the Chair has seen fit to name a Member. When the occupant of the Chair does that, he is, in effect, asking for the support of the House in upholding his authority and the authority of the House.

I respectfully suggest that the Standing Order could be used on those occasions in future to the profit of the House. If the occupant of the Chair were to say simply, "Does the Chair have the support of the House?", hon. Members could then rise, and if they demonstrated by overwhelming numbers that they supported the Chair, the business of the House could proceed.

Mr. Dennis Skinner (Bolsover): Further to that point of order, Mr. Speaker. Standing Order No. 39 used to be Standing Order No. 35 and it was used on rare occasions by Mr. Speaker. It was not used in the way that the hon. Member for Staffordshire, South (Mr. Cormack) described. It was used to allow Mr. Speaker to call a Division when it was possible, with only a few hon. Members in the Chamber, to discern, by counting in the Chamber, that the Division could take place in that fashion. However, when the House is full and Mr. Speaker cannot make that count, to have a Division is nonsense.

You, Mr. Speaker, will recall that, when you were Deputy Chief Whip for the Tory party in opposition, there were occasions when the previous Speaker used that method. On every occasion that it has been used since I have been a Member of Parliament, there have been a relatively small number of Opposition Members willing to take on the Government. It was usually during a sitting that continued throughout the night.

I am not trying to incite you for the future, Mr. Speaker, but that is the only time it can be used, so that the Speaker is absolutely clear that there is only a small number of hon. Members present. If it were to be used in the circumstances that that so-called democrat suggested, the net result would be to close the Division lobbies and just leave it to Mr. Speaker and the hon. Gentleman.

Mr. Speaker: We have a very heavy day ahead of us, and this matter was raised yesterday. The Chair is aware of the various options under Standing Order No. 39, and always takes them into account. I am inclined to the view expressed by the hon. Member for Bolsover (Mr. Skinner).

Road Traffic (Blood Alcohol Concentration Limit)

4.2 pm

Mr. Roland Boyes (Houghton and Washington): I beg to move,

That leave be given to bring in a Bill to amend the Road Traffic Act 1972 to lower the prescribed blood alcohol concentration limit from 80 milligrammes of alcohol to 100 millilitres of blood, to 50 milligrammes of alcohol to 100 millilitres of blood:

This is the second time that I have had the opportunity to introduce a ten-minute Bill drawing the attention of the House to the scourge of drinking and driving. It is an appalling social evil that must be combated with urgent and dramatic solutions. There is a desperate need for counter-measures to make people think very carefully both about the possibility of being caught and about the serious consequences of driving after drinking.

The Bill is concerned with lowering the legal limit of blood alcohol concentration. In November last year, I obtained the support of the House to bring in a Bill to introduce random breath tests. That is still the top priority—the most important initiative needed to stop drinking and driving. However, there is clearly a need to change the legal limit of blood alcohol concentration levels, and that is the issue with which I am dealing today.

The Bill calls for a reduction in the blood alcohol level from the current 80 mg to 50 mg. I shall present my reasons for supporting a level of 50 mg and detail some of the considerable amount of scientific research that justifies it.

In 1967, the current level of 80 mg was set because that was thought to be the point at which excess accident risk occurred. However, 20 years later there is widespread agreement among experts, in both the United Kingdom and abroad, that the point at which excess risk is reached is much lower—at about 60 mg and, for young and experienced drivers, even lower. During the past 10 years, hundreds of experiments under laboratory conditions have studied the relationship between driving impairment and alcohol intake levels. They support the view that there are different degrees of impairment for a number of driving-related variables—for example, reaction time, tracking skills, vigilance and perception—at well below the 80 mg level.

Another accepted method of determining the effect of alcohol risk is to study real accidents, and those studies also recognise that impairment can occur at or even below the 50 mg level. In studies where the driver was subjected to a series of complicated tests, there appeared to be no blood alcohol concentration level below which impairment could not be said to exist. That means that even a tiny amount of alcohol can affect a driver's judgment.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): The hon. Gentleman is a kind man, but he is talking exaggerated nonsense.

Mr. Boyes: The hon. Gentleman might regret that remark one of these days.

The 50 mg level is used in New South Wales, Australia, and in a 1985 review its traffic authorities concluded that any relaxation in the 50 mg limit could only

"lead to an increase in traffic crashes, injuries and deaths."

Further evidence for changing the legal limit is shown in the Grand Rapids study conducted in Michigan in the 1960s, which included 6,000 accident-involved drivers. Analysis of that data was used to set the current British legal limit.

The data have since been reanalysed, and they suggest that, in fact, the risk of causing an accident or death is significantly greater for the majority of people at the 60 mg level, not at 80 mg.

There is no doubt that if accidents are to be avoided, drivers must be persuaded that only a small amount of alcohol can impair their judgment. I am convinced by the weight of available scientific evidence that at 60 mg the accident risk is too high and that at 50 mg judgment is badly impaired. Clearly, the best advice is that people should not drink and drive. If they feel it necessary to have a drink, they should realise that after a very small amount of alcohol they would not drive with the same proficiency as they would without any alcohol in their blood, even when driving on a full stomach or after drinking coffee. Such drivers are a menace to themselves, to other road users and to pedestrians.

As part of the process of discouraging drinking and driving, it would be useful if the Minister would amend his leaflet "Key facts about drinking and driving", which he recently distributed to all of us. He is clearly mistaken in defending the present legal limit. My case for a 50 mg level is supported by the fact that I can name at least 11 countries, including Australia, Japan and some of the American states, that have set their legal limit at 50 mg.

Perhaps the Minister is concerned that a lowering of the limit would be unpopular. I can allay his fears by telling him that public opinion is in favour of a change in the law. A survey last autumn by the Guild of Experienced Motorists, carried out on a representative sample of its membership, found that 71 per cent. of respondents were in favour of a reduction in the legal limit to 50 mg.

In a statement two weeks ago, the Church joined the growing body of support for a reduced limit and for random breath testing. A survey by Gallup in 1987 revealed that drinking and driving was perceived by the public to be by far the greatest single killer compared with other social concerns such as drug-taking, AIDS and murder. Almost one in 10 motorists claimed to have lost a friend in a drink-driving accident, while one in 20 had lost an immediate relative.

Following my previous ten-minute Bill I received many heart-rending letters from those who had suffered such a loss, describing their thoughts and emotions. One woman, whose 21-year-old son was killed by a drunk driver, wrote:

"Every day is a nightmare knowing my son is dead. People don't understand the pain and misery we are going through . . . and say, 'Try to rebuild your lives'. But how can we when part of us has gone?"

I am equally saddened by those who have written to inform me that they can drive equally well, if not better, after drinking. One recent letter said:

"The legal limit, about 2 pints of draught bitter, is ridiculously low for a seasoned drinker who can hold his drink, although it would be ample for the young yob."

Such contemptible attitudes demonstrate that there is clearly a need for urgent Government action.

The carnage must stop. It is tragic enough to lose a friend or relative through natural causes but to lose a loved one because some ignorant, arrogant, anti-social fools and cranks believe that they can drink and drive is appallingly wrong. Three people are killed on our roads every day as a consequence of drinking and driving. More than 1,000 lives a year are destroyed—equivalent to a King's Cross

[Mr. Boyes]

disaster every 10 days—yet drink-driving deaths are so accepted by many that they get no dramatic headlines. Drink-driving costs 30 lives every 10 days, and it must stop.

I hope that I have demonstrated to the satisfaction of hon. Members that urgent action is needed to stop this needless slaughter on our roads. I hope also that the weight of scientific evidence available, which confirms that the present level of 80 mg is far too high, will be taken seriously into account by the Minister. In view of the widespread support from the vast majority of people for changes in the law on drinking and driving, I ask for the support of the House of Commons for my Bill, which is backed by hon. Members from all political parties.

Question put and agreed to.

Bill ordered to be brought in by Mr. Roland Boyes, Mr. Don Dixon, Mrs. Ann Clwyd, Mr. Barry Sheerman, Mr. Andrew F. Bennett, Mr Ray Powell, Dr. Lewis Moonie, Mrs. Alice Mahon, Mrs. Rosie Barnes, Mrs. Margaret Ewing, Sir Bernard Braine and Mr. A. J. Beith.

Road Traffic (Blood Alcohol Concentration Limit)

Mr. Roland Boyes accordingly presented a Bill to amend the Road Traffic Act 1972 to lower the prescribed blood alcohol concentration limit from 80 milligrammes of alcohol to 100 millilitres of blood, to 50 milligrammes of alcohol to 100 millilitres of blood: And the same was read the First time; and ordered to be read a Second time upon Friday 8 July and to be printed. [Bill 121.]

Orders of the Day

WAYS AND MEANS

Order read for resuming adjourned debate on Question [15 March].

Amendment of the Law

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the natonal debt and public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting any supply;

(b) for refunding any amount of tax;

(c) for varying the rate of that tax otherwise than in relation to all supplies and importations; or

(d) for relief other than relief applying to goods of whatever description or services of whatever description.—*[Mr. Lawson.]*

Question again proposed.

Budget Resolutions and Economic Situation

[Relevant documents: European Community Document No. 9561/87, Annual Economic Report 1987-88 and the unnumbered document, Annual Economic Report 1987-88 (final version as adopted by the Council).]

Mr. Speaker: I repeat that a large number of right hon. and hon. Members seek to participate in the debate. Because there is no limit on speeches, it would be helpful if Privy Councillors, who may be called earlier than other hon. Members, set a good example.

4.12 pm

Mr. John Smith (Monklands, East): The Budget which was presented to the House yesterday is an outrage. It is immoral, wrong, foolish, divisive and corrupting. As its full import began to sink in towards the end of the Chancellor's statement yesterday, I looked across at Conservative Members. A significant number did not wave their Order Papers or cheer the Chancellor on. Quite a number looked askance or troubled, and a few even looked concerned because they knew that what was happening was not right.

Let us never forget that, in a country where there are still millions of people, young and old, thrown on the scrap heap of unemployment, where our Health Service is on the edge of collapse and where we have a growing underclass living in ever deepening drabness and despair, it is not right to slash the rates of tax for the highest paid and redistribute the tax collected to the tune of £2 billion and give it all—every penny piece—to those whose earnings and wealth have already been ostentatiously increased in recent years. No Budget in this century has more savagely redistributed the proceeds of taxation towards the super-rich. There is a simple rule about this Budget: the more you earn, the more you gain; the more you have, the more will be given unto you.

A married man who earns £200,000 a year—not a fanciful figure in modern Britain—gains £33,314, over £640 each week. That is enough, I remind Conservative Members, to keep open the hospital ward in Wales which the Queen Mother opened and which is now closing because of the shortage of funds.

When the Budget is stripped of its frills and when its contents are disentangled from its frequently misleading packaging, it is clear that the percentage of GDP raised in tax hardly changes from last year to the coming year. Last year it was 38 per cent.; this year it will be 37·9 per cent. —a fall of merely 0·1 per cent. It is worth recalling that 10 years ago in 1978-79 the proportion was only 33·9 per cent.

Of course income tax rates have been cut in the Budgets of the Tory years, but our people know only too well that income tax is but one of the taxes that they pay. They pay VAT, which was doubled in this Government's first Budget, excise duties and national insurance contributions —a special extra tax now on those who earn under £16,000 a year—which went up from 6·5 per cent. to 9 per cent. in the Government's earlier Budgets.

The Budget is essentially about the redistribution of the same proportion of tax, but that redistribution goes from the rest of us to the highest paid. Ten million of our fellow citizens whose pensions, benefits or incomes are so low that they do not even reach the lowest rung of the income tax ladder, gain no benefit from the Chancellor's cut in the basic rate announced yesterday.

Another 2·5 million people who will be covered by the new social security system, to come into force a few weeks from now, have a cut in the tax rate read straight across to a cut in income support or in housing benefit. For a person on family credit in receipt of housing benefit and receiving £100 a week, the 2p cut in the tax rate will mean a gain of 2p a week or £1·04 throughout the year. I observe in passing that their poverty does not mean that they do not pay the huge increases in indirect taxes which are the hallmark of the Government's tax policies. So many of those who are facing the greatest difficulties get no help from the Budget.

If we look to the higher ranges, the beneficiaries soon become apparent. The married man on five times average earnings, a salary of £64,000, will save £129 each week from this Budget alone—more than will be provided in income support for five people under 25 when the new social security system is implemented. For that same man on five times average earnings, the reduction in his income tax since 1979 amounts to £182 weekly—more than the total income tax rate for two married couples, each with three children. The top 10 per cent. of households in Britain get 50 per cent. of the concessions provided by the Chancellor. The bottom 50 per cent. get only 10 per cent. of the gains.

Mr. Tony Marlow (Northampton, North): Will the right hon. and learned Gentleman give way?

Mr. Smith: I shall do so in a second. No wonder there was, and I hope is, some sense of shame among a few Conservative Members. I doubt whether I shall reply to the points raised by the hon. Member for Northampton, North (Mr. Marlow), but I shall give way to him.

Mr. Marlow: I am grateful to the right hon. and learned Gentleman for giving way. The tragedy is that he has forgotten that taxation is not about punishing people. It is about raising revenue. Those people whom the right hon. and learned Gentleman is banging on about being in the higher tax brackets have been able to employ advisers and have sought tax shelters. By getting those tax shelters, many have paid little tax. The probability is that, after my right hon. Friend's Budget yesterday, those people at whom he is aiming will pay more tax than ever before.

Mr. Smith: It is interesting to hear the comforting illusions of Conservative Members. The hon. Gentleman knows perfectly well, because he can look it up in the Red Book, that there is a cost to reducing the top rate of tax from 60 per cent. to 40 per cent. It is spelt out clearly for a full year—more than £2 billion. That is the cost of paying the rich in the way that the Chancellor has done. It is a bitter irony that the total to be committed in tax forgone in a full year—the very £2 billion to which I have just drawn the attention of the hon. Member for Northampton, North—to pay for the massive cuts in higher rates is what the Labour party has been campaigning for as the additional money to be spent on our National Health Service.

When the Chancellor had so much money to spend, why did he choose to ignore the pressing needs of the National Health Service, which is in acute crisis, as the professionals repeatedly tell us? Is it because he does not believe that the money needs to be spent on the National Health Service? Is it that he felt that he did not have the money available because of financial stringency or other pressing priorities? Is it because he felt that the NHS was not a priority favoured by the electorate?

It cannot be for any one of those reasons. We know that the money is desperately needed by the National Health Service. We know from the evidence of the Budget itself that the money was available. We know from opinion poll after opinion poll that spending on the National Health Service was the public's top priority. I know of only one opinion poll in which people said that they were in favour of tax cuts as opposed to funding for the NHS; it was an opinion poll of Conservative Members.

Let us examine briefly the evidence of the needs of the National Health Service. Evidence is available from a wide variety of sources, but it all points to the same conclusion about the Health Service. Every piece of evidence that I am about to cite comes from one of two sources—the British Medical Association or the Royal College of Nursing. [HON. MEMBERS: "A vested interest."] I should hope they have a vested interest. They have a vested interest in the National Health Service; we all have a vested interest in the National Health Service. It is a vested interest which I am proud to declare and even more proud to fight for, which is what we shall do during these debates.

This very month, the BMA's central committee for hospital medical services produced a report that gave a chilling description of what its chairman, Mr. Alexander Ross, describes as

"a nationwide crisis in the acute hospital sector".

The report contained the results of a survey conducted by the BMA district representatives on regional committees throughout the country. Let me list some of their conclusions. They found that in England and Wales as a whole, 5,300 hospital beds had been closed in the year to December 1987. Anxious to be scrupulously fair, they excluded 30 per cent. due to the implementation of so-called strategic plans and 11 per cent. due to rationalisation measures. That leaves 59 per cent., or 3,100 beds closed permanently due to short-term financial restrictions. In addition, 2,800 beds have been temporarily closed for varying lengths of time over the same period.

[Mr. Smith]

It is bad enough to lose so many beds in one year, but the picture looks even worse when we examine the statistics relating to the cancellation of clinical sessions. On a grossed-up basis on an examination over a three-week period, it was discovered that 900 operating theatre sessions had been cancelled: put another way, 300 operations each week are not being carried out because of financial restrictions.

The BMA quotes the remarks of its consultant members who took part in its survey. Those remarks are perhaps more revealing than the bare statistics that I have cited. A consultant in Wales said:

"Everyone is gloomy and sad because the old ideal of providing the best service has been lost and the new one of cutting all possible corners and taking all possible risks in the name of the great god efficiency and savings just doesn't seem to make our hearts beat faster. Everyone is taking to the practice of doing the bare minimum."

From one end of the country to the other, the devastating evidence emerges that our National Health Service is in acute crisis.

Dame Elaine Kellett-Bowman (Lancaster): Is the right hon. and learned Gentleman aware of the tremendous difference between bed usage in one part of the country and another, and, indeed, in different parts of the same area? For example, in Lancaster, which is top of the league in the north-west, bed usage is 115·19 per cent. whereas in Salford it is only 97·46 per cent. Is it not important to improve bed usage and the use that we make of the money that we are given?

Mr. Smith: All that I am doing is to report to the House the evidence of the consultants who work in the National Health Service. With the greatest respect to the hon. Lady, I think that they might know a little bit more about the National Health Service than even she does. Their evidence was that more than 3,000 beds were closed in England and Wales over the past year. I am happy to accept that evidence. Do the Government deny it? We can either believe the Government, who caused the problem, or the Health Service professionals, who are fighting for a future for their own service. I know which the nation will believe.

There is one great source of comfort about the crisis in the National Health Service. It is not a crisis which arises from a lack of skills or commitment among those who work so hard for us in the Health Service. If that were the problem, the crisis would be grave and the prognosis could only be despairing. Mercifully, the problem is of a different kind: it is principally financial and can therefore be solved financially.

What makes the Budget all the more mistaken, wrong-headed and morally faulted is that the money is available. The money was there, but the Chancellor chose to spend it on what he thought were more important priorities than our National Health Service. In the months leading up to the Budget, we have argued that new funds are desperately required. The Chancellor could have spent the £2,000 million that we advocated by simply removing the tax concessions for the rich. The plain fact of the matter is that the Chancellor chose not to do that. So all those who work in our Health Service and depend on it have got their answer.

It is not good enough for the Chancellor to claim that money is not provided for the Health Service in a Budget. He can announce an extra spending programme any time he likes. He could have done it two months or two weeks ago. He could do it today or two weeks hence. He should announce it now because the crisis is now.

I remind the Chancellor that my right hon. Friend the Member for Leeds, East (Mr. Healey), in his Budget of 1978, not only announced an extra allocation of funding for the NHS, but, as the Royal College of Nursing pointed out in its excellent submission on the Budget, he specified what it was to be spent on: reductions in waiting lists, a number of new staff posts, enough cash to enable newly built hospitals to be opened and the provision of 400 new kidney machines.

Several Hon. Members *rose*—

Mr. Smith: I know that this does not go down well with Conservative Members. They do not like to be told the truth about the crisis in the National Health Service. I know that they like the truth about the last Labour Government even less. In that Budget, my right hon. Friend the Member for Leeds, East allocated 400 extra kidney machines to the Health Service.

The fight to save the National Health Service will go on. It must go on. The fight to obtain for it the resources that it needs will be maintained until it eventually succeeds. We know that there is another danger facing the National Health Service, apart from the financial crisis. Many Conservative Members see the financial crisis in the NHS—

Mr. Tim Smith (Beaconsfield) *rose*—

Mr. John Smith: I shall not give way.

They see in the financial crisis of the NHS a new opportunity to attack its basic principle and what they correctly divine as its Socialist basis. For many years, they have been forced to accept a Health Service funded on the principle that it is paid for when people are well so that it is available without financial inquiry when it is needed. Since the second world war, the NHS has lifted a burden of worry from the backs of the ordinary people of this country and provided our nation with a unique and especially effective method of providing life-long medical care and attention for everyone in our community, irrespective of income, wealth or status. That is why the Health Service is deeply rooted in the interests and affections of our people.

For a long time, on the grounds of political prudence, Conservatives said little, whatever they thought privately. The Prime Minister herself told us in words that seem very hollow now that the NHS was safe with her. Now, like sharks sniffing blood in the water, the enemies of the NHS are circling round ready to strike at what they regard as a Socialist extravaganza.

They claim that the Health Service costs too much and that it is inefficiently administered. Let me give just two replies. All the evidence suggests that the NHS is far superior in terms of administration costs to any private health care system in this country or abroad. Conservative Members who admire the private medical system in the United States should bear in mind that we spend 5 per cent. on administration in the Health Service and the Americans spend 22 per cent. on administration in their private, bureaucratic system.

On two central questions, this Budget

Mr. John Butterfill (Bournemouth, West): Does the right hon. and learned Gentleman agree that there are

profound regional variations? Will he accept that Sir Brian Thwaites, the chairman of Wessex health authority—my region—said that there is no crisis in Wessex? In the Boscombe general hospital, the unit cost per patient is £546. That compares with an average in London of over £1,000 and a cost in Hackney of £1,300. Surely there is a big difference in administrative costs somewhere.

Mr. Smith: It just so happens that on the first page of the submission from the BMA there is a quotation from a consultant in Wessex. I shall tell the hon. Gentleman what that consultant said:

"At present the acute services have an open ended and expanding remit. They are expected to cope with everything and anything demanded of them. The boundary of their area of responsibility must be drawn if no more money is forthcoming, but this in itself begs more questions than there are answers."

That is the evidence from Wessex, the part of the country to which the hon. Member for Bournemouth, West (Mr. Butterfill) referred.

The Chancellor's first priority should have been to secure our Health Service. That done, he should then have turned his sights towards the creation of a stronger, more competitive, more balanced economy. The Government seem to believe that because a short-term boom raised the level of economic growth in 1987, Britain has somehow turned an economic corner. Time will soon tell us how lasting or, alternatively, how evanescent is a rate of growth boosted by an easy credit society and the lowest levels of personal savings for more than four decades.

We know already that the deteriorating balance of payments is the most serious constraint on economic management, apart from the Prime Minister, in the years immediately ahead of us. Despite the massive contribution of North sea oil during the years of this Government—over £60 billion in extra revenue to the Goverment—and the even more important cover in terms of freedom from balance of trade and balance of payments constraints, here we are, moving towards the edge of the decade, only eight years or so after reaching oil self-sufficiency, heading into balance of payments problems again. The historians will ask what we did with North sea oil, because it looks as if we will face the 1990s without the beneficial changes in society and our economy that a proper investment of those riches would have secured.

The Secretary of State for Energy answered that question honestly the other day by remarking that North sea oil revenues were spent on unemployment. He was, of course, correct. The tragedy is that the money was not spent on employment—not just on creating jobs now to reduce our still appalling totals of unemployment, but on jobs for the future based on new skills and new technologies.

Now that North sea oil is declining in volume and may, for all we know, decline in value, the problem is less easy to solve. However, it remains urgently on the national agenda and one of our top priorities should be to see how to build a strong, competitive industrial economy that can sustain growth, not in episodic spurts or election-oriented booms, but powerfully, continually and steadily. In the context of our present position it can be put quite succinctly: how do we convert short-term boom into long-term recovery?

One would have thought that to a sensible Government, the opportunity provided by a Treasury awash with revenues was obvious. This is the time to invest those resources in new technology, new science-based industries, education and training and research and development. This should be the opportunity to create in these islands the best educated and trained work force in western Europe by a sustained and energetic commitment, starting with the Government and spreading throughout the whole of our society, to utilise that unique resource—the skills of our young people—so that they can found our economic security in the 1990s.

This should be the opportunity to end the neglect of research and development in the public and private sectors and in the universities and industry. If that is not soon corrected, Britain will limp into the next decade well behind the leaders in the technologies of the future. All those are opportunities which could have been seized. But, sad to say, the Government prefer tax cuts for the rich investment in those crucial areas.

Is not our economy hopelessly unbalanced in two crucial respects: the balance between the public and private sectors and between the economic regions, the north and the south? Throughout the 1980s, under the perverse set of priorities which constitute Thatcherism, investment in public services and facilities has been deliberately and continuously run down. We have the worst public investment record of all the OECD countries. That is why we have outdated and inadequate hospitals and schools, crumbling inner cities, industrial wastelands, decrepit commuter trains, leaking water courses, collapsing sewers, and roadways in a perpetual state of deterioration.

It is difficult to digest the information in a parliamentary answer which said that 80 per cent. of all the buildings used by the NHS were built before 1918 and only 7 per cent. have been built since 1965. No reckoning seems to be made of the costs in economic efficiency of muddling through with an inadequate and antiquated infrastructure. For too long now the myth has been perpetuated that public spending is intrinsically damaging to the economy. The truth is the opposite. Public assets are essential to produce a modern and competitive economy as well as a decent society. Transport, basic utilities and modern and proper housing are all crucial to the effective functioning of a civilised society. Ought we not now to be putting thousands of unemployed people to work to repair, improve and modernise the rapidly declining housing stock in which so many of our fellow citizens are forced to live?

When we look at the yawning and widening gap between the north and south, which the present Government do not even acknowledge to exist—so blind are they to the realities of life in many parts of modern Britain—we see social injustice and economic waste combined in spectacular fashion. On a recent visit to the north-east of England—to Bishop Auckland and the Wear valley—I was astonished to discover that companies seeking to bring work to county Durham—where unemployment rates go up to 20 per cent.—were having to be turned away because there was no money left to build new factories for incoming industry.

I quote from the *Financial Times* of 7 March which said:

"North East England, which has one of the worst unemployment problems in Europe, has run out of factory space for inward investors or existing businesses that want to expand."

The report goes on:

[Mr. Smith]

"A West German company is fighting an English business for the last sizeable factory available in County Durham. Each project would create 100 jobs. Last week another would-be incomer from elsewhere in the UK was told there was no room in Hartlepool, a town where male unemployment is the region's highest at 26·8 per cent. The company is going elsewhere."

The writer reports:

"with the current winding up of the two new towns in the region, Washington and Aycliffe—Peterlee and tight control of local authority spending, responsibility for building advance factories has fallen almost entirely on English Estates North, the Government's commercial property developer. It too is constrained by tight spending limits of £20 million in the current year, all spent, and £13·5 million in 1988-89."

It must be a crazy country in which the Government will not even finance a proper building programme for companies that are competing to occupy factories in areas of high unemployment.

Mr. Nicholas Budgen (Wolverhampton, South-West): Is it not the case that English Estates has been erecting factories at such a low rate of return that the private sector cannot now compete with it? Is it not the case also that English Estates has run out of subsidies from the taxpayer and that, as a result of distorting the market, it has become impossible for anyone to get a factory there?

Mr. Smith: Whatever the hon. Gentleman's analysis of the cause of the problem, the solution is perfectly clear—give some more money to English Estates so that it can build more factories for companies to occupy. Would it not make much more sense to spend the money on building factories than on paying unemployment benefit for people who could work in the factories? Sometimes I wonder when the light will ever dawn on some Conservative Members. However, we will try with patience and determination to bring those economic facts of life constantly to their attention. After the wanton and senseless destruction of regional economic policy, I should not be surprised. Anything can happen in the north of England.

Why have the Government not used the resources in this Budget to start a revival of economic activity in the regions? Why cannot there be development agencies for the English regions as there are for Scotland and Wales, to act as a catalyst for economic regeneration and to harness the talents and assets of those communities—not only for the sake of their own advancement but to contribute to the economic wealth of our nation?

It is increasingly necessary to break down the north-south gap that is dividing this nation. When we see the right hon. Member for Henley (Mr. Heseltine) moving in on a subject, we should adjust our political seismometers carefully. There is something stirring in the Tory undergrowth, and it probably has something to do with the coming leadership struggle in the Conservative party. It is also probably something to do with a recantation of some policy for which the right hon. Gentleman was previously responsible. None the less, he speaks for many when he opposes the urbanisation of large parts of the south of England by the unrestrained operation of market forces in which the Conservative party places such touching faith.

Foreign commentators simply do not understand—this was emphasised to me only the other week by a CSU Minister in Bonn—why any Government would allow such a division of a country to take place and not have a programme of encouraging industry and employment where such a programme is passionately desired, but rather seek to force such a programme on areas where it is bitterly resisted.

Mr. Ian Taylor (Esher): Will the right hon. Gentleman give way?

Mr. John Smith: I am not giving way to the hon. Gentleman.

We could start a programme tomorrow to combat the north-south divide, but it would need the Government to lead it. Regrettably, they would not do so. Let us not hear from them ever again that such a programme cannot be undertaken because the money is unavailable. The money was available but they chose not to spend it.

The Chancellor has turned his back on investing in the country's long-term future in favour of rewarding in the short term his party political supporters of today. It is not that he can be unconcerned about the state of the economy. If there were only a few worries, as he pretends, why has there been the continued, comic farce over who runs the Government's exchange rate policy? Is it the Prime Minister or is it the Chancellor? Some day the Chancellor might tell us. We do not know whether we can rely on what he said in his Budget Statement about exchange rate policy because it has not yet been either contradicted or corroborated by the Prime Minister, who so often chooses to intervene in such matters.

First we were told that there was no dispute and that they were both working in harmony towards the same objectives. Then there was, apparently, what was quoted as a "healthy argument". We heard that the Chancellor's friends were active in the Lobby, stressing one day his anger or irritation, and the next day his resolve or bitterness—even that he was contemplating his personal future in some detail. The truth is that an idiotic Punch and Judy show took place over who runs the shop. From what I read of interest rate policy this morning, it seems that Judy has slaughtered Punch. She may go on beating him, beating him and beating him again—because in the Punch and Judy show that is the present Government, Judy always wins.

It seems that interest rates will not come down, but that means that our economy will be run on the basis of high exchange and high interest rates. How on earth will British industry compete in what will be a very difficult international market place in the years ahead? God forbid that we should return to the follies of 1980-81, when an absurdly overvalued exchange rate helped to eliminate 20 per cent. of British industry within a year or two.

Perhaps it is indelicate of me to refer to those difficult years. In a terse parliamentary answer that the Chancellor gave when he was a junior Minister at the Treasury, when he was asked how the exchange rate was determined he replied with one word—"Markets". He has since changed his mind. It all seems to be different now, unless, of course, one takes the view that one cannot buck the markets. Perhaps it is the Prime Minister who has stayed constant to the true faith and the Chancellor who has slipped behind. I am sure the Chancellor finds those notions unappealing today.

Sir Peter Tapsell (East Lindsey): Is that not rather an artificial argument? Do not markets in fact pay some attention to interest rates?

Mr. Smith: I was trying to work out in as kindly and gentle way as I could who is running the Government's exchange rate policy. That is a little harder to divine than the effect that interest rates have on the market. But as it is an important area of policy, and as it is unclear who in the Government is responsible, the subject is worth inquiry and that gives the Chief Secretary the opportunity to tell the House a little more about that aspect.

The Chancellor spoke yesterday about the management of the economy, but he has failed dismally to take the action that could give it the long-term, supply-side strength. But then, we were told that the Budget was about tax reform. The Chancellor billed himself, rather immodestly, as the tax reformer of the century. How can anyone claim to be a tax reformer when he cuts the top rate of tax from 60 to 40 per cent. but leaves an upper earnings limit for national insurance contributions of £16,000 per year?

We shall have in this country a combined tax and insurance system that will start at 30 per cent., move up to 34 per cent., drop again to 25 per cent. when one reaches £16,000, and then increase again to 40 per cent. Is that supposed to be some kind of logical and cleverly designed, sensibly constructed policy for income tax rates and national insurance contributions?

We know perfectly well why the Chancellor did not reform also national insurance contributions. It was because he did not want to remove the privilege enjoyed by people earning more than £16,000 a year, who do not have to pay anything in excess of the existing national insurance contributions even though the rest of the community earning below that figure has to pay its full whack.

Let us see how the Chancellor scores in terms of being a Budget reformer. There were five major areas of tax abuse that we invited him to tackle because we knew that the vast majority of people in this country pay their tax under the PAYE scheme, where there is not much room for manoeuvre. But there is another group of people — those who pay if they like. They are the people hiding in the tax shelters. The Chancellor says that he has removed some of those shelters. It was about time that he did something about them, in the light of the evidence that we have recently received. But no sooner has one tax loophole been filled than a few others will be found to have been left open.

I refer, for example, to the business expansion scheme. Not much has been done there to close loopholes. There has been no reduction in the amount that individuals can invest. We know that in the case of Park Hotels, for example, the cost was financed almost entirely through the business expansion scheme. We know that all the income from those who lived there came from DHSS benefits, and that the huge increase in the value of the property will be totally free of capital gains tax. Is that the sort of enterprise that should be encouraged and rewarded in Britain?

We know that not only is such activity being allowed to continue but that there are new BES rules for rented accommodation which will provide a huge tax shelter for profiteering landlords. That is happening at the same time new restrictions are being introduced that will shove up the rents for the very people who will inhabit the properties financed by taxpayers through the business expansion scheme.

Why did we hear nothing about bed and breakfasting whereby rich individuals and institutions can wipe out losses for capital gains tax by the device of selling shares in the evening and buying them back the following morning? Why are such artificialities allowed to erode the basis of our taxation system? Why are we not in this Budget plugging these important loopholes? If the Chancellor had done that, he could have earned some credit for being a reforming Chancellor.

But the Chancellor tells us that independent taxation is his marvellous innovation. His plan for independent taxation is basically a con. We shall see not the abolition of the married man's allowance, but, basically, its renaming as the married couple's allowance. We shall not see, except in form alone, the independent taxation of men and women. The clue to it all was given in the cost of £500 million. Why does it cost that sum? Because we stop disaggregating the investment incomes of husbands and wives. It is so that those can be added together that it costs so much.

Capital gains tax is another area of concern again, we find that windfall benefits are given to those who make large increases in capital gains. The *Financial Times* was wise to counsel further consideration of the independent taxation scheme so that we might get a proper system that genuinely respects the privacy and individuality of women —a desirable principle which we should seek to attain.

As we look through the Budget, we find that what is constructed behind a facade of tax reform is a major redistribution of income and wealth through the tax system. The Government took £2,000 million that could have been spent on the Health Service and gave it to the rich. That is why at its core there is a fault in this Budget, a moral fault. It is a massive political miscalculation. The Chancellor has revealed in all its vulgarity and unfairness the Thatcher vision of society, in which unfairness, inequality and injustice march side by side. The decent majority will react to what they have seen in the Budget. It is a Budget too far. It is the beginning of the end of Thatcherism.

4.51 pm

The Chief Secretary to the Treasury (Mr. John Major): Contrary to what the right hon. and learned Member for Monklands, East (Mr. Smith) said, this Budget is about tax reform. Yesterday, my right hon. Friend the Chancellor of the Exchequer introduced a package that cut six rates of income tax to two; that introduced independent taxation for wives; that reformed the taxation of capital gains; and that introduced a single rate of inheritance tax. It represents the most sweeping reform of personal taxes this century and leaves us with no single rate of personal taxation above 40p in the pound. [HON. MEMBERS: "We have heard all this."] Hon. Members are about to hear it again, because it is a good story and I shall keep telling it until they understand it.

The centrepiece of my right hon. Friend's proposals was a promise redeemed: the reduction of the basic rate of income tax to 25p. He has linked that with a comprehensive reform of higher rates. Taxes have been simplified and reduced. The right hon. and learned Gentleman is indignant because he would have preferred to spend more and raise the effective rate of tax. When asked a question by one of my hon. Friends, the right hon. and learned Gentleman responded like one of Pavlov's dogs —"You know the answer: spend more." That is the universal answer of the Labour party: whatever the problem, spend more and to hell with the taxpayer.

Mr. Robert N. Wareing (Liverpool, West Derby): What does the Minister think the rich will do with the money? Will they not spend it?

Mr. Major: The hon. Gentleman may or may not have been part of the football hooligan behaviour yesterday, but if he was, I hope that he will not repeat it today.

The right hon. and learned Gentleman made a different speech from that of his predecessor, the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), who last year claimed that we could afford neither higher spending nor lower taxes. The Opposition saw last year's increase in spending as a pre-election boom which could not be sustained, and they predicted that the Budget's tax reductions would be reversed after the general election. Now they have their answer. Spending is up again and taxes are down again, and the right hon. Member for Sparkbrook has wisely moved on.

The right hon. and learned Member for Monklands, East agrees that his right hon. Friend was wrong on all counts, for his message today is that the economy is so successful that we can afford both to raise spending and to reduce taxes. It is a pity that he has not examined our plans more closely because that is precisely what we have done. We have raised spending by £2·5 billion, allocating an extra £4·5 billion to programmes. The right hon. and learned Gentleman does not appear to have noticed that. We have reduced taxes by £4 billion. The right hon. and learned Gentleman disapproves of that. We are repaying debt of £3 billion into the bargain. The right hon. and learned Gentleman should be shamefaced about that, because it is his party's debts that we are repaying.

Mr. David Winnick (Walsall, North): Has the Minister seen the article in *The Daily Telegraph* today entitled,

"Smiles on the faces of the rich"?

Has he noticed how much some millionaires will gain—from £10,000 to £44,000 a year extra—as a result of the tax reduction? Does he not consider that it is an affront that the richest in the community should gain so much while the National Health Service and other essential services are so desperately in need of cash?

Mr. Major: If the hon. Gentleman had waited a few moments, he would have heard me deal precisely with those important matters because I know that they are of concern to him and the whole House. It is a matter that I shall deal with at some length.

Mr. Kenneth Hind (Lancashire, West): Will my right hon. Friend confirm that, despite all the criticism about the 40 per cent. rate, by increasing the thresholds my right hon. Friend the Chancellor of the Exchequer has taken 750,000 low-paid people out of tax?

Mr. Major: My hon. Friend also anticipates precisely a point to which I shall come.

Mr. Dennis Skinner (Bolsover): He is only a barrister.

Mr. Major: The hon. Gentleman says that my hon. Friend is only a barrister. What he would say to the right hon. and learned Member for Monklands, East, who is a distinguished and learned Queen's Counsel, I have not the faintest idea.

The fact is that my right hon. Friend the Chancellor, for the second successive year, has produced a fiscal hat trick of more spending, lower taxes and less debt. It is a hat trick that no Labour Chancellor could ever have produced.

Mr. Alistair Darling (Edinburgh, Central) *rose*—

Mr. Major: I shall give way in a moment.

I may not admire the Opposition's judgment, but, by golly, I certainly admire the right hon. and learned Gentleman's cheek. After nine years of denouncing the economic policies that have made this Budget possible he now has the brass neck to lecture the House on how he would have used the room for manoeuvre that the Chancellor has obtained. I must tell him that if we had followed the policies he advocated, we would never have had that room for manoeuvre in the first place.

Mr. John Smith: The Treasury is awash with money.

Mr. Major: The right hon. and learned Gentleman says that the Treasury is awash with money. How does he think that happened? I shall tell him. It happened because of the success and growth of the economy. He referred to a short-term boom. That was his expression. Eight successive years of growth and he thinks that it is short-term boom.

Over the past few hours, the right hon. and learned Gentleman has made several claims about the effect of the social security reforms and he touched on that again today. I know that he feels deeply about this and I shall turn to it. Unfortunately, most of the claims made by the right hon. and learned Gentleman were wrong. In cash terms, 88 per cent. of claimants will either receive more benefit or remain unaffected as a result of the reforms on 1 April. That is 7·5 million people, compared with the 1 million people whose benefit will not be increased.

As the right hon. and learned Gentleman knows, there will be full cash protection for the poorest, so that, in April, no one on income support will receive less weekly cash benefit than they receive under supplementary benefit.

Mr. Darling: Will the Chief Secretary explain how a married man with two children, earning £115 a week gross, will lose 32p in benefit as a result of the tax changes? How can he say, therefore, that there will be no loss as a result of both the Chancellor's announcement yesterday and the announcement of the Secretary of State for Social Services earlier this year? Surely the poor are losing while the rich are gaining.

Mr. Major: It is extremely difficult to explain how people can lose when there is cash protection of social security benefits, a substantial reduction in income tax and an increase in the thresholds.

Ms. Marjorie Mowlam (Redcar) *rose*—

Mr. Major: If the hon. Lady listens, she may learn something and I may give way to her later as a reward for her listening.

For most of the vulnerable groups, there are substantial gains. The majority of sick and disabled people will gain from the reforms. Of those, about half will gain £5 a week or more, and 80 per cent. of families not in work will gain. Sixty per cent. of lone parents, many of them divorced, separated or in difficulties, will gain or be unaffected. Well over one quarter of all lone parents will gain by over £5 a week. Despite the right hon. and learned Gentleman's mischief over the social security reforms, that is the fact of the matter.

I wish to add a further fact that the right hon. and learned Member for Monklands, East might not find palatable. The social security reforms add £400 million to public expenditure on benefits in 1988-89 and the social

security programme as a whole will increase by £2 billion next year, on top of the £2 billion added this year. Those are the largest cash increases in any individual programme, and they have been made against a background of falling unemployment.

All those social security benefits directed at the poor and the disabled have been increased in value since 1979. We have targeted extra help specifically where it is needed, so our reforms provide more help for the sick and disabled, poor families and lone parents. It is against that background, not the mischief perpetrated by the right hon. and learned Gentleman, that we must see the Budget.

Mr. Nigel Griffiths (Edinburgh, South): Will the Chief Secretary admit that over 300,000 pensioners on housing benefit will lose their benefit entitlement altogether because they have £6,000 or more in savings and that there will be no transitional protection?

Mr. Major: The hon. Gentleman must understand that the cut-off point for other benefits, which he expressly failed to mention, was moved from £3,000 to £6,000 and that one in three households is at present receiving housing benefit. There is far more assistance under housing benefit now than there has ever been.

Opposition Members who are clearly not interested in hearing rational debate, have been inventive in finding reasons for opposing tax cuts. Some of them have claimed that cutting taxes will damage the balance of payments. The right hon. and learned Gentleman said that we should have used the money to boost what he calls investment. The hon. Member for Berwick-upon-Tweed (Mr. Beith) has formed a new Lib-Lab alliance on that point with the right hon. and learned Gentleman, but their concerns about investment are misplaced. As the forecast published yesterday shows, investment is expected to rise by 9 per cent. in 1988, not because we are pumping taxpayers' money into industries to which the market will not lend, but because our policies have created an environment in which businesses have the resources and confidence to invest and they are doing so.

I understand the right hon. and learned Gentleman's concerns about that, because memories of short-term balance of payments crises are seared into the collective conscience of all those, including the right hon. and learned Gentleman, who had the misfortune to serve in Labour Cabinets or in Lib-Lab alliances with the then Labour Government. The deficits run up by the Labour Government of up to 4 per cent. of GDP were four times as large as the prospective deficit that my right hon. Friend has forecast for 1988. The income from our huge stock of overseas assets should mean that there will be no problem in financing that deficit.

It is hardly surprising that we should have a current account deficit when growth in the United Kingdom economy is far stronger than that of most of our trading partners. During our period of office we have had a cumulative balance of payments surplus of almost £20 billion; all Labour ever had were deficits. The right hon. and learned Gentleman is seeking a return to the bad old days of short-term demand management, of so-called tinkering and fine tuning.

Mr. Stuart Holland (Vauxhall) *rose*

Mr. Deputy Speaker: Order. I understand that the hon. Member for Vauxhall (Mr. Holland) will be seeking to catch my eye later. Perhaps he will save his speech for then.

Mr. Major: I doubt whether the hon. Gentleman's speech will improve with the keeping.

Our approach is different. We set fiscal policy in a medium-term context. That medium-term approach has rescued our finances from the batterings of five years of Labour government. Frankly, it is a colossal cheek for the right hon. and learned Gentleman, as a member of the party that wrecked our economy, to criticise the Government who have rebuilt it.

The right hon. and learned Gentleman told us a great deal today about the National Health Service. He also told us how the right hon. Member for Leeds, East (Mr. Healey) increased spending on the NHS in one of his Budgets. That is quite right—I believe that it was the 1978 Budget. However, the right hon. and learned Gentleman did not tell us how that right hon. Member for Leeds, East cut the capital programme by one third in 1976 because the country was almost bankrupt.

The Labour party's view of the NHS is simplistic. Labour Members are utterly clear about what needs to be done and they would happily admit it. They say quite simply, "Give the National Health Service more money." [HON. MEMBERS: "Hear, hear."] Opposition Members say, "Hear, hear," but that fragile consensus in the Labour party begins to break down on the question of how much more. The hon. Member for Peckham (Ms. Harman) suggested £200 million. The Leader of the Opposition, the right hon. Member for Islwyn (Mr. Kinnock), upped that to £1·3 billion. The right hon. and learned Gentleman now pitches his demand between £1·7 billion and £2 billion. So it is accelerating.

Mr. Skinner: Tell us what the Government have given.

Mr. Major: I shall tell the hon. Gentleman precisely what we have given—an extra £1 billion this year, an extra £1 billion next year and an extra £1 billion in the following year, the largest increases that the NHS has seen. On top of that, there is the product of the cost improvement programmes, the income generation schemes and the increased efficiency. We have produced that money.

Mr. A. J. Beith (Berwick-upon-Tweed): Does the Chief Secretary think it reasonable to compare that figure with the 8 per cent. rise in prescription charges? Does he agree that it must be deflated to conform to the rate of inflation in the Health Service, expressed in the Government's increase in prescription charges?

Mr. Major: The hon. Gentleman neglects to mention the fact that those resources feed into the National Health Service to help increase resources for patient care. The hon. Gentleman and I must both pay prescription charges, but the vulnerable do not pay prescription charges. That is why the hon. Gentleman and I pay an increase greater than the rate of inflation. I should have thought that he would have found that acceptable. We are providing that money to the National Health Service because we care about the NHS at least as much as the Labour party does. We care about its efficiency as well as the resources that are put into it.

Mr. Dafydd Wigley (Caernarfon): The Chief Secretary said that there may be £1 billion next year and £1 billion the following year for health, if needed. If the review of the Health Service shows, as has been suggested by representatives of the royal colleges, that there is a need

[Mr. Dafydd Wigley]

for some £2 billion, will he confirm that he has that money in his contingency reserve and that he can make it available without disrupting his Budget strategy?

Mr. Major: There are two aspects to the important point that the hon. Gentleman has just raised. What I said about an extra £1 billion was not that I will provide an extra £1 billion next year, but that I have already provided it, docketed it, annotated it and put it in the accounts for next year and for the year after. That money is already provided in the accounts. We shall review the question of mainstream funding for the National Health Service again in the next public expenditure round.

On the hon. Gentleman's other point, which clearly relates to the nurses' pay review body, we have made it absolutely clear that we expect to receive the report in April. We will consider the report speedily and make our decision on it speedily. The House and the health authorities will know our decision on it, and the extent to which we may be able to assist in its funding, before the end of April. We shall deal with that matter speedily, but I can go no further than that today.

I should like to make another point absolutely clear so that there is no doubt among Opposition Members. Despite the scaremongering in which Opposition Members indulge so frequently, I reaffirm to the House yet again that the principle of access to medical care irrespective of ability to pay is not at risk now, is not at risk in the review and will not be at risk at any stage in the future.

Mr. Sam Galbraith (Strathkelvin and Bearsden) *rose*—

Mr. Major: I should like to make a further point about the National Health Service. The right hon. and learned Member for Monklands, East and his hon. Friends have talked at some length in recent months about the position of the nurses. I remind the right hon. and learned Gentleman that a typical nurse would be paying over £40 per month more in income tax if we had stuck with the income tax regime that the right hon. and learned Gentleman supported; nor would that nurse have had a review body on pay, because that too was a Conservative initiative.

I said a few moments ago that this Budget is about tax reform and tax reduction. I believe that the case for both is overwhelming on economic grounds, on fiscal grounds and on practical grounds.

Mr. Anthony Beaumont-Dark (Birmingham, Selly Oak): Before my right hon. Friend leaves the subject of the Health Service, he said that patients' access to the National Health Service is not at risk. Can he explain why hospital wards and, indeed, some hospitals are being closed because they do not have sufficient money? Does that mean that if access is at risk the extra funds will be found?

Mr. Major: My hon. Friend is being uncharacteristically mischievous. The principle that I enunciated was that access to medical care, irrespective of ability to pay, is not at risk. I reaffirm that principle, and events will show it to be justified.

The reductions in tax rates in this Budget reduce the marginal rates faced by over 99 per cent. of taxpayers. Allowances have been raised by precisely twice the amount needed for indexation, which especially helps those on modest incomes. As a result of the changes made by my right hon. Friend, personal allowances are now over 25 per cent. higher in real terms than they were in 1978-79.

Taken together, the reduced tax rate and the increased allowances mean that the married man on average earnings will find himself better off by about £5 a week as a result of this Budget. That is equivalent on its own to a pay increase of £370 a year and means that a pay rise of less than 2 per cent this year would maintain living standards. Anything higher would materially raise them.

Mr. Ian Gow (Eastbourne): As nurses and others outside are listening carefully to what my right hon. Friend is saying about cuts in direct taxation, will he give way to the Shadow Chancellor so that he can tell the House and the nurses by how much he would diminish the tax thresholds and what the standard rate of tax would be if he became Chancellor?

Mr. Major: I am always exceedingly happy to accommodate my hon. Friend and, of course, the right hon. and learned Gentleman, if he wishes to rise in his place to respond to that attractive invitation, but he shows no inclination to do so.

Mr. Galbraith *rose*—

Mr. Major: Yes, I shall certainly give way to a surgeon.

Mr Galbraith: I was interested in what the Chief Secretary said about access to care being free at the time of need. Can he give us a guarantee that in the review there will be absolutely no charges applied in the National Health Service for access to general practitioners or to anyone else? Can he also tell us how that equates with the Government's new policy of charging for dental checks and eye examinations? How does that equate with free access at the time of need?

Mr. Major: The hon. Gentleman will have to wait on all those matters, which will be the result of the review. One thing that I might usefully say to the hon. Gentleman, who I understand, is a surgeon—[HON. MEMBERS: "A brain surgeon."] Yes, I understand that he is a brain surgeon. I am pleased to hear that. I have something to say to the hon. Gentleman, with which he may agree. He will recall that some years ago, towards the end of the 1970s, many of his colleagues, who were distinguished surgeons, were leaving the country to go abroad to Canada, America, New Zealand and elsewhere, precisely because of the rate of taxation and their small net incomes. Changing the upper tax rates will stop that drain, which will materially help the National Health Service.

Mr. Galbraith: The right hon. Gentleman is quite wrong. What stopped my colleagues going to places such as Canada was that Canada refused to let them in. It has absolutely nothing to do with income tax rates.

Mr. Major: I am not sure that the hon. Gentleman does not add to my point rather than detract from it, as he sought to do.

The point about a low tax environment— *[Interruption.]* If the right hon. and learned Member for Monklands, East wished to intervene, he had his opportunity a moment ago.

Moreover, a low tax environment helps create new jobs—genuine jobs that are not for ever dependent on state expenditure or subsidy year after year, with the consequent

high taxation, but not a word of that found its way into the right hon. and learned Gentleman's speech. The Labour party claims that it wishes to improve living standards. If that is true, how ironic that Opposition Members invariably seek to do so by supporting high wage claims that cost jobs, and opposing tax cuts that help create them.

The right hon. and learned Gentleman disliked the reduction in basic rate tax, but he was positively apoplectic at the reductions in upper rates, as were many of his hon. Friends, despite the fact that anyone who cares to examine the matter knows that low tax economies work better than high tax economies.

The right hon. and learned Gentleman also referred, in an entirely class-conscious way, to what he refers to as "the rich". Let us examine who the gainers predominantly may be from the tax changes that my right hon. Friend has made. Of those gaining from the abolition of the higher rates above 40 per cent., about two thirds have incomes that are not in the "super rich" category but are under £40,000—less than that of, for example, the Leader of the Opposition. They include scientists, surgeons, doctors, engineers—they are the meritocracy, not the outstandingly rich or the privileged. It is those people we wish to help, for whom we wish to provide incentives and whom we wish to keep in this country.

Mr. Tam Dalyell (Linlithgow): The right hon. Gentleman has just mentioned scientists. How does he deal with the worry of the Royal Society that about 10 per cent. of its members are going abroad and that the drain of top scientists from this country is something that should worry us all?

Mr. Major: The hon. Gentleman, representing the aristocracy, makes the point clearly. It is precisely because we want to keep those people, who are so valuable to this country, that we are seeking to change the tax rates to give them greater rewards so that they will stay here.

Mr. Galbraith: Will the right hon. Gentleman give way?

Mr. Major: I have given way twice to the hon. Gentleman, and that was once too many.

On the subject of redistribution, the other point that is clear to all except the Opposition is that, since 1979, the real revenues paid by the top 5 per cent. of taxpayers have risen by a third and those paid by the other 95 per cent. have been reduced. That is what has happened up to and including my right hon. Friend's changes of yesterday. But the Opposition's stance is admirably clear. They believe in high taxation, not because it raises more revenue—it does not—or because it improves the quality of public services—it does not—or because it leads to economic success—it does not. They believe in high taxes for their own sake, whatever the damage to the economy.

Mr. John Smith: Will the Chief Secretary explain why the Government maintain the upper limit on national insurance contributions? Why is it right for a person earning £18,000 a year to pay less by way of tax and national insurance contributions than someone on £16,000?

Mr. Major: It is enlightening that the right hon. and learned Gentleman should ask that question, because the Labour party spent the first two weeks of the last general election campaign denying that it was going to lift the upper earnings limit on national insurance contributions. So it is interesting that the right hon. and learned Gentleman now places on record the fact that the Opposition will lift the upper earnings limit on national insurance and carry national insurance charges right through the scale. If that is their policy, everyone earning more than £15,800 a year will be losers, and I hope he will accept that that is now the Labour party's position.

The Government last cut the top rate of tax in 1979. Despite that, the top 5 per cent. of taxpayers now contribute 29 per cent. of income tax revenues, compared with the 24 per cent. they contributed when they were subject to the right hon. and learned Gentleman's penal rates.

That trend mirrors what happened after my right hon. Friend reformed corporate taxes two or three Budgets ago. Companies now contribute a higher proportion to our revenues than when they were subject to higher rates. They are also investing in and moving to this country, rather than disinvesting from and leaving it. That is the other advantage of lower tax rates. They are doing that partly because we have one of the lowest corporation tax rates in the industrialised world.

Reducing tax rates is not merely a bizarre fetish of this Government——

Ms. Hilary Armstrong (Durham, North-West): The Chancellor told us yesterday that no one would pay more than 40 per cent. tax. Had he forgotten about the 500,000 people whose marginal tax rate, after yesterday, will be between 70 and 90 per cent.—the group included in what we call the poverty trap? Will the Chief Secretary tell us what he will do to take those people out of that marginal tax rate?

Mr. Major: My right hon. Friend specifically said that no one will face a personal tax rate in excess of 40 per cent. The underlying point that the hon. Lady made is one to which there is no solution, as successive Governments have found. The more benefits we provide, the worse the poverty trap becomes for many people. If there were a solution, I would have taken it when I was a Minister in the DHSS. I could not find one. If the hon. Lady will offer me one, I shall willingly take it to my right hon. Friend the Secretary of State for Social Services.

Mr. Robin Cook (Livingston): May I offer the Minister an immediate solution: not to proceed with the changes on 11 April, which will double the number of families who are subject to a deduction rate in excess of 70 per cent.? How does he justify that doubling when the top 5 per cent. have a cut of a third in their tax rate?

Mr. Major: First, I suspect that the hon. Gentleman's numbers are wrong. Secondly, he will know that, before the social security reforms, it was quite possible to have a marginal tax rate of well over 100 per cent. We have lessened that poverty and employment trap substantially with the changes that we have made. If more people are now in the trap, that is entirely a result of increasing levels of benefits, as the hon. Gentleman knows.

As I said, reducing high tax rates, with which the Opposition disagree, is not merely a fetish of this Government. The Socialist Government in India and the Labour Governments in Australia and New Zealand are all cutting taxes substantially.

Mr. Holland: Not in Germany.

Mr. Major: They are doing so because it has been accepted by those in government, Socialist and non-Socialist alike, that high tax rates are inefficient for raising revenue, and damaging to the economy. Only the British Labour party, excluded from power for so long, does not recognise that. Until it does, it will stay where it deserves to be — in opposition and out of government.

Penal tax rates do not encourage effort, risk-taking or wealth creation. They only encourage tax avoidance, tax evasion and emigration.

Dr. Jeremy Bray (Motherwell, South) *rose*—

Mr. Major: I have given way enough.

"Lower marginal tax rates will reward effort and enterprise, and give an incentive to invest in productive areas of the economy."

Does the right hon. and learned Member for Monklands, East agree with that? Was he listening to it, and would he understand it if he was? Probably, the answer is no, but those were the words of the New Zealand Labour Finance Minister, when he announced a reduction in the top rate of tax from 66 per cent. to 48 per cent. He was right, we are right, and the right hon. and learned Gentleman was wrong.

Dr. Bray *rose*—

Mr. Major: I shall not give way.

We cannot insulate ourselves from the worldwide trends towards lower tax rates. We cannot hope to keep the best talents in this country — the best entrepreneurs, surgeons, electricians and scientists — if the price of their success is 60p in the pound here as against 28 cents in the dollar in the United States, 29 cents in Canada, 49 cents in Australia and 48 cents in New Zealand. That is why it was right to cut tax rates in the Budget. Opposition Members who disagree with that must explain to the sick and unemployed why they want to cling to a tax regime that offers low rewards to those who can most help them and encourages such people to seek rewards overseas.

The right hon. and learned Member for Monklands, East had a lot to say about our policies but was shifty about his — in so far as he has any. He knows what he is against, but I am not sure that he will tell anyone what he is for — if he knows. It is clear that the Opposition would reverse many, if not all, of these tax reductions. We now know that they would abolish the upper earnings limit on national insurance, thereby severely damaging anyone earning more than £15,000 a year. We know what they tried and failed to hide during the general election — that they would abolish the married man's tax allowance and reduce the income of 6 million households. They tried and failed to conceal that, and lost the election because of it.

If the right hon. and learned Gentleman wants to be credible, he needs to do more than merely carp at us. He needs a policy of his own, but he and his party lack one. If they have one, will he tell us — he failed to do so — whether the Opposition will reverse the reduction in the basic rate of tax in the Budget? Will they reverse the threshold increases? Do they still hold to moving tax up to 29p in the pound, which was their general election position? I am happy to give way to the right hon. and learned Gentleman on that. Answer comes there none. [HON. MEMBERS. "Answer!"] This is perhaps the first time in the whole debate that the right hon. and learned Gentleman has been silent. So perhaps at least we can be grateful for that.

But there is one area where the right hon. and learned Gentleman and I might conceivably agree and that is that there is a converse to lower tax rates. If it is not right to have penal tax rates then neither can it be right to have many special reliefs which the better off can exploit to reduce, or even eliminate, their tax bills. The great majority of wage and salary earners, with modest investment incomes, including small private shareholdings, do not really have the option of exploiting tax shelters.

Most of those on higher incomes pay their taxes in full as well. But, for a small minority — a very small minority — the present tax system means that, while the nominal tax rates for which they are liable is high, the actual tax rates they pay can be very low. That can, of course, be wholly within the law, but it is also wholly unfair. Far too many people have been able to avoid far too much tax by utilising tax shelters. I agree with the right hon. and learned Gentleman: I believe in low taxes. But I also believe those taxes should be paid.

But tax avoidance on a large scale is an inevitable consequence of a tax regime which gives the highly-paid and the better-off incentives to invest in tax planning. That point has been very well put by others:

"It would be stupid not to recognise the lesson of recent history; taxpayers just will not pay ridiculously high marginal tax rates. The system invites abuse if it attempts to impose such a burden."

Not my words, but those of Paul Keating, Labour Treasurer in Australia in the 1985 Budget. He recognised the basic truth that tax shelters are the product of punitive tax rates. It is right that, in a Budget where we are bringing tax rates down, we should take measures that start to remove those shelters.

Nor should the amount of tax paid depend on how one is paid — whether in cash or through a benefit in kind. Therefore, in this Budget we are tackling the most criticised tax shelter — the present tax regime for forestry — and the most widespread perk — the company car. Both these measures will make a significant contribution.

Mr. Skinner: What about Ministers' cars?

Mr. Major: I hope that the hon. Gentleman does not lose his company car if he has one.

Mr. Skinner: I have no company car. I have a bike with 531 tubing.

Mr. Major: As my right hon. Friend the Member for Shropshire, North (Mr. Biffen), the former Leader of the House, once remarked, we grammar school boys must stick together.

Both these measures will make a significant contribution to making the impact of the tax system fairer. But a real assault on tax shelters is possible only in an environment which does not encourage them to flourish — and that is a low tax environment.

My right hon. Friend's significant reforms have not been confined to income tax alone. He has overhauled the tax treatment of capital gains, ended the injustice of taxing notional pre-1982 gains and reduced the distortion of taxing a higher rate taxpayer's gains at 30 per cent. but the same taxpayer's income at 40 per cent. He has announced a drastic restructuring of inheritance tax. The four rates of tax have been reduced to one single rate and the threshold has been increased. As a result, 20,000 more estates, most

of them people with modest home ownership values, will pay no tax at all next year. My right hon. Friend the Financial Secretary to the Treasury and my hon. Friend the Economic Secretary will expand on these changes later in the debate.

All these reforms mean that there will be no personal tax rate higher than 40 per cent. in the system. This is a total transformation from the days of 98 per cent. marginal rates on investment income, 83 per cent. on earned income and 75 per cent on capital transfers. Those days are gone—and gone for good.

These measures alone would represent a catalogue of substantial reform. But there is one other area I must single out, and that is the reform of the tax treatment of married women. Frankly, the present system is utterly outdated and widely accepted as such. But while there has been a long-standing clamour for some reform, there have been differing views on what reform there should be and the result has been the perpetuation for too long of an unacceptable status quo.

The proposals that my right hon. Friend announced yesterday will end, at long last, the present unfair and widely resented tax regime for married women, and remove absurd and unjustifiable penalties on marriage from our tax system. They will provide the privacy and independence that women have long sought. They have been widely — until today, almost universally — welcomed.

In all this there is one dissentient voice, that of the right hon. and learned Gentleman. Perhaps Labour's attitude is best summed up by the fact that, when he chose to unveil his Budget thoughts, there was not one word about the tax treatment of women in an article of 1,500 words—and this was not to the *Financial Times*, not to *The Economist*, nor even to the *New Statesman*—but to *Woman's Own*.

Ms. Mowlam: I thank the Minister for giving way. If he is so keen to help women, could he please explain why it is possible under the Budget to park one's car with tax relief but not to park one's children in creches with tax relief?

Mr. Major: I am not sure that most people would refer to "parking" their children in quite that fashion, but I hope that the hon. Lady, whatever other reservations she may have, will welcome the changes to independence and privacy in taxation for women in this Budget, which most people have welcomed.

Contrary to the impression the right hon. and learned Gentleman sought to give, these reforms and reductions in tax rates have not been bought at the expense of fiscal prudence, for the remarkable fact is that the strength of the economy is such that we are able to reduce taxes by £4 billion and plan to repay £3 billion of debt next year. And for future years our strategy will be based on a zero public sector borrowing requirement — a balanced budget, something that many of us have long sought and greatly welcome, now that my right hon. Friend has achieved it. That, for most of us, is a welcome development, and we hope to sustain it permanently.

In many ways, this is a landmark Budget, because we have been able to re-draw the tax system. We have radically simplified personal taxation; we have the lowest basic rate since the second world war and the lowest top rate since the first world war; and we have transformed the tax treatment of married women. It is a landmark because we have done all this on top of substantial increases in spending on priority public services and we have planned a Budget surplus for next year.

That has been made possible only by the dramatic improvement in the performance of the economy since 1979. That improvement is possible only as a result of the policies of my right hon. Friend the Chancellor of the Exchequer and his predecessor over the past eight years. Without those policies, this Budget and these tax reductions would not have been possible. This Budget will give a further impetus to those policies of improvement in the economy. My right hon. Friend has delivered a Budget that is a product of past success and the foundation of future success. It is an historic Budget, and I commend it to the House.

Several Hon. Members *rose*

Mr. Deputy Speaker (Mr. Harold Walker): Order. I must remind the House of Mr. Speaker's earlier appeal for brief speeches.

5.37 pm

Mr. Bruce Millan (Glasgow, Govan): The Chief Secretary has done his best to defend yesterday's Budget but he has not made much of a job of it and I am not really surprised, because this a Budget which is indefensible where justice, fairness and morality are concerned. I have listened to many Budgets in the House but have never before felt the sense of outrage that I felt yesterday in listening to the latter part of the Chancellor's speech and the announcement that he made then about the reductions in the higher rates of taxation, in particular.

I find it nauseating to see hon. Gentlemen on the Government Benches, all of whom will do well out of this Budget, and some of whom who will do extremely well out of it, waving their Order Papers in the air, when in the past few weeks the same hon. Gentlemen have voted for the social fund—an attack on the poorest members in our community — voted to freeze child benefit, voted to reduce housing benefit, voted for attacks on the unemployed and, of course, voted for the iniquities of the poll tax as well.

Anticipating what the Chancellor was likely to say yesterday, I had the perhaps naive feeling that he would cover his tax reductions for the better off with a figleaf of additional expenditure on the National Health Service. I had not appreciated the depths of cynicism to which the Government have now sunk. Not a penny is to go to the NHS. Yet it is agreed by all who have examined the matter that there is a real and major crisis in the Health Service. That is the finding of studies by the British Medical Association, the Royal College of Nursing and the all-party Select Committee on Social Services.

That Committee recommended, very modestly, that at least £1 billion should be put into the NHS over the next two years in addition to the figures in the White Paper on public expenditure to make up even a part of the £1·9 billion by which the NHS had been underfunded during the past few years. In all the polls held before the Budget, public opinion made the NHS its top priority.

The excuse cannot be given this year that no money is available. Plenty of money is available, but it has been devoted overwhelmingly to the better-off. It is a scandal that £2 billion of that in a full year is paying for the elimination of the higher rate of tax, above 40 per cent.

[Mr. Bruce Millan]

The money, or even half of it, could have been spent on improving the NHS and other aspects of the social services, and on more general improvements.

The Chief Secretary pretended that there was a direct correlation between the highest rates of income taxation and economic performance. That is an odd view, as we see by comparing the economic performances of Japan and the United States in recent years. The top rate of taxation in Japan is 60 per cent., while in the United States it is only 33 per cent. There is no such correlation. Similarly, there is no proven correlation between reductions in the higher rates of taxation and increasing effort on the part of those who benefit.

It is odd that those at the top end of the income range should be provided with incentives through the reduction of their taxation burden, while the poorer sections of the community are provided with incentives by being screwed down even further. But that has been part of the Government's policy over the past few years. High tax rates may encourage excessive salaries. Some grotesque salaries have been paid to directors and, in some instances, to completely useless people in the City of London. It will be interesting to see whether, having received all these concessions, they will volunteer reductions in their salaries, but I do not believe that they will. We are simply giving large sums to the least deserving members of the community.

I have always entertained a certain scepticism about the independence of taxation for women, believing that to move to a completely independent system without doing an injustice to some members of the community — sometimes deserving — would be a very difficult task. The general argument for independent taxation of women was that it was a redistribution to make the whole system fairer. The typical Opposition proposal was that the abolition of the married man's allowance would make possible considerable increases in child benefit. The Chancellor, however, has done exactly the opposite. On the one hand, child benefit has been frozen. On the other, the proposals will overwhelmingly benefit the better-off.

The present wife's earned income allowance has been converted to a wife's income allowance, earned or unearned, and the disaggregation of investment income is also proposed. The proposals will make no difference to the vast majority of couples who have no income other than earned income, with husband and wife both earning. Certain earners will experience a marginal difference, but on the whole they will be those who are already on high incomes and paying the higher rates of taxation.

It is the disaggregation of unearned income that will have the impact. The husband's unearned income, such as investments, will be switched to the wife. For unearned as well as earned income, separate higher rate thresholds are being created. For those at the top end of a total income scale, the threshold for higher rates of tax has been effectively doubled. The benefits to the rich of such so-called reform of the taxation of married couples are potentially immense. The £500 million, or whatever will be the cost of the reform, will go overwhelmingly to the rich.

The position is even worse than that. It has not been sufficiently noted that one part of the reform will provide for the business expansion scheme to be dealt with independently for husband and wife, so that the £40,000 investment allowed under the present arrangements will be increased for the very rich taxpayers to £80,000 a year. That is a massive benefit. The Chief Secretary talked about plugging loopholes, but the business expansion scheme has already been diverted into all sorts of activities that most of us would consider at best neutral, and in many cases positively harmful, for the economy as a whole.

Mr. David Shaw (Dover) *rose*——

Mr. Millan: I shall not give way, because I have been asked to be brief.

That loophole will be doubled, with immense loss to the Revenue, when the scheme is introduced in 1990. The only change announced yesterday is that the business expansion scheme will be extended to let properties. The deregulation of rents is an invitation to Rachmanism. If hon. Members do not believe that Rachmanism still exists, they should visit my constituency, where only last week a landlord — a Mr. Solomons — was sentenced to four years' imprisonment for harassing and intimidating tenants and defrauding the DHSS. He did that by using loopholes that had been repeatedly drawn to the Government's attention, but which they steadfastly refused to block.

The Budget does nothing for the economy. We have a serious problem with manufacturing and an increasingly serious problem with the balance of payments. That problem will get worse for many reasons and in particular as a result of the impact of the elimination of all kinds of barriers in the Common Market in 1992. That change fills me with considerable dismay, especially when we consider that British industry is less well prepared than other Community member industries for that reform.

The Budget also does absolutely nothing for the unemployed. I consider it shameful that the Chancellor has boasted about his economic success when there is still a massive number of unemployed people in this country. In my constituency of Govan, on the official count — those figures are, of course, massaged beyond recognition — I still have a total of 18·1 per cent. unemployed. Male unemployment is a good deal higher. If that rate was calculated in the old way, unemployment in my constituency would be 21·8 per cent. and the male unemployment rate would be considerably higher.

The relative position of Scotland in the unemployment league has deteriorated recently for many reasons and Scotland now has the second worst unemployment rate in the United Kingdom after the north of England. The situation continues to deteriorate.

Within recent weeks, the Government have produced a reform of regional policy which will do immense damage to areas such as Scotland and areas of England that have depended upon such regional development grants in the past. Every study that has been made of the proposals in the Regional Development Grants (Termination) Bill has come to the same conclusion — that there is no way in which the new scheme will produce the same kind of benefits for the regions as the old one. All this is happening against a background of continuing serious problems in areas such as Scotland and a continuing deterioration in standards as a result of the employment gap between the north and the south. The south-east unemployment rate is only half of the unemployment rate in Scotland.

Yesterday was an opportunity to do something to remedy the disasters that are occurring in so many parts of our country. It was an opportunity to bring the nation together. Instead, the Budget will divide the nation even

further. It is a Budget for the rich and against the interests of the poor and it will lead to an increasingly divided and bitter nation.

5.51 pm

Sir Ian Gilmour (Chesham and Amersham): My right hon. Friend the Chief Secretary of the Treasury made an able defence of the Budget.

Everyone on the Conservative Benches has every reason to be grateful to my right hon. Friend the Chancellor because I doubt that any party has ever gone into a general election with every economic indicator bearing such favourable interpretations. As a result, all our majorities happily benefited from the Chancellor's exploits. Furthermore, as my right hon. Friend pointed out yesterday, last year's Budget was not an electoral bonanza that had to be reversed—such prophecies have proved false—and he has been able to repeat the mixture this year.

My right hon. Friend deserves considerable congratulations for the growth rate of 4·5 per cent. and the consequent fall in unemployment. In contrast to the unemployment rate of 18·1 per cent. that is found in the constituency of the right hon. Member for Govan (Mr. Millan), the unemployment rate in my constituency is 2·1 per cent. By any standard that percentage represents full employment. Furthermore, the growth has been achieved without a sharp increase in inflation.

Many of the Chancellor's tax reforms will be beneficial. However, I am bound to say that I believe that it is more than a little insensitive to hand out quite so much money to the rich—also to the not-so-rich, as my right hon. Friend the Chief Secretary pointed out—especially at a time when next month, quite a lot of people will find their social benefits markedly reduced. I find the refusal to uprate child benefit even more unforgivable than I found it last autumn. I still find it regrettable that, despite my right hon. Friend's reassuring remarks this afternoon, the Chancellor did not provide more money for the Health Service, which plainly needs that money. The Government are taking some unwarrantable social risks.

Nevertheless, undoubtedly my right hon. Friend the Chancellor has been an extremely successful Chancellor. I do not wish to concentrate on his taxation proposals, but on something that he said yesterday afternoon:

"The plain fact is that the British economy has been transformed. Prudent financial policies have given business and industry the confidence to expand, while supply side reforms have progressively removed the barriers to enterprise."—[*Official Report*, 15 March 1988; Vol. 129, c. 995.]

The claim of transformation is a high one, and if it is justified we can all stop worrying about the British economy and start worrying about something else—a number of other candidates spring to mind. My right hon. Friend's claim deserves examination. If one looks back just a few years it may have some substance, but I am sure my right hon. Friend will agree that it cannot be substantiated if we go back and consider the entire period since 1979. During that period, Britain's average growth rate—even including the boost from oil—has been 1·8 per cent. which is lower than in any other eight-year period prior to 1979.

There has, of course, been an extremely promising increase in productivity in manufacturing, but that is not of great use unless it leads to an improvement in our ability to compete at home and abroad and therefore to an increase in production. Unfortunately, that has not yet happened. Some good figures were published yesterday, but production in manufactured goods is still not much higher than it was in 1979, while imports of manufactured goods have nearly doubled.

The claim of transformation must relate to a shorter and more recent period. Certainly in the period 1985-87 the growth rate has been much better—it has been a highly respectable rate of nearly 4 per cent. If the Government's claim is true, that rate of growth or something like it will be sustained and this latest recovery will be different from all previous recoveries when the go ended with a stop.

The last time that we had a two-year growth period as large as the 1985-87 growth period was in 1971-73 during the Government led by my right hon. Friend the Member for Bexley and Old Sidcup (Mr. Heath) of which I had the honour to be a member. The conduct of economic policy during that period has rightly or wrongly come in for a great deal of criticism. Unemployment was reduced to a mere half a million—2·3 per cent.—but the hostile view, which has been widely expressed, is that real jobs were not created at that time and that the profligate use of monetary and fiscal policy first caused an inflationary crisis and then led to an extremely large increase in unemployment.

It may be instructive therefore to compare 1985-87 with 1971-73. Certainly, those who oppose, in retrospect, the policies adopted in 1971-73 will want to make absolutely sure that we have not just got another consumption boom on our hands that is doomed, in common with all the others, to end with adverse consequences for inflation and employment. The policy stance in 1985-87, in common with 1971-73, has been strongly expansionary. Money supply—I do not know whether one is allowed to use such a phrase any more—

Mr. Giles Radice (Durham, North): It is out of fashion.

Sir Ian Gilmour: It certainly is. Money supply has risen by nearly 50 per cent. in the past two years, compared with just over 61 per cent. in the earlier period. If we measure the real money supply, correcting the figures for inflation, it turns out that there is no significant difference between the two periods.

I have mentioned money supply not because it has any significant connection with inflation—that notion has been mercifully discredited—but because it is the counterpart of a huge rise in personal borrowing and a sharp fall in personal savings.

There seems to me no doubt that fiscal policy, if properly measured, has also been expansionary, and in itself I greatly welcome that. The movement of the public sector borrowing requirement provides no guide because—as we know—it includes asset sales and the handing out of capital gains which happens nearly every time, although not, the last one. The PSBR works in the opposite direction to what it is said to do in the public accounts; it adds to, not subtracts from, personal consumption.

Quite apart from the Government's privatisation programme, the fiscal stance, properly measured, has been expansionary. Even the so-called financial deficit is an ambiguous guide to the stance of fiscal policy, because that also seems to have been reduced by sales of existing assets. So far as I can see, the figure for the financial deficit is struck after deducting sales of houses by local councils and

[Sir Ian Gilmour]

new towns, and apparently it was worth £4 billion in 1987-88. Those sales by a convention seem to be treated in the accounts as negative public expenditure, although they do not reduce demand at all.

The fact that fiscal policy has been expansionary is not belied by the fact that revenue is so buoyant. No more than in Rab Butler's notorious first Budget in 1955 is buoyancy to be taken as evidence of fiscal prudence. Revenue receipts have been buoyant because loan-financed expenditure has risen and personal savings have fallen. The buoyancy therefore denotes the effect of the economy on the Budget rather than the effect of the Budget on the economy.

The structure of demand was not exactly the same in 1985-87 as in the earlier period, but it was broadly similar. While investment and Government consumption rose less in 1985-87 than in 1971-73, the 5·5 per cent. growth in personal consumption was almost exactly the same, and accounted for a larger proportion of the total expansion — two thirds in 1985-87, compared with one half in 1971-73. The recent rise in personal consumption has been far larger than in any of the go periods. The expansionary stance of fiscal policy is confirmed by the Chancellor's expectation that consumption will rise another 4 per cent. this year, making gross consumption over the period 1985-88 the largest on record.

The conclusion, therefore, must be that the expansions of 1971-73 and 1985-87 are broadly similar. I do not know whether the conclusion is more palatable to my right hon. Friend the Chancellor or to my right hon. Friend the Member for Old Bexley and Sidcup. My right hon. Friend the Member for Old Bexley and Sidcup had the bad luck to be hit by a fourfold increase in oil prices but, thank goodness, that will not happen today.

The recent excessive growth in consumption has generated an inevitable deterioration in the balance of payments from a surplus of £3·2 billion in 1985 to a deficit of £1·7 billion in 1987, which, according to the Chancellor's figures, will this year rise to £4 billion.

A few years ago, the Government kept saying that they were laying the foundations for a greatly improved economy and for an economic policy that was quite different from the failures of the past. It seemed to me that the foundation-laying was going on for a very long time, and I remember urging them to get on with the building. They finally finished the foundations and erected the building. Unfortunately, they did not erect the building on the foundations that they had spent such a long time laying. They erected their building miles away from the foundations on the same old boggy marsh that they had denounced previous Administrations for floundering in since 1945. The edifice that they have erected is the same old rickety structure as the others — the classic, authentic, British consumption-led economic boom, with imports rising far faster than exports.

Whatever the potential merits may be of the Government's supply side measures — the trade union legislation has been beneficial in that regard — nothing has yet happened to the overall performance of the economy that cannot be accounted for by having had an unusually large and prolonged dose of old-fashioned stop-go. The restrictive monetary and fiscal measures of 1979 caused an unprecedentedly deep recession — that was the stop — and expansionary, fiscal and monetary policy — in a word, reflation — has caused the subsequent recovery. That was go. Thankfully, that has lasted longer than the other goes, because it started from a uniquely low level, because of North sea oil, because of the Government's trade union legislation and because of the weakness of the Opposition, which has enabled the Government to run the economy at a far higher level of unemployment than would have been possible in the past.

Demand is being driven up towards the limits of our capacity to produce, which has dangers for inflation and the balance of payments. That has happened many times before, but this time it is happening long before we are anywhere near having re-established full employment.

My right hon. Friend the Chancellor may be right in maintaining that he can get through the present year and beyond. Treasury forecasts have been so strikingly accurate over recent years that it is a brave man who questions them. I only hope that my right hon. Friend's optimism is justified.

But no strategy for growth will be sustained for long unless it ensures that exports rise sufficiently to pay for imports. At present, they are certainly not doing so. We are undergoing a consumption boom, which, however popular it may be with those who have benefited from it — fortunately, many people have benefited from it — it does nothing whatever to resolve Britain's strategic problem in the medium or short term.

I fear that the British economy has not been transformed. I therefore hope that my right hon. Friend the Chancellor will devote his formidable powers and energies to effecting the genuine transformation that is still so badly needed.

6.4 pm

Mr. A. J. Beith (Berwick-upon-Tweed): The right hon. and learned Member for Monklands, East (Mr. Smith) said that there was something stirring in the Tory undergrowth. How elegantly it stirred in the remarks of the right hon. Member for Chesham and Amersham (Sir I. Gilmour), and with what passion and determination it is possible to mount a critque of the Budget when it is done in the face of the recent rewriting of history. The experience of history being written prompts literary endeavour to quite a striking degree. One wonders how much more will stir in the undergrowth as a result of the Budget. So far, few heads have appeared over the top of the grass.

What strikes one about this budget is its sheer, bare-faced injustice. The Chancellor has gone out of his way not only to make major changes in the taxation structure which will benefit one section of society, but to add to them all the other measures he can find. He has gone far beyond what anyone expected. Most of the press commentators and some Conservative Members were surprised — some have been pleased, but others have not — by the extent to which he was prepared to go in tilting the balance of the Budget.

The impression given is of a Budget that is imprudent, not fiscally but in relation to the overall economic position and the serious problems with which we are faced, such as the balance of payments and the pressures towards inflation, which are likely to become worse. The balance of payments problem is bound to become worse for the reasons that were given by the right hon. Member for Chesham and Amersham. More money is available

through tax cuts, which to a large extent will be spent on imported goods, which will add to the balance of payments problem.

There is no sense of the urgency of the problems of the National Health Service and no commitment to the investment that the country needs. The beneficence of the past series of Budgets has been based on the sale of assets or assets gained from oil revenues. It is basic economic sense that, if one is selling assets and benefitting from those sales, the money should go not into current expenditure but reinvestment.

It is difficult to see how the management of the economy is being carried out. Given the Chancellor's experiences of the past week or so, one wonders whether he dares to come out to get the milk bottles and the *Financial Times* off the doorstep for fear that the door along the street will open, a head will appear and that he will be warned that half a per cent. on interest rates is essential to curb inflation or that no intervention in the market must be contemplated. There is genuine doubt about the management of exchange rates in particular and interest rates arising from the events of the past two weeks. The Chancellor's few approved remarks in the Budget speech did not resolve those doubts.

The injustice of the Budget is not merely the reduction in top rates of taxation or the effect of the standard rate reduction, but the fact that the Chancellor, having taken those measures, went on to decline to lift the national insurance ceiling, which was referred to earlier by the right hon. and learned Member for Monklands, East. It is arguable that in isolation it might be wrong to lift the national insurance ceiling and that it would create many losers, but in face of the other tax reductions it seems perverse not to lift the national insurance ceiling.

In the circumstances, it seemed equally perverse not to limit mortgage interest relief and other reliefs to the standard rate of tax. When that is seen against the background of what poorer people will experience in coming months, it seems much more unjust. Many people will have to face up to the social security changes, the loss of benefit, the loss of housing benefit, and the changes that will affect young people. Of course, further down the track, but not so far down the track in Scotland, is the impact of the poll tax, the most regressive tax ever devised by anybody since the middle ages. All that is part of the background against which the Budget appears so uniquely unjust.

No Chancellor can really claim the title of a reforming Chancellor if he does not seek to make the overall effect of the tax system fairer. That cannot be so in respect of the position of people at the bottom of the scale. Take a married couple with two children and £100 a week who, before the tax and social security changes, have a net income of £96·01 a week. After the tax and social security changes, they will find their income going down to £87·17 a week. There is something fundamentally wrong with a tax and benefit system that does that. The Chancellor has not considered the kind of reforms that will deal with that — indeed, he does not seem in any way exercised about that most serious problem.

When we consider the number of people out of work, it is even more unjust. They are estimated at between 2 million and 3 million. Let us give the Government the benefit of the doubt about the way in which they calculate the figures and assume that it is not over 3 million. It is still far too many people who are deprived of the opportunity effectively to contribute to the economy and to have the dignity and self-respect of being in employment. The Chancellor could have usefully cut employers' national insurance contributions. He could have done so generally or on a selective basis, directing help to regions in which the level of unemployment is highest. That would have encouraged employers in such areas to take on more labour.

The Budget does not back or support investment in the economy. A better use of much of the money that was available to the Chancellor would have been on the supply side of the economy — for example, improving training and education. Why should we not have a highly trained unemployed labour force that is in demand by employers, rather than an unemployed labour force with which the Government do not know what to do and for which they provide time-using schemes of one sort or another?

It is interesting to look at the way in which the Swedish system works. In Sweden, the money spent on unemployment is used completely the other way round. Three quarters of it is spent on training and employment services, and only one quarter of it is spent on benefits. We are worse than the reverse of the picture. We spend only one sixth on training and employment services and five sixths on benefit. We are notably unsuccessful at getting people into the position in which they are rapidly sought in the labour market.

There are other areas in which public investment would have been appropriate. For example, I refer to housing. Small builders will be hit by the removal of mortgage tax relief on home improvements. There was an argument that something had to be done about abuse of that provision. Everyone knows the ways in which it had been abused. It was unwise for that to happen when no other measures were taken to stimulate housing improvement, given the need to improve our housing stock.

The Government would have generated more investment if they had followed the experience of the present Foreign Secretary when he was Chancellor, and carried out a deferred corporation tax reduction and announced that, in a phased way, they would reduce corporation tax, thus encouraging and inviting investment when the economy so clearly needs it. Investment could have been generated by the sensible use of the massive resources available to the Chancellor.

Of course, the overriding public worry was about the National Health Service and the fact that the Government seem oblivious of the crisis going on in it. The Government are fond of quoting the resources that they have put into the National Health Service, but when the figures are looked at a little more closely, the true picture becomes clear. The Government have given a cash increase of 5·6 per cent. to the National Health Service, taking 1987-88 and 1988-89 figures. On the Government's own figures, after that is re-measured to take account of inflation, it goes down to an increase of a little over 1 per cent. When we take account of the higher rate of inflation in the National Health Service itself, the figure becomes minus 0·8 per cent.

The Government stand convicted. The Chief Secretary did not seem to understand the point when I put it to him earlier. I was not putting to him the basic argument about the merits of prescription charges. I was quoting in evidence that the Government say that such is the rate of inflation in medicines that they feel obliged to put up prescription charges by more than the rate of inflation.

[Mr. A. J. Beith]

They must acknowledge that the rate of inflation in things crucially affecting the National Health Service is higher than in the economy as a whole.

That means that their vaunted cash increase for the National Health Service is not an increase in real terms at all. Moreover, that does not take account of demographic changes—the larger number of people whom the Health Service must look after — or new technology and financial implications. The Government have been aware of that for long enough.

Most Governments, when they prepare Budgets, are in the unhappy position of having made expenditure projections in November and then having a Budget that does not give them an opportunity to increase the projections. On their own admission, the Government are in a position to make substantial changes to the disposal of resources. They have the chance to do something about that problem. There is a greater urgency for them to do so. Health authorities are closing wards because they do not believe that they will have enough money to meet the result of the review body's decision on nurses' pay.

If the Government were now to say that they will fund the outcome of the review body's decision, or even fund what they agree to pay nurses—if they are too mean to pay what the review body says, as they have sometimes been in the past—and if they were at least to tell health authorities that they are prepared to meet that cost, the rate of ward closures could be slowed down. At the moment, health authorities feel obliged to close wards and cut services because they cannot safely anticipate that they will have enough money to meet the pay review. That only begins to deal with the problem, given the figures that I have quoted. We need something to be done now. The Government should make an immediate announcement about the Health Service.

We are faced with a Government who believe that public expenditure, as a proportion of gross domestic product, should decline year by year. That is the Government's continuing and unchanging objective. The only end product of that must be public squalor amidst private affluence. If we go along that route with no limit, we shall not sustain proper public services.

There are other Budget proposals about which it is necessary to comment. The Chancellor's decisions on excise duties are strange. On tobacco taxes—the health evidence is absolutely overwhelming — he has done nothing about his pre-election sweetener of not making inflation increases. Therefore, he is totally failing to respond to the concern of those who have to face up to the problems of smoking and health.

Similarly, the right hon. Gentleman has not taken any measures to deal with the failure to increase alcohol duties last year. He has made no increase at all in respect of spirits. For two years running, there has been no increase. He has made a fool of the Lord President of the Council, who is chairing a working party that is supposed to co-ordinate Government policies, so that there is some sensible policy on how to achieve more moderate drinking and deal with alcohol abuse. The Lord President issued a lame press statement welcoming what the Government have done about low-alcohol drinks. He dare not say more about the problem, because the Government have not touched the most dangerous area of all, spirits.

On fuel excise duties, the Chancellor took a step in a sensible direction. The differentials that he has so far produced are nothing like enough to encourage motorists to switch to fuels that do less damage to the environment —for example, lead-free petrol and diesel in cars. We need the much wider differential that we see in many other countries.

On wider share ownership, an objective we share with the Chancellor, what he has done in the Budget is pathetic. Personal equity plans were a flop from the start, except for those who had already exhausted their capital gains tax allowances. It is a good scheme for them. Having exhausted their other allowances, they can go into that scheme and get more. It is of no value at all for the new investor.

What new investor has any real incentive to go into a scheme that he does not need to go into? There are already existing capital gains tax allowances that are quite sufficient for anything that he is likely to get for his first few ventures into the stock market. If the Chancellor wants to encourage wider share ownership, he cannot simply raise the limit of the scheme. He must find a way of directing tax relief to new investors and thereby generate tax relief at the time of investment.

The Financial Secretary to the Treasury (Mr. Norman Lamont): Does the hon. Gentleman not think that getting one's income free of taxation is of some interest to the small investor?

Mr. Beith: The income first has to be generated by the capital gains, which will not be achieved on a scale necessary to exhaust the existing allowances by a new investor making his first venture. The evidence is that the large majority of the users and beneficiaries of the PEP scheme are those who already have substantial investments. The Chancellor's purpose was to widen share ownership, not to increase it for those who already hold shares, and I hope that he will look again at that issue.

There are particular questions about the business expansion schemes in relation to rented housing. Why on earth are the Government generating an incentive that is confined to assured tenancies? Why are the Government saying to landlords, "You can have substantial tax relief only if you give your tenants the least favourable possible kind of tenure in that property"? Why should it be denied to those who offer protected shorthold tenancies and to those who offer more favourable tenancies in the properties that they build under the benefits of the scheme? Landlords can obtain very substantial benefits through the business expansion scheme only if they give their tenants the minimum possible tenure. That is an absurd proposal.

We argued for the forestry changes, and we welcome them. We shall examine the planting grant scheme in more detail, to see whether the balance is right and whether the right kind of encouragement is given to planting where it is appropriate and where it is environmentally sensible.

We shall examine the covenant changes in rather more detail, especially in relation to students, to see whether the scale for revised parental contribution really offsets the problems that will result from that change in the law.

The move towards independent taxation for married women is welcome and long overdue, but it is not the mechanism that we would have chosen. It is striking that the high cost, as the right hon. Member for Glasgow, Govan (Mr. Millan) pointed out, arises from the

disaggregation of allowances on unearned income, so the most immediate tangible benefit from the scheme will go in large measure to those who have substantial investment income and the disaggregation of those allowances.

Yesterday, the Budget speech was interrupted in scenes that I thought were deplorable and were illustrative of the problems which the Labour party has created for itself. It was not the first Budget speech to be interrupted. The Budget speech of 1909 was interrupted for the more benevolent reason of allowing the Chancellor to have a break after he had spoken for several hours.

Perhaps the House needed a break after listening to several hours of oratory, even from Lloyd George. His Budget was a people's Budget and it became known as that. It rings with the sort of phrases that it would be impossible to use about yesterday's Budget. Lloyd George said:

"This . . . is a War Budget. It is for raising money to wage implacable warfare against poverty and squalidness. I cannot help hoping and believing that before this generation has passed away we shall have advanced a great step towards that good time when poverty and wretchedness and human degradation which always follow in its camp will be as remote to the people of this country as the wolves which once infested its forests."—[*Official Report*, 29 April 1909; Vol. 4, c. 548.]

Mr. Edward Leigh (Gainsborough and Horncastle): Will the hon. Gentleman give way?

Mr. Beith: This Budget wages war against none of those things. It wages war only against social justice. The Chancellor is in a much more favourable position than Lloyd George, who had to spend several hours explaining why he had to raise more taxes to deal with the problem that he described.

Mr. Leigh: Will the hon. Gentleman give way?

Mr. Beith: No. I am coming to the end of my remarks.

The Chancellor had unprecedented resources at his disposal, far more than he expected when the public expenditure figures were originally decided. He could have fulfilled some of his tax-cutting objectives and still have done more to help the National Health Service, and to boost investment, but he chose instead to prove his boldness—

Mr. Tony Favell (Stockport): What is the hon. Gentleman's party going to do?

Mr. Beith: Unlike some other hon. Members, I set out earlier in my remarks the precise measures that we would have taken had we presented a Budget. [*Interruption.*]

The Chancellor chose instead to prove his boldness and nobody can question his boldness—by showing how much further he dared to go than anyone had expected in slanting the Budget towards the better-off.

The Chief Secretary said that it was a landmark Budget. Who needs landmarks, except landowners and those who have property, to set the bounds of ownership? Landmarks also set boundaries as to who will not get the property and will not get the benefits.

The Budget is setting back the cause of a genuine enterprise society in which there is a sense of community. I believe that many people in Britain want an enterprising society and do not believe that the state should run everything or that industry and enterprise should be cramped by a bureaucratic system. Many people want society to be enterprising and successful, but believe that it can be done with social justice. The Chancellor has set his face against that and has put on his party the indelible stamp of a party which does not care about social justice, and that will be left to others.

Mr. Nicholas Bennett (Pembroke): What is social justice?

Mr. Beith: The hon. Gentleman does not know what is social justice. It is a recognition that a fair enterprise society does not merely have to create opportunities for people to make money.

Mr. David Shaw: It is to make jobs.

Mr. Beith: It also has to harness and maintain things which are of value, and to spread employment opportunities around the country to regions which do not now share prosperity. It is to do many more things on which the hon. Gentleman invites me to spend more time.

It is quite clear that the Conservative party has set its face against combining the objective of enterprise with that of social justice, and it will be left to Social and Liberal Democrats to take up that challenge.

6.26 pm

Mr. David Madel (Bedfordshire, South-West): I agree with some of what the hon. Member for Berwick-upon-Tweed (Mr. Beith) said about training, but he would not expect me to agree with what he said about the Conservative party's views on social justice. He could have shown greater recognition of what my right hon. Friend the Chief Secretary said in his welcome remarks restating our full commitment to the National Health Service.

I shall say something about training later, but I shall start by saying that the Budget was needed to maintain expansion and growth, which is the main reason for the welcome fall in unemployment in the past 12 months. We need to ensure that unemployment continues to fall and that the training provided by the Government is always relevant to the new jobs that are rapidly being created.

I particularly welcome what my right hon. Friend the Chancellor said about exchange rate stability. He referred to the dangers to this country and the whole world economy if there were

"further wild gyrations in the dollar exchange rate".

He also recommitted himself and the Government to working for

"greater exchange rate stability . . . in the process of international co-operation". [*Official Report*, 15 March 1988; Vol. 129, c. 997.]

Last night, in his television broadcast, my right hon. Friend gave some very interesting figures and graphs showing how this country has performed. He was right to reaffirm that at present we are top of the European growth league. He also did not shrink from other graphs which showed us at the bottom of those leagues in the 1960s and 1970s. Let us hope that we shall stay top of the growth league for the rest of the 1980s. We also need to continue being top of the growth league in the 1990s to even the score to 2-2. We have been 2-1 down at present. Indeed, we are now so closely tied to Europe with a growing trade, particularly in semi-manufactured goods which are then completely manufactured here and sometimes manufactured in Europe.

As my right hon. Friend the Chancellor said, it is absolutely vital that exchange rate stability is maintained. In addition, multinationals have plants dotted around Europe, all of which are interdependent. There is a need for more overseas and multinational investment in Britain,

[Mr. David Madel]

especially in research and development. That is another reason why I was so pleased by what my right hon. Friend said about exchange rate stability. It is important that industry advances and brings about more import substitution through an expansion of its manufacturing base here.

I wish to comment on specific points made by my right hon. Friend in what was, basically, a statement about taxation rather than about Government expenditure, on which there is as usual a statement in the autumn. My right hon. Friend said that he was disappointed that there had not been a greater swing towards lead-free petrol.

The newspapers are today carrying a number of advertisements by the oil companies that tell the public what to do. The public would do better to pay attention to the car manufacturers rather than the oil companies, because the immediate use of lead-free petrol could be damaging to certain car engines.

My right hon. Friend appeared to be anxious to do more in that direction, and certainly there are opportunities to encourage more people to use lead-free petrol. For example, new cars exclusively designed for lead-free petrol could attract a lower rate of vehicle excise duty. I understand that the 10 per cent. car tax must be abolished by 1992 in line with the freer European market. There is a case now for a lower car tax on small and medium cars that use lead-free petrol.

However, an even more important initiative is contained in a paper published by my right hon. and noble Friend Lord Young on the role of the Department of Trade and Industry and the changed system of research and development grants. Under the new scheme, support for innovation will be given only if a company has a project that offers exceptional national benefits. It it qualifies, it will be considered for a research and development grant.

I hope that what will flow from this Budget and from the White Paper on support for research and development is that, once again, this country will become a more popular centre for the design, research and development of car and lorry engines. That will provide not only the engines for the next decade, which are bound to change because of the move to lead-free petrol and the introduction of new technology, but greater job opportunities as well.

Although oil is easy to be had at present, we should never take a casual attitude towards fuel consumption. Oil is a finite product and we should encourage people to drive more fuel-efficient cars and to use lead-free petrol. My right hon. Friend has certain weapons in his hands, but I especially hope that the DTI initiative will be developed in the vehicle industry. It is particularly appropriate for research and development if the product will be of exceptional national benefit.

My right hon. Friend included the treatment of company cars in his statement. We should remember the history of their growth. Many of them were provided as a consequence of the statutory incomes policy in the 1970s they were a means by which companies could merrily get around the 3 or 4 per cent. pay limit. It is important not to get matters out of perspective. The popular view of a company car is that the managing director and senior managers drive from their homes to work, park their cars in the company car park and then drive them home at night. That is certainly one aspect of company car use, but another is the use by sales and marketing personnel, for whom the car is a tool of the trade.

Current tax law provides that if a car is driven for more than 18,000 miles a year on company business, the tax liability is halved. My right hon. Friend has introduced a new package for company cars, and he should cut the threshold from 18,000 to 12,000 miles a year so that sales and marketing managers — who do not carry out the same tasks as representatives, but whose cars are a tool of the trade—are not penalised or discriminated against. I hope that he will consider making that change during the Finance Bill Committee, as it would complete his new package.

I welcome my right hon. Friend's remarks about increasing share ownership. He said that he would change the provisions of section 79 of the Finance Act 1972, which would

"make it easier for companies to provide shares to their employees outside the approved schemes . . . This will be of particular benefit to subsidiary companies and their employees."—[*Official Report*, 15 March 1988; Vol. 129, c. 1006.]

That should lead to a further growth in self-employment because a number of those who have such shares may wish to cut their ties with the company and set up in self-employment.

We recently had an important debate on the role of the self-employed, and the key to increasing self-employment is the definition by the Inland Revenue and the Department of Health and Social Security of "self-employed". When replying to the debate my hon. Friend the Minister for Employment said:

"Since April last year, each tax and social security office has had one official responsible for decisions on employment status, which can save people much time in explaining their circumstances . . . It is perhaps still more important that a ruling by one Department will be accepted by the other, which ensures consistency and saves time. We are continuing to monitor the position to ensure that the measures alleviate the problem sufficiently."—[*Official Report*, 15 February 1988; Vol. 127, c. 741.]

A consequence of this Budget should be a growth in self-employment, but I wonder about the attitude of the Inland Revenue and the DHSS. In many areas they are suspicious of the self-employed, but if they hinder them they are acting contrary to Government economic policy. I should like an appeals system for those who cannot obtain a redefinition of their status to self-employed. There should at least be more co-operation between the Inland Revenue and the DHSS on this important matter. I am convinced that with early retirement and with rationalisation in certain companies, not only individuals but groups will wish to carry out contracts for just one company, but be classed as self-employed. We should not stand in their way, because one reason for the fall in unemployment has been the rapid and welcome increase in self-employment.

In my right hon. Friend's explanation of the reduction in the public sector borrowing requirement, he said that one reason for the undershoot was that less had been spent on benefits for the unemployed as a consequence of the fall in unemployment. I hope that, in 12 months' time, we hear that more has been spent on training for the unemployed. We need an even more ambitious scheme of training, especially for the older unemployed. As the number of young people coming on to the labour market begins to drop, there will be an increasing problem of the older

unemployed who desperately need new skills and opportunities to return to the labour market. That should be the shift in emphasis during the next 12 months, and our economy is more than strong enough to achieve that.

The Budget is generous to high-paid managers, and I welcome that. The tax cuts are an incentive to those wishing to move up the managerial scale. That puts an even greater onus on managers to get employee-management relations right. The Government have more than done their bit in changing trade union legislation to get the balance right between management and unions.

Management has had a considerable tax advantage in the Budget, and that is welcome and correct. Yesterday, my right hon. Friend the Chancellor referred to the need to keep costs down and keep pay settlements reasonable. Management must get greater employee commitment to the welfare of their company and get a much greater feeling among employees that they, too, are part of the company and are working for greater prosperity. There is now an uneasy calm in industrial relations. It is up to management to transform that into a sustained and durable peace.

6.40 pm

Mr. Giles Radice (Durham, North): I shall not follow the remarks of the hon. Member for Bedfordshire, South-West (Mr. Madel), who is one of the most civilised Conservative Members. I shall consider the Chancellor's Budget from three aspects — first, what it tells us about the Government's economic policies; secondly, what it tells us about the long-term prospects for the British economy; and, thirdly, what it tells us about the Government's social and political strategy.

On economic policy, we should note first that monetary policy — at least, monetary policy on the 1980 medium-term financial statement — has been effectively abandoned. Aficionados of monetary aggregates — I am sure that there are many in the House — will be aware that the Government have successively announced different definitions — M3 in 1980, M1 in 1982, a re-defined M3 in 1985 and M0, also in 1985. All have proved entirely inadequate.

Dr. Bray: What about M4?

Mr. Radice: I shall come to that. In this year's MTFS a target is still set for M0, which is an extremely narrow measure. In fact, it is cash. Most people would consider that far too narrow a gauge of what is happening in the economy. Significantly, there is no target for broad money, which I think is what my hon. Friend the Member for Motherwell, South (Dr. Bray) calls M4. The MTFS does not say that the connection between the growth in monetary aggregates and inflation has proved extremely hard to discern. In fact, it has proved so hard to discern that in April 1986 the Chancellor told the Lombard Association that no economic relationship was perfect. One can say that again.

Back in 1980, the Chancellor stressed the key role of markets in setting the level of interest rates, yet in his Budget speech he emphasised their importance as a key element in the Government's counter-inflation strategy. As he told the Treasury and Civil Service Select Committee last autumn: "When I think they ought to go up, they go up and when I think they should come down, they come down." That was the Chancellor in his grandest manner on interest rates.

One point about interest rates on which the Chancellor is reticent is their relationship to and connection with the public sector borrowing requirement. I wonder whether hon. Members remember that the Chancellor used to say that reducing the PSBR would lead to a fall in interest rates, yet now, with a negative PSBR — I think that it is now called the PSDR, or public sector deficit requirement, in the Chancellor's jargon — interest rates here remain higher in real terms than in most other industrial countries. There does not seem to be a strong connection there.

That brings me to the matter of greatest confusion — the Government's policy on exchange rates. The Prime Minister told the House that exchange rate levels are determined by market forces. The Chancellor, however, castigates the markets for their "wild gyrations". He extols the merits of a stable currency and preaches the virtue of managed floating. Yesterday he reaffirmed the importance of greater exchange rate stability. As it happens, I think that he is dead right, but the question is whether a stable and competitive exchange rate is compatible with an interest rate which attracts funds from abroad because it is higher than in most other countries. Clearly, the Chancellor must address himself to that question.

The other question is political. Is the Chancellor's view compatible with the Prime Minister's? Does the Prime Minister still believe that sterling should be allowed to be pushed even higher, whatever its impact on our exporters? At the heart of this confusion is the dilemma facing the Government: should it be the prime task of interest and exchange rates to act as counter-inflationary measures or, bearing in mind the disastrous experience of 1980-81, must regard be paid also to the impact of high exchange rates and an overvalued currency on British industry? Understandably, as we have seen from the CBI's comments, British industry is eagerly awaiting the answer to that question.

As the right hon. Member for Chesham and Amersham (Sir I. Gilmore) said in an elegant and eloquent speech, the Chancellor frequently tells us — he did so yesterday — that the long-term prospects for the British economy have been transformed. It is certainly true that since 1982, after the major recession of 1980-81 — about which, as the right hon. Member for Chesham and Amersham pointed out, we do not hear much these days — our growth rate improved. There has also been a significant improvement in productivity.

Even so, there have been a number of disquieting signs that recovery, especially on the scale induced by the Chancellor's pre-election boom, may be difficult to sustain. For one thing, skill shortages are already appearing in the south of England. As the Oxford review of economic policy has shown, British training and education effort still lags significantly behind that of most of our competitors.

Another problem is that the gap in research and development and high technology still seems to be widening rather than narrowing. That must be of concern. Last, but not least, there is the growing and disturbing balance of payments deficit — £15 billion this year and £4 billion next year. Of course, the Chancellor shrugs off the £4 billion deficit which is forecast for next year as "temporary" and as something about which we should not concern ourselves too much. If the right hon. Gentleman had been in opposition and there had been a Labour Chancellor, he would not have been saying that.

[Mr. Radice]

There is no evidence from what the Chancellor has said, or from the Red Book, the Autumn Statement or any of the forecasts that the British balance of payments deficit is likely to be "temporary". There is no evidence from what the Chancellor has said that he has any plans to do anything about the deficit, but, as he has often reminded us and the Americans, the American example is a horrid warning of what happens when a balance of payments deficit is allowed to continue unchecked year after year. The Chancellor has made much of his fiscal caution in planning for a negative PSBR—we can argue about the merits—but the value of his project is less impressive when one listens to his remarks.

The tax cuts proposed by the Chancellor, which amount to more than £6 billion in a full financial year, according to table 1.1 of the Red Book, are inevitably biased towards consumption. The truth is that this weighting towards consumption, when combined with already buoyant high street spending as the latest figures show clearly, and with extensive private borrowing—we know about the fall in the savings ratio—is bound to aggravate Britain's balance of payments difficulties. It will aggravate them quite simply because it will push up imports faster than we can push ahead exports. Therefore, on current policies, we shall be faced with a growing balance of payments deficit. Notwithstanding the Chancellor's trendy talk about the merits of supply-side measures, his Budget will almost certainly weaken rather than strengthen the British economy.

My right hon. and learned Friend the Member for Monklands, East (Mr. Smith) spoke earlier about the political and social aspects of the Budget. The Chancellor is primarily an economic Minister, but his Budget is bound to reflect the Government's social and political priorities. This Budget has certainly done that. The Chancellor had £11 billion more in revenue than was forecast last year. He had £11 billion to distribute. That gave him a magnificent opportunity—perhaps the greatest opportunity since the war—to heal wounds and to bring the nation together. He had the opportunity to unite north and south, the inner cities and the suburbs, the better-off and the less well-off.

However, as my right hon. and learned Friend has shown, the Chancellor has completely missed that opportunity. Instead, he has rewarded the super-rich by reducing the top rate of tax from 60p to 40p. Furthermore, he has done it without restricting the main special allowances or taking into account the impact of increases in allowances on marginal tax rates.

The Chancellor cites the examples of Australia, New Zealand and the United States. He might have pointed out that reductions in the top rates in the United States and Australasia were at least made less objectionable by attacks on the major tax breaks, which this Government have not made, by reforms in the allowance and credit systems and by help to those on lower incomes. This Government did precisely the opposite in the weeks before the Budget.

What is so morally objectionable about the Chancellor's tax changes is that at a time when social benefits are being cut and those on average earnings are getting £5 a week extra, those earning £60,000 a year will receive at least £128 a week extra.

Miss Emma Nicholson (Torridge and Devon, West) *rose*—

Mr. Radice: I shall not give way, because I am about to finish.

At the same time, there is nothing in the Budget for the 2·5 million unemployed or for those who use the health and education services. Clearly, the Chancellor thinks that politically he can get away with ignoring the needs of the poor, of the National Health Service and of the development areas. He also thinks—this is clearly the Government's political strategy—that he can buy the acquiescence of more affluent employees by tax cuts. The Government hope that their tax cuts will encourage those voters to forget about the needs of the less well-off and about the extent to which the Government have rewarded the super-rich.

I believe that in this Budget the Chancellor has gone too far, even by Thatcherite standards. As the details of the Budget are fully digested in the coming weeks, its political cynicism will become increasingly clear. Economically risky and morally repugnant, the Budget does not deserve the support of the House, let alone the British people.

6.53 pm

Mr. David Howell (Guildford): There is no doubt that my right hon. Friend the Chief Secretary was entirely right in his remarks. This Budget obviously represents a major turning point in the post-war pattern of taxation in Britain. For the first time since the war, we shall be a country of low taxes and high enterprise. For the past 40 years we have been universally regarded—sometimes caricatured—as a nation inevitably associated with high taxes, low enterprise and shoddy performance. That has changed, and this Budget represents a landmark, a milestone or whatever my right hon. Friend the Chief Secretary likes to call it: we are making a clean break with that past and the national humiliations and shame that went with it.

I declare an interest, because for all my years in this House I have hoped for and campaigned for a really simple—a beautifully simple—tax system, which is now emerging with the two rates of 40p and 25p. Better still, from my point of view and for those who share my views, we have irrefutable evidence that the supply side system is now working—not that it will work in the future but that it is already working.

As the right hon. and learned Member for Monklands, East (Mr. Smith) said, we have already witnessed the results of previous tax-cutting policies. As the right hon. and learned Gentleman said, the Exchequer is "awash" with revenue and it is precisely the areas of activity in which tax cuts have been largest—those affected by corporation tax and the higher rates of income tax—that have generated the largest increases in revenue for the public finances.

If I have a disagreement with my right hon. Friends the Chancellor and the Chief Secretary it is a disagreement about one of the figures in their Red Book. According to the estimates showing the supposed yields from taxes next year and the year after, the abolition of tax rates higher than the 40p rate will cost £965 million in 1988-89 from the index base and more than £2 billion the following year. I would take a bet that this time next year we shall find that those figures are mythology and that higher revenues have been generated from lower tax rates. It will be an interesting laboratory case.

It can be argued that high-rate tax cuts so far have been one of a number of contributing factors; I have heard that argued on both sides of the House. Now, however, with the move towards lower top rates and a dramatically simpler system, we have a clear laboratory case in front of us. My bet is that the net effect will be a dramatic increase, rather than a reduction, in revenue. In other words, this so-called handout for the rich will probably cost nothing and it is quite possible that it will generate substantial extra revenues for the Exchequer.

I listened to the Labour party, as represented by the right hon. and learned Member for Monklands, East, paint itself further and further into its dismal and dangerous corner as a high-tax party and push itself further and further into the political wilderness—where it could stay for 40 years if it continues to take this high-tax line.

I fell to wondering somewhat whimsically what I would advise the Labour party to do to get itself into a more promising position if I was its consultant. The first thing that I would advise Opposition Members to do is to beat a rapid retreat from their attack on my right hon. Friend's tax reforms. There is no doubt that if they were pursuing a policy of lower taxation all round—particularly in low income groups but also in high income groups—they would simultaneously argue for higher revenues. The Labour party wants higher revenues for the various purposes with which I shall deal in a moment.

Ms. Armstrong: One of the main complaints made by my right hon. and learned Friend the Member for Monklands, East (Mr. Smith) concerned the redistributive nature of the tax changes. Our main complaint is that the Government are redistributing from the poorest and the most vulnerable in our society to the richest.

Mr. Howell: The hon. Lady has anticipated my remarks. I was going on to say, in my self-appointed consultancy role, that if the Labour party would get away from arguing about tax rates—not to put too fine a point on it, Opposition Members have made pretty good asses of themselves in that respect — they could concentrate on the more genuine intellectual question of how the enormous proceeds that have already flowed from previous tax-cutting policies and the success of the supply side theory should now be used. In that, there is an opportunity for intelligent debate.

However, the Labour party has done its very best to lower the intellectual level of the debate by concentrating on the absurd theory that high taxes are a good thing and that low taxes are a bad thing. The opposite is true, from their point of view as well as ours.

Mr. Holland: Would the hon. Gentleman advise the Labour party to follow the example of the United States? The Laffer effect did not work there, except that increased revenues were put into increased stock market investment, boosting stock market prices and contributing to the crash on 19 October. That happened because there was no mechanism for translating savings into investment through an industrial policy in the United States, and there is none here either because of this Government.

Mr. Howell: I would advise the Labour party not to follow the budgetary policy of the United States, although it is presently inclined to do so, and pile up a budget deficit of horrifying proportions — although, thank goodness, that is now coming down. I would argue that the Labour party would have a good debating ground and a perfectly genuine one—I do not agree with it — if it got away from its obsession with high taxes. It places the Labour party in an impossible position. My right hon. Friend the Chief Secretary had the right hon. and learned Member for Monklands, East nailed to the floor on the question whether he would restore taxes on the lower incomes of student nurses and so on.

It so happens that my right hon. Friend the Chancellor has made a triple judgment about how he intends to make use of the enormous growth of revenue that has accrued as a result of past tax cuts. He is going for three things. First, he is going for further tax cuts. That is correct because it will refuel the engine of revenue generation and produce even more revenue in the future. Secondly, he is financing huge increases in spending. We tend to get those increases out of focus now because they were announced in the autumn. However, the increases are vast and many people, in all parties, may question the priorities there. Nevertheless, my right hon. Friend is using part of the revenue for huge increases in spending.

Thirdly, my right hon. Friend is going for something quite remarkable, which, in the language of the past 10 years, would be amazing. He is not going for a deficit at all, but a £3 billion surplus in the public budget, with national debt being retarded by £3 billion. He has chosen that as a decision of policy and as a way of using some of the revenues. By past standards that is staggering and, of course, it is highly restrictive.

I heard and enjoyed the speech of my right hon. Friend the Member for Chesham and Amersham (Sir I. Gilmour), who told us about the expansionary stance that he believed he detected in current economic policy. I can tell him that there is nothing expansionary about running a £3 billion public sector surplus combined with rather high interest rates. In fact, some people would argue that interest rates are too high as well. Therefore, the brakes are on. The question is whether those brakes are slowing down the economy.

Mr. Budgen: Will my hon. Friend give way?

Mr. Howell: I have given way so often that I shall exceed my time and be penalised by the Chair. Much as I admire my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen), I shall deal with him in the Tea Room afterwards.

The question is simply why, in addition to his excellent and epochal tax reforms and his sanctions on large increases in social spending, my right hon. Friend has chosen to go for the £3 billion surplus. He is obviously worried about overheating, but I hope that he does not believe that a budget surplus of £3 billion will automatically be a great brake on the considerable growth of consumer borrowing and credit.

The truth is that the whole business of deficits or surpluses in the budget is an extremely inexact science. Figures are paraded with spurious precision. As my right hon. Friend the Member for Chesham and Amersham pointed out, the Treasury missed the target last year by about £12 billion, and one could argue that the figure was even greater. Therefore, this is an imprecise area. We are subject to vast global influences over which we have not the slightest control. Therefore, on those grounds there is

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not much reason to go for a £3 billion or £2 billion surplus or even a perfectly round zero, which would also have been a restrictive stance.

The real worry of my right hon. Friend the Chancellor is to be found in the charts in the Red Book. The chart on page 9 shows the enormous growth in private borrowing with a corresponding decline in public borrowing and the table on page 23 shows the worrying, indeed some would argue catastrophic, decline in private savings. There is a miserable private savings ratio.

We and the Americans, the two Anglo-Saxon nations, have had a miserable performance in this respect. The American performance looks as if it is now turning round. The aim of policy now must be to do that here so that we become a nation of higher personal savers. I also want to see much more interest by individuals in the use and investment of savings, rather than leaving it to institutions. However, as I have said, the aim must be to turn around that miserable personal savings ratio figure and to improve it by the appropriate tax reforms, which might even have been possible this year.

If my right hon. Friend the Chancellor was worried that a lower budget surplus would have meant more money in the hands of people in the street who would have swarmed out and bought videos and imported goods, that is understandable. However, it may be that it would have been possible—it would certainly be possible next year—to have the sort of tax reliefs that transfer Government saved money not into individual spent money but into money saved by taxpayers. A graph on page 24 in the Red Book shows that the financial assets held by individuals are growing at a mighty rate. There is an underlying desire in Britain, in spite of all the difficulties people face, to increase personal borrowing and to hold moneys that they may get back in their wage packet instead of it being taken by the Government.

Therefore, I should like to see—I should like to have seen it this year—a bigger boost to individual saving and investment than anything we have had so far. Personal equity plans have not been all that marvellous. Why not take the bold step and go for tax-free investment available to all on the first £2,000 along the lines of the loi monory in France? That would take the cause of wider ownership in this country on to its next stage.

That is what I would have liked to see on top of what has already been done. In a sense, that is a greedy demand because I admire greatly what has been done. However, there would have been room for a further step without the danger of sucking in imports, increasing consumer borrowing or bringing about any of the other problems that exercise the Bank of England and other authorities now. Those are problems and they probably need to be dealt with by completely different means. It is whimsical to imagine that they could be dealt with by raising base rates by half a point. That will not help at all. That would simply push the pound up and cause us other difficulties.

I should like to deal with another not totally unrelated issue. It is a much more specific matter raised by the Budget and by the present policies of income taxation and its administration. We know, because surveys now tell us, that the labour market today is not what it was. A third of it is involved in what is called flexible employment—that is, self-employment, part-time employment and other types of employment, not necessarily in the black economy but in jobs that are not the traditional employee status jobs. That is a wholly welcome development and it is one that Government policy, Government rhetoric and Government intentions constantly back. They want to see more self-employment, more independent employment and a much more flexible labour force. The Government's intentions are aimed at that. Indeed, some of the tax reforms in the Budget are designed to reinforce that.

I have to tell my right hon. and hon. Friends that the news of their intentions has not reached the Inland Revenue. The Inland Revenue administration is still being conducted on the principle that all sorts of sub-contracting and flexible employment should, if possible, be opposed and rolled back into employee status. That is its dedicated crusade and it goes wholly against what I understand to be the policies of my right hon. and hon. Friends on the Front Bench.

They need to look again at the definitions of self-employment being used by the Inland Revenue and at some of the more absurd cases where the concept of full-time employment is being applied by the Revenue to things which common sense tells us could not possibly justify that sort of categorisation. Of course, there are the usual bureaucratic answers, such as that individual taxpayers can challenge, appeal and so on. Nevertheless, out there a war is going on, with the Inland Revenue pursuing a war policy against a flexible economy. As I have said, that is not in line with Ministers' policies.

I have to say to my right hon. and hon. Friends that I think that they are being taken for a ride over this issue. If tax reforms for a more flexible labour force, more self-employment and more enterprise is the policy, it needs to be backed up more vigorously in the administration of that policy as well as in the laws we pass in this House.

That is one grumble, and I do not want it to detract from my admiration for the boldness of the Budget. What it shows after all these years is that the supply side works and that if one cuts income tax one achieves higher revenues, which allows further tax cuts and more enterprise.

At the same time, it allows one also to finance good public services. If Opposition Members are trying to make the point that, in addition to what is being done, finance should be diverted to certain public services, that is a respectable point and one that can be debated on its merits. That would be better than moaning about tax rates, on which the Labour party is simply shooting itself in both feet.

My right hon. Friend has the revenue and will have more revenue still next year, despite the tax cuts. Let him therefore show that the aims of supply-side economics can be fulfilled and that we can have a low tax society, a low or zero balanced budget—as the Chancellor has said is his aim—and well-financed, high quality public services. We as good Tories should show how that can be done.

7.10 pm

Mr. Nigel Griffiths (Edinburgh, South): This Budget is a body blow for the low-paid, pensioners, the poor and the unemployed. Even as the Chancellor of the Exchequer rose to deliver his speech yesterday, he knew that 7 million British taxpayers are paid below the income decency threshold of the Council of Europe, and when he sat down, he knew that his Budget made absolutely no difference to them. Nor did the Chancellor help in any way the 3 million

men and women in this country whose wages have dropped so much under this Government that they pay little or no tax on their low incomes.

Ten Tory budgets have seen the burden of taxation increase from 34 per cent. of national income to 38 per cent. The extension of value added tax yesterday to a new range of consumables, combined with an increase in various duties, ensures that the burden of taxation continues to run at a level 4 per cent. above that under the previous Labour Government.

One of the many mistakes made by the Chief Secretary to the Treasury this afternoon was to raise the issue of housing benefit. The real hammer blows of this Budget fall on those in low income groups who receive rent and rate rebates in the form of housing benefit. In the five years since it replaced the rent rebate system, the Chancellor has clawed back £1 billion from pensioners and the poor and has removed housing benefit entitlement from more than 2,400,000 people – not by ensuring their incomes rise to a decent level but by pulling from under them the financial rug to which many of them contributed during their working lives and from which they were entitled to receive benefit in their retirement.

The Chancellor would have done well yesterday if he had provided for reinstating the £640 million deducted as part of the latest social security cuts. Some 700,000 pensioners have been hammered by that change.

After the 1982 Budget, a low-paid worker claiming both rent and rate rebates lost 60p in the pound in earnings. As a result of this year's Budget, he will lose more than 90p in the pound. That provides no incentive for the low-paid to work harder.

The Chancellor is providing incentives for a very different set of people. In doing so he has laid bare the real economic motives of the Government. The picture of the Chancellor stripped to the waist on the front page of one newspaper today carried the misleading caption "The Tax Exterminator", when he is really the Rambo of the rich. As a result of the tax threshold being dropped to 40 per cent., the wealthiest 600,000 taxpayers have gained £2 billion at a stroke. And while the wage earner receiving £120 a week will benefit by 10p, those earning £60,000 a year will gain £136 a week. That cannot be fair. Is it fair that the poorest 500,000 families caught in the poverty trap now face an effective rate of tax of 60p in the pound? No, it is not.

One newspaper today cited the case of a family with three children and a mortgage. The husband said that the Budget had been a great help to their stretched finances. He is paid £70,000 a year and has a home worth £250,000. He has an XJ6 as a company car and sends his two children to private school. Yesterday the Chancellor put an extra £500 a month in that man's pocket to help his stretched finances, which include a £164,000 mortgage.

Even the *Daily Mail* comments that the Budget leaves pensioners out in the cold, and when the Chancellor reads that newspaper's interview with a senior nurse he should hang his head in shame. She is not one of the City slickers whom the Chancellor prizes so highly, or one of the 500,000 people who are paid the most although they do not necessarily earn it. Her job is less important to the Chancellor – she only saves lives. She earns every penny of the £7,800 salary she receives, yet she will gain in direct taxation by less than £150 a year under this Budget.

That nurse has a message for the Chancellor and the Government that they can read in the newspaper today. She would sacrifice all that modest gain if more could be spent on the National Health Service.

Some people enjoy more than a modest increase. The *Daily Express* lists them today. The merchant banker Christopher Heath will receive £500,000 from the Chancellor on his £2·5 million pay packet. Ralph Halpern will net an additional £250,000. Maurice Saatchi has helped the Chancellor and now the Chancellor is helping him. He will gain an extra £93,000 a year. The Chancellor has even helped himself to a more modest £4,000.

Mr. David Shaw (Dover): The hon. Member has mentioned some very successful business men and the incomes they receive. Has he examined the accounts of the businesses they run to see the massive increase in corporation tax on the wealth they have created for this country, and at the number of jobs created by those businesses?

Mr. Griffiths: The hon. Member entirely misses my point, but it is one that is not lost on the country. This Government have looked to those people who have done very well over the past seven years and this year have rewarded them more then ever. The problem is that most people in this country have suffered in order that the others may grow rich. That is the point the hon. Member misses, and he would do well to heed it.

The problems created by the Chancellor are summed up in a statement made in the *Daily Express* today, which echoes the sentiments of the Chief Secretary to the Treasury. It states:

"Our managers are so badly paid that they need every penny they can get from the Chancellor."

That gives the game away. The real beneficiaries of this Budget are not the workers but the directors, not the nurses but the nouveau riche, not the ward sisters but the spivs. We reject the rationale of this Budget, and so does the country.

7.17 pm

Mr. Edward Leigh (Horncastle): Apart from the fairly dreary recital by the hon. Member for Edinburgh, South (Mr. Griffiths) of the tabloid press, he has nothing to say about what a Labour Government would do with tax affairs. This morning, his leader was asked repeatedly to state what his party would do for nurses' tax, and he refused to answer.

This is an honest Budget. For 40 years, successive Governments have cheated the people. They have covered their tracks by subsidising the voters of today and stealing from the children of tomorrow. The replacement of a doctrine of national public borrowing by a national reduction of indebtedness will be seen as an historic return to decency. Incidentally, it is a courageous commitment, given the squalls in international waters. It is an example to the world against deceit in the management of public finance. It marks a vital staging post in the conquest of inflation. It is public recognition that, as inflation is theft, state morality is quite as important as private morality. It recognises that one cannnot help the poor by robbing their children's children.

How that stands in contrast to the Labour way in their own crumbling fiefdoms, as they mortgage their town halls to fund their lack of financial prudence. How ironic it is that the party which accuses the Government of being the

[Mr. Edward Leigh]

most interventionist this century is reduced to the spluttering impotence of terrace chanting when faced with the massive withdrawal of government that is represented by cuts in taxation in this Budget.

This is a people's Budget. If the hon. Member for Berwick-upon-Tweed (Mr. Beith) were still here or any member of the Social and Liberal Democratic party were present, I would tell them that this is a final rejection of the absurd doctrine that in some undefined and wholly unsubstantiated way the poor can be raised by punitively putting down the rich. Such a myth flies in the face of experience, which shows that cutting taxes for the better-off is repaid through higher productivity, more enterprise and less evasion.

Only those, like some Opposition Members, afflicted with chronic political myopia or feelings of futile jealousy deny what every progressive left of centre party in the world

Ms. Armstrong: Will the hon. Gentleman give way?

Mr. Leigh: No, I shall make a short speech. All those parties, including the New Zealand Labour party, accept that simplicity in tax bands literally reaps dividends.

This is a Budget for decency. It has cut through years of sophistry, prevarication and double dealing in the treatment of married women and it ends the dependence of married women on their husband's tax affairs. This is a Budget for investment. It will unlock assets frozen in small farms and dormant businesses by the punitive and inexcusable refusal hitherto to recognise that CGT has been an inflation tax because it did not recognise inflation before 1981.

This is a homes Budget which will begin a return to sanity by ending years of persecution of the privately rented sector that has hit the potentially mobile, the young and single so hard for so long. Above all, this is a Budget for a new consensus – a last goodbye to the low-growth, high-tax, low-productivity economy of the 1970s that at no time and in no place anywhere in the world has met people's expectations in terms of health and education provision. How well that is illustrated by the fact that in a year when we have cut taxes so dramatically, we have given an extra £1 billion to the NHS.

If yesterday had been Labour Budget day, it most certainly would not have been national health day; it would have been national tax increase day for everyone and hospital building cut day, because that is the legacy of the Labour Government. That would be our fate if we were ever under Labour tutelage again.

This will be remembered as a Budget for new ideas which finally and irrevocably committed the Government and the Conservative party to the progressive dismantling of shackles on the enterprise culture. This is the party of new ideas and a party which has the courage to go into new areas. Above all, we can build on this Budget and continue the work of aligning and simplifying the tax and benefit structures so that the poverty and unemployment traps which continue to be the most deadening restraint on self-reliance and self-respect are finally whittled away.

I agree that it cannot be right that 500,000 people effectively pay a marginal tax rate in excess of 50 per cent. While I do not underestimate the difficulties in dealing with the poverty and unemployment traps, to which my right hon. Friend the Chief Secretary referred, we are rapidly approaching the day when it will be possible to replace tax allowances and progressive tax bands with a universal, non-means-tested, cash payment paid for by a universal single tax band, created by fusing national insurance contributions and basic rate tax.

That in turn could pay for all social security and health care—broadly £4 of every £10 of Government spending. In effect, it would become a national insurance premium which could be made mobile, if asked for, into private education and health care. Such a reform would dramatically reduce the poverty trap. At the same time, mortgage interest tax relief could be converted into a national investment benefit, usable not just for home purchase but for the purchase of shares.

This is a Budget debate and I shall resist the temptation to go further into these radical and interesting ideas. I shall wait hopefully for a reply from the Prime Minister to an 18-page letter of ideas which I sent her. I am sure that it is sitting by her bedside all the time.

This Budget consciously paves the way, not just for a low tax economy, but for a tax regime that positively encourages ordinary people to invest in private health and education provision and in shares, in the same way that we have traditionally encouraged them to invest in pensions and homes. In these terms words like historic and radical are not enough —"progressive" and "exciting" equally sum up a Budget on which I warmly commend the Chancellor.

7.24 pm

Ms. Marjorie Mowlam (Redcar): The hon. Member for Gainsborough and Horncastle (Mr. Leigh) said that the Budget ends the dependence of married women on their husbands. Yesterday we heard similar statements from the Chancellor of the Exchequer and today similar statements came from the Chief Secretary to the Treasury about how this is a breakthrough for women. The *Daily Mail* carries the headline, "Lawson the Ladies' Man". We hear that this is a Budget for women.

If this was a breakthrough for women and this was the first step along the road to equal pay for work of equal value, I would support the Chancellor on this section of the Budget. But the section that relates to women shows clearly that this will benefit only a small group of women. If a woman is a high earner or married to a rich husband, she will benefit. For the majority of women this Budget is a con, a sham and a fraud. Women will not be fooled by being told that it benefits them.

I shall support those statements by picking out three parts of the Budget to substantiate them. First, we are told that independent taxation is a change from the married man's allowance to the married couple's allowance. Clearly there is a marginal advantage for women which I welcome, in that we shall not have to go through the humiliating experience when we complain about our tax of having a letter from the tax office sent to our husbands. That is an improvement and a change in the rights of women and their privacy, and I acknowledge it. But that is the only advantage. The majority of the section does not change the position of women in real terms.

There are three reasons for that. First, the married couple's allowance will be paid to husbands only. If the Chancellor is serious about benefiting women, why is it not paid to wives? That would be a clear statement of his commitment to women. Secondly, the married couple's taxes will still not be independent. A husband will be able

to transfer any unused portion of his married couple's allowance to his wife. To do so will still involve the paperwork and exchange of particulars of income that occurs now. So although we shall have a marginal change in the rights of women, it will be small.

Thirdly, few people will benefit from the transferability that is included in this section. It will benefit those with earned income only: a couple where the man is paid less than the woman and less than £4,095. The main couples to benefit from a transfer will be those where the husband does not work and has some investment income — in other words, mainly those over retirement age — and where the wife works with sufficient income to take advantage of it. That applies to few people. Therefore, that section looks as though it benefits women but in practice it does not. For most married couples, the section on independent taxation will mean no change.

The second section which supports my argument relates to mortgage interest tax relief being set at £30,000 for one property. I accept that in any change there are gainers and losers, but ironically in this section the losers will again primarily be women. In London and the south where housing prices are so expensive and women are primarily in low-paid jobs, the only way to get into the housing market is to buy a property together. This section will militate against women and others on low pay trying to benefit in that way.

The third section of the Budget that I wish to use to support my argument is that relating to changes in maintenance provision. That section simplifies the present regulations. Like many pressure groups concerned with such matters — for example, the National Council for One Parent Families—I welcome that simplification, but there is a rather insidious aspect of that part of the Budget which will affect the chances of many women and single parents of obtaining maintenance. At present, tax relief can be obtained if an unmarried man wants to pay maintenance to his partner, but, under this part of the Budget, that will no longer be possible, so women who are single parents and the children of unmarried couples, who already suffer a fair amount of discrimination, will suffer again. That section of the Budget is particularly discriminatory to one section of the community. Similarly, the setting of tax relief at £1,490 might affect the payment of maintenance which remains at £1,490 or below, so there will be no incentive to go above that level.

I use those three arguments to suggest that the Budget is not primarily positive for the majority of women. If the Chancellor were serious about increasing supply side deficiency and women's chances of returning to the job market, he could have done a number of things.

First, the Chancellor could have provided some tax incentive for workplace nurseries. I questioned the Chief Secretary about this earlier, but, as in the case of most of the other questions that he has been asked this afternoon, he managed to avoid answering the question completely. If there is to be relief for car parking and perks are to be taxed, there should be some incentive because, more than anything else, the provision of workplace creches would provide women with a chance to return to the job market. That would make a substantial difference to women.

Secondly, the Chancellor had a chance to change child benefit. We have seen it cut by 30p in real terms. A couple of days ago, we went through the charade of discussing the Lords amendments to the Social Security Bill 1988, when the Government accepted that they might reconsider increasing child benefit in line with inflation. However, in concrete terms, the amendments meant nothing. That benefit was paid directly to women. If the Chancellor were serious, he could have increased it and thereby made a difference for women.

Thirdly, the benefit system provides 80 per cent. rebates for people on some form of benefit, but the poll tax will hit low-income families and part-time workers, again primarily women. They will suffer badly under the tight tapering of the benefit system and the introduction of the poll tax. Again, that is something that will change the reality of women's lives.

Fourthly, the Chancellor could have done something for pensioners, a large proportion of whom are women. Pensioners have suffered a great deal under the rate and rebate cuts in housing benefit. They will suffer as a result of the increase in the price of TV licences and electricity. If the Chancellor were serious about improving the position of women, he could have done something about all those things.

Finally, as a result of the change from family income supplement to family credit, free school milk and welfare milk will be stopped. Let me give two examples to support my argument. Under the Budget, a single woman on £100 a week will lose £4·98 per week overall. Her tax cut will be £1·44, but that is far less than the amount that she will lose in housing benefit as a result of the changes in April; that sum will be £6·42. Similarly, a single mother with two children under 11 will lose £11·69 per week overall. Her £1·23 tax cut will not make up for the loss in child benefit of 60p, free welfare food of £4·74 and housing benefit of £18·42. Therefore, even with the increase in family credit of over £10, she will still be a loser.

I believe that I have given sufficient examples of how the Chancellor, if he were serious about being the ladies' man, as the *Daily Mail* tells us, could have done something more concrete for women. For the majority of women, this is not a positive Budget. It is not a charter for women. It is not the end of women being treated as their husbands' property. It is cosmetic. It is window-dressing and the women of this country will not be fooled by it.

7.34 pm

Mr. David Davis (Boothferry): I listened yesterday to the Leader of the Opposition saying that government was about choices. I have listened today to the alternatives being put forward. I have rarely heard such a band of false options and non-existent choices as those being proposed today. Tax cuts are not an alternative to funding the Health Service, except in the dire circumstances of the 1970s when we were mortgaging tomorrow to pay for today.

The enterprise culture pays for the NHS and the welfare state. As my right hon. Friend the Chief Secretary has explained, the Chancellor has created a culture and society in which we have the incentive to be creative, the ability to be competitive and, therefore, the wherewithal to be compassionate. On that basis, I commend the Budget as a brilliant blend of the cautious and the radical — the cautious macroeconomic policy with a radical tax-reforming policy. I commend this Budget, and all previous Budgets of Conservative Chancellors that have made this Budget possible by the careful husbandry of the national resources, which, through a combination of a £3 billion surplus and tax reforms, has allowed us to build upon our success.

[Mr. David Davis]

The keystone of that success is the ability of the British economy to compete in the international market place with its international rivals for a constant, or even a growing, share of world markets. Without that keystone, *our growth rate would not be possible, our tax receipts* would be unavailable and our social objectives would be unachievable.

The competitive ability of an economy depends on two factors. The first is qualitative—the so-called supply-side effect and the enterprise economy. Yesterday the Chancellor talked about a financial virtuous cycle. That sector of the economy has been helped by tax cuts, small business aids, capital taxation aids and, in previous Budgets, corporation tax reform. Those supply-side effects are difficult to measure. My right hon. Friend the Member for Chesham and Amersham (Sir I. Gilmour) said that they were not measurable. The best way of measuring supply-side effects is to consider the times when economists and econometricians get their forecasts wrong. We should consider those times when the Treasury underestimates the returns that we make.

We should consider, for example, the economy since 1985. During that time, we have had a high level of domestic demand growth. Normally, in those circumstances, we see increases in import penetration in the economy, but since 1985 we have seen static import penetration and export shares of world markets being higher than was predicted by price and other measures. So the supply side of the economy is working well. The Budget will accelerate that aspect.

On the other side, three quantitive factors have been supported by a responsible and stable economic policy. Those are productivity growth, low inflation and a stable exchange rate. I should like to consider how the Budget has affected each of those. My right hon. Friend the Member for Chesham and Amersham implicitly criticised the growth in consumer demand in the economy when he referred to the drop in the savings ratio. In large part, that drop is a function of a responsible policy. Since 1981, two thirds of that drop has come about because of a reduction in corporate pension payments. That is because the expected inflation has reduced dramatically, which has cut the requirement for those pension payments, and the returns on investments have grown dramatically. That too has cut the requirements of pension payments. Therefore, one aspect of that demand growth is a direct response to our stable policies.

I return to the question of productivity growth, which is a key part of the competitive ability of the economy. Indeed, in many ways it is the key to its competitive ability because it is a component part of an industrial virtuous cycle. Productivity growth gives us more competitive ability. With more competitive ability comes more growth, and more growth makes it easier to achieve productivity growth. The Red Book shows that our productivity grew by 7 per cent. last year. In that same period, West German productivity grew by 2·5 per cent. Therefore, we have a significant advantage, which must be protected.

That growth is another sign of supply-side success because our intrinsic productivity growth rate has increased from below 3 per cent. to above 4·5 per cent. Many academic economists around the country are living on a diet of humble pie as a result of having to reassess what they thought our economy was capable of. Our productivity growth is one of the principal reasons for that.

Another important aspect of our competitive ability is our inflation rate. Nobody can gainsay the Chancellor's success historically. I do not want to get into monetary technicalities on this matter, but I should like to consider our inflation as it affects our ability to compete. To do so, I shall divide inflation into two parts. I turn first to external inflation—inflation which is imported and has an effect upon our commodity and raw material prices. It is clearly demand-led or monetary-led, and is growing significantly at the moment. Commodity prices are increasing sharply, probably as a result of the buoyancy of world trade. I do not consider that aspect to be terribly important. Although it is important as a corrosive issue in the United Kingdom economy , it is not important as a competitive issue because it affects our competitors as much as ourselves.

The other part, which I consider more important, and which has implications for our economic strategy, is internal inflation. It is internal inflation in the sense that it affects the components of the value added to our manufactured goods and the services that we export—what one might think of as measured by the GDP deflator. It is influenced dramatically by earnings.

The Chancellor commented on earnings as climbing at about 8·25 per cent. That is not surprising because the British economy—the British private sector—has seen both large increases in its profitability, and a high level of profitability. I believe that 22 per cent. is the quoted return on capital today. Therefore, it is not surprising that we have a high earnings growth. Managers will not refuse their work force their earnings claims.

However, it is interesting to note that that 8·25 per cent. is largely made up of overtime, on top of a 5·5 per cent. wage settlement. That must be looked at in conjunction with the productivity growth to which I referred earlier. The effect of the two together is a small cost increase in manufactured goods, of between 0 per cent. and 2 per cent.

Our competitive ability is a function of our internal inflation and our productivity growth together. Productivity growth is itself dependent on growth. Therefore, one difficulty that we must consider in our exchange rate policy is that we do not administer such a shock to our economy that we lose growth and therefore lose productivity growth, because that sort of control could have the opposite effect to the one that we want.

Therefore, I was pleased to hear the Chancellor say that he has a clear view of exchange rates as part of his strategy. We should not see exchange rates as an exercise in silly precision. Most industrial companies hedge their forward position and their foreign sales. They are not concerned with a 7 pfennig move on a one-day basis. They are concerned principally with major changes that they cannot hedge, such as major changes that are more than one or two years forward. When a company such as ICI builds a factory, it has to make its plans on a multi-year basis. It cannot make those plans if it cannot forecast, with some degree of reliability, what the exchange rates will be. However, neither would I advocate a Canute-like, or rather a Canute-adviser's-like, defiance of economic tides.

As we have heard, market operations are useful for smoothing, which can have a useful effect on our interest rate policy because the smoothing of short-term volatilities reduces the risk to capital investors in the currency.

Therefore, they will invest at a lower interest rate in a smoother currency than they would in a volatile currency. Therefore, short-term smoothing is an appropriate use for that measure. It is also appropriate for countries and central banks to intervene as medium-term speculators.

Outside the central banks, there does not exist a set of medium-term speculators in currency markets. It is all short-term speculation and, as such, the markets can become distorted. I give the example of the central banks' intervention in 1984 and 1985 in the dollar, when they held it down, which was quite profitable for them in the long run.

Nevertheless, one must understand and accept that a currency policy is ultimately an interest rate policy. It is important that we have flexibility to keep our interest rates in a range that allows our trade-weighted index to stay somewhere in the 70s. That may be a 3 deutschmark level, or near to it. Again, that is not terribly important to 1 or 2 per cent., but it is important in order of magnitude terms.

The significant issue is that that surplus or PSBR level means that the medium-term interest rates will tend slightly downwards. That is appropriate and helpful because at the moment Germany's interest rates will look up because the German economy is growing faster than expected. That, too, is rather fortuitous because it means that towards the end of this year we shall see a slightly better trade relationship than is facing us now.

That is important, because the acid test of this Budget is not 1988; it is 1989, when growth rates will have diverged more than they do now; when the currency protection of hedging is lost by most British business; and when most world trade will look to turn down, even on the Treasury model. That will be the acid test of whether this Budget is successful as an economic strategy. In my view, the Chancellor and his team have made a brilliant judgment and created real foundations for British economic growth.

7.47 pm

Ms. Hilary Armstrong (Durham, North-West): This Budget was the first that I have heard in the Chamber. For many new Members, the Budget is a major event and, of course, it is the major parliamentary event that most of our constituents are aware of. They were listening, they were concerned and were looking for the messages that the Chancellor was giving. The Budget is the one thing that everyone in the country knows will happen and it is the one time of the year when the Government can give clear signals, not just about fiscal policy, but about the sort of society that they see themselves creating and the sort of society at which they are aiming. Through the Budget the Government give clear messages about the behaviour that they expect of individual people. In those terms, yesterday was very interesting.

What messages were the Government giving about their sort of society? What sort of society are the Government interested in? Yesterday the Chancellor made it clear that he was making choices. He told us in no uncertain terms and more than once that it was not a question of "no money" but as he termed it, of a buoyant and successful economy. He was making choices about the way in which that economy was moved forward and would be used. We were told that the choices were based not on scarcity but on surpluses, as my right hon. Friend the Leader of the Opposition said. The Chancellor has reminded us on numerous occasions that the money does not belong to the Government—it is the people's.

How, then, did the Government choose to act on behalf of the people? We have heard today that this was supposed to be the people's Budget, in which case I detect a cynical view of what the people are like and of who would benefit from the Budget. It was restricted to a narrow band of our people.

More than anything else, I was enormously saddened by the narrow and restrictive view that the Government have of the British people. The Chief Secretary reiterated time and again today that the only thing that can motivate them is personal gain. When I have met nurses, they have not gone on at me about their pay and asked why the Government were not giving them more; they have expressed concern about patient care. They are not asking for more for themselves, but more to do a proper job to ensure that the patient care that they have been trained to deliver can be given. But the Government have told them again and again that motivation comes only from personal gain—greed, to use a cynical word.

I do not believe that the British people are like this. Of course they are interested in looking after their families and themselves, but they also care about their neighbours, their communities and the nature of the society in which they live. They want a Government who reflect that care. Despite all that the Government have said to the Opposition about higher taxation, we were not talking about that but about the choices before the Government. Overwhelmingly, the nation told the Government that it wanted one of those choices to be to put some of the surplus into a better National Health Service. It is a matter of quality of care as well as of pay.

What message have the Government given to folk in my constituency? The Government have often used it as an example of the success of their policies. Consett has suffered the depths of the worst ravages of the Government's policies: unemployment there reached 30 per cent. Since the closure of the steelworks, jobs have been created there largely by the determination of the local councils, the regional arm of local government and the local people to ensure that the town would have a future. But no one in Consett says that the corner has been turned, and we still have high rates of unemployment. Jobs have been created and unemployment has fallen mainly because of the changes in the way in which the Government calculate the figures, but never mind. We welcome any new jobs, but yesterday the Government said that they were not interested in the nature of the regeneration.

I had wanted to discuss Consett in greater detail once I start on the subject, I get carried away—but let us instead consider women and children in my constituency. Women have begun to work in Consett and the rest of my constituency because of the change in the nature of employment, so they are interested in the tax system. My hon. Friend the Member for Redcar (Ms. Mowlam) has already dealt with this in some detail, so I shall be brief.

There was nothing in the Budget for children, but we know that the number of children living in poverty has more than doubled under the Government. There was nothing in the Budget to assure us that future generations will be catered for.

As for women, I wish to quote from the *Financial Times* leader about women, which says of the Chancellor:

[Ms. Hilary Armstrong]

"Having accepted the principle of separate taxation, he has kept a 'married couple's allowance' equal to the difference between the married man's allowance and the single allowance, which, amazingly, goes first to the husband, not to the principal earner. This is a very peculiar half-way house. Thankfully, the Chancellor has two years within which to have second and better thoughts."

We would urge the Chancellor to have those second and better thoughts, to be radical and to address the issue rather than trying to con us, as he did yesterday.

Because of the changing nature of work, many of my constituents are now what the statistics would call low-paid. A gentleman who was interviewed on television on Sunday, in a programme in which a Minister took part, said that his take-home pay is now what it was eight years ago when he worked in the steelworks. That shows what low pay is like in my constituency. The Government may well say that the low-paid should be grateful that they have a job — they are. But the Government have a double standard, consisting of one economic theory for the rich and a wholly different one for the low-paid and the poor.

We have been told that the rich need greater tax hand-outs as incentives. But the people who are the key to economic development in Derwentside and Wear valley are those who fall into the category of the 500,000 who will have marginal tax rates of 60 per cent. to 90 per cent. That is not good enough. Many of them are in the poverty trap.

The Government have given the people in my constituency a clear message: they are at best irrelevant to the Government and are being treated as an irritant. What have the Government done to encourage them to play the full part that they want to play in the economic regeneration of their towns and regions? How are these people to be encouraged to become entrepreneurial, and what incentives are they being given to contribute to economic regeneration? There is one economic theory for the rich and another for the rest.

Whatever the disagreements between the Prime Minister and the Chancellor — on those we can only speculate — we know that there is one major agreement: that those who have shall be rewarded. It is inevitable, whether the Government like it or not, that it will be at the cost of the rest. The Chancellor's choices mean that he is satisfied with the divisions in our society, that he wishes to institutionalise those divisions, to strengthen them. The anger and disbelief felt by people in the north is widespread. The Government have intervened once again to emphasise that the north is an area that they have abandoned.

There is moral outrage that a national Government can be so ready to abandon any notion of nationhood. There is a great feeling of social injustice. But there is more than that — there is a recognition that the Government have given up trying to procure a healthy economy throughout the country, that they have failed to take the steps necessary to bring about a thriving economy countrywide. Yesterday's Budget will continue to fuel the economy in the south but will do very little, if anything, to assist those of us who live in the north.

The north wants the opportunity to play its full part. Earlier in the debate, during the speech of my right hon. and learned Friend the Member for Monklands, East (Mr. Smith), there was an exchange about factory space in the northern region. What Government Members fail to recognise is that, because the economy is still so fragile, we must continue to have proper public recognition of the help that is needed.

The market is not yet ready to take over in areas like mine. We still have the lowest representation and the lowest growth of small firms of any region in the country. We still have the lowest number of self-employed anywhere in the country. It is precisely the folk that I have been talking about who will have to become the self-employed and who will have to set up the small businesses. It will not be the £100,000-or-more-a-year men. It is precisely the lower paid to whom we look in our region to carry out this process of rebuilding.

In these circumstances, the Government's crude reliance on the opinion that giving the rich additional rewards will lead somehow, magically, to more investment in the north — whether it can be described as naive or not — fails to address the reality.

We know that what we need in the north is investment in manufacturing. We know that such investment is currently still 14 per cent. below what it was in 1979. We also know that prospects for manufacturing industry this year are not good. If we continue even at the same rate — and the rate of change in unemployment is forecast to slow down rather than increase — it will take between 10 and 11 years for unemployment to return even to the 1979 level.

That is a price that it is not fair, not just, not moral for the Government to ask of people in the north. It is also an economic price that the country does not want and cannot afford to pay.

8.3 pm

Mr. Nicholas Budgen (Wolverhampton, South-West): I expect that you often reflect, Mr. Speaker, as we rise, hoping to catch your eye, that it is good for us to wait and listen to other hon. Members as they make their contributions; and, although we complain, it certainly is. I reflect that sometimes, when the House is apparently at its most noisy and contentious, there is none the less an extraordinary element of consensus.

I say that in spite of the comments of the hon. Member for Durham, North-West (Ms. Armstrong), because although she expressed with great vigour her plea that her constituency and her part of England should be dealt with, as she would see it, with more compassion and with a higher level of public expenditure, the Government have, in fact, done much of what has been demanded of them by the Opposition in the past eight years.

We have seen a massive change in the Government's overall control of the economy. After all, one of the main reasons why the Government were elected was to control inflation and then eliminate it, not to enjoy or even tolerate a rate of inflation of about 5 per cent. but to reduce it to 0 per cent. Another important reason for the election of the Government was to reduce public expenditure. But at least since the end of 1986 there has been a considerable increase in public expenditure.

In so far as the Government put forward specific proposals for the elimination of inflation, they said that they would do so by the control of the money supply; and they even went so far as to identify a particular indicator as being the best example of what the money supply was — sterling M3. Sterling M3 is now growing by over 22 per cent. per annum. So there is, in spite of what the hon. Lady has said, a remarkable consensus between what the

Opposition demands and what the Government are doing. It is only those who had the misfortune to agree in detail with the argument put forward before 1979 who find themselves excluded from this cosy consensus. Nevertheless, in spite of being so excluded, I should like to say a few words about why I think this is an important Budget.

All Chancellors say that all Budgets are important. In the 14 years that I have been in this House I have never heard a Chancellor describe his Budget as a modest little thing, unlikely to be noticed much by the historians. While this year's Budget may not be vastly historic, I suspect that it will be a Budget of some importance because of its tax changes. I would like to say why I, as an excluded monetarist, believe that the reduction of taxation by £4 billion in the next financial year is wise and may even be prudent.

Although the Chancellor talks about himself as a tax cutter, he is not, of course, a tax cutter overall but only an income tax cutter. He is an increaser of taxes in a number of other important areas. When we talk about the dangers of overheating in the economy, clear signs of which exist, we must ask ourselves whether a relaxation of £4 billion in respect of income tax is dangerous as inserting yet further demand into the economy. I say no, for this reason, that it is £4 billion out of a total of about £160 billion; and £160 billion itself is only 42 per cent. of the gross domestic product. So we are not talking about a very large percentage increase in demand in the economy.

Of course, it is important to all those who are affected by the tax reductions. As the hon. Member for Durham, North-West demonstrated, those who feel that they do not benefit from the reductions in income tax, and have a sense either of anger on behalf of their constituents or of envy on behalf of themselves, feel very annoyed. But, in terms of overall control of the economy, a reduction in tax of £4 billion is not all that significant.

One of the most educational aspects of sitting here for some time is to observe the extraordinary way in which the Labour party expresses its envy. There is, of course, no party divide in that respect; we in the Tory party can express envy just as well when required to do so.

Mrs. Maria Fyfe (Glasgow, Maryhill): May I say that no party can display greed as the hon. Gentleman's party can?

Mr. Budgen: I agree that the Tory party can display greed very well. There is no doubt about that.

Mr. Doug Henderson (Newcastle upon Tyne, North): Can the Tory party display morality any more?

Mr. Budgen: The Tory party can indeed display morality, but it is sometimes reasonable to say that the modern Tory party does not display the wish for consensus and social cohesion as much as it might. I am simply trying to explain why I think that these tax cuts are permanent and will not be reversed, even when the present Conservative Government ultimately lose power. I believe that there has been a profound shift in taxation policy which reflects social changes. That shift is very well illustrated on page 58 of the Red Book, which shows that income tax as a proportion of general Government receipts dropped between 1979 and 1988 from 29 per cent. to 23 per cent.

One of the great successes of the present Chancellor's regime — here I feel that he is entitled to describe his activities as almost historic — is his change in the structure of corporation tax. He has succeeded in turning a voluntary tax into a low-rated tax paid by everyone, and abolishing the various tax havens in the corporation tax structure. As a result, corporation tax as a proportion of general Government receipts has risen from 6 per cent. in 1978-79 to 9 per cent. in 1988-89. The Chancellor has been very successful in that regard, and in increasing the yield from VAT and excise duties.

There has been a fundamental change in the way in which the state raises its revenue — a change that is reflected in the extraordinary silence of Opposition Members, who are not saying that they will reverse these tax reliefs. They know that it would be unwise to say that, because, whatever they may say about the greed that undoubtedly exists in all of us, that greed also exists in their supporters, who will be delighted at the tax cuts. They will also notice that the cuts do not go only to the rich. They go on the standard rate, on the allowances and to all the lower-paid people whom the hon. Member for Durham, North-West represents with such force.

Although the tax reliefs will not be reversed, they will be a very important change in the climate of opinion, which will last long after the present Chancellor is as well remembered in the House as Mr. Chancellor Heathcoat-Amory is now.

Let me conclude by referring to a real dispute which I do not think the Budget has settled. Often, when there is the most noise, there is the most agreement, but although the dispute between my right hon. Friends the Chancellor and the Prime Minister has been private and quiet, it has been long-standing. It depends on very different attitudes towards the management of the economy, both here and in other countries. The 1979 theory of free markets depended on the proposition that it was impossible to rig exchange rates, although it might be desirable to do so, and that is also the lesson of the Louvre agreement. Let us take two examples of the way in which it has not worked.

Before the crash, the Americans were promising, under the Louvre agreement, that they would take all the necessary steps to hold up the value of the dollar against that of other currencies. Once the crash came, and it became obvious that the cost of holding up the dollar was higher than they were prepared to sustain, political support for the actions necessary to the Louvre agreement went, and all the other countries that had been buying dollars like mad to support the agreement were left with dollars that were quickly worth 10 per cent. less than they had been. Poor old Britain, and poor old Bank of England: they had bought $20 billion, and they were left with a 10 per cent. loss — apart from the question of how they funded the intervention. That did not work, because the political will to support the external agreement was not there.

The Friday before last, the Governor of the Bank of England and my right hon. Friend the Prime Minister disagreed with the Chancellor, and also with the Louvre agreement, which contemplated — as does the European monetary system — the fixing of the pound against the deutschmark. When the Chancellor said, "Let us intervene, or, for the sake of argument, let us drop interest rates," the Prime Minister said no. There were, she said, signs of severe overheating in the economy, and dropping interest rates would give inflation a further push.

[Mr. Budgen]

Intervening would be very expensive, and might add to the money supply. There was not the political support for rigging an exchange rate mechanism.

There is also a dispute of substance between my right hon. Friends the Prime Minister and the Chancellor about whether the best indicator of future inflation is to be found in the exchange rate or in the consideration of the money supply, however that is indicated. Until that dispute has been publicly resolved, and proper disciplines exist and are known to be followed in the economy, there will never be such stability. I accept that there never can be total or certain stability, but an element of stability in public policy is required.

I am opposed to the Louvre agreement, opposed to the EMS and opposed to the attempts to rig our economy according to an exchange rate mechanism. In one way Mr. Sam Brittan had it right when, on Thursday of last week, he wrote:

"The DM3 free link was not the only possible nominal framework. By nominal I mean one which will allow for reasonable growth but not accommodate inflation. Monetary targets have been tried. A nominal gross domestic product objective was tried half-heartedly. But in the last year or two the sterling — D/Mark link was the only game left in town and now there is no game left at all."

There must be some clear discipline if the economy is not just to drift along being fine tuned and fiddled according to whatever are the electoral requirements of the moment. There may be respectable arguments as between fixing the economy to the exchange rate or fixing it to some measure of the money supply, but there can be no respectable argument for a vacuum at the centre of policy.

8.21 pm

Mr. Alistair Darling (Edinburgh, Central): I am grateful for the opportunity to contribute to this debate and I shall be brief.

I wish to echo the criticisms of the Budget that were admirably made this afternoon by my right hon. and learned Friend the Member for Monklands, East (Mr. Smith), the shadow Chancellor. When I heard the Chancellor say that the Budget was to be a reforming one I, in common with my colleagues, listened in anticipation to learn what would be forthcoming. If one looks at this Budget, one is extremely disappointed.

Let us consider, for example, the treatment of the rich and the poor. The abolition of the higher rate tax will cost the country £2·1 billion this year. I believe that that money could have been better spent on the Health Service or on research and development, which is sadly lacking in this country.

I listened to the Chancellor talk about some of the taxes and perks that he intended to scrap. He said that he was going to scrap tax relief on covenants, but then went on to mention how they are used by individual families to finance student support. I wonder how many students are financed in that way. I believe that the Chancellor was talking about a tiny minority. Perhaps his friends or friends of Conservative Members finance their children's grants in that way, but most students rely on the grant that they receive and, over the years, that has been steadily undermined. I hope that, in the future, the Chancellor will give much more thought to incentives and opportunities for student finance than he appeared to do yesterday.

If the Chancellor was considering perks, why did he not scrap the share option scheme? That is ripe for scrapping as it benefits a very few people who do not need such benefit or incentive. Indeed, is it not the case that, very often, the people on the lowest level of income desperately need the incentive of more cash? It has already been said that it is they who find it most difficult to better their positions because of the penalising, marginal rates of tax. I believe that those at the lower end of the economy should be given the incentives rather than those at the top.

I also wish to register my protest about the business expansion scheme. The Government are to encourage and give licence to people to make money out of those at the lowest end of the income scale. I believe that that is quite shocking. From experience in Edinburgh, I know that there have been scandals about bed-and-breakfast accommodation and I am shocked that people will be able to use such establishments as a tax shelter at the same time as exploiting the most vulnerable and, economically, the most weakest people within our society.

Let us consider the effects of the Budget. Someone earning £60,000 year will be £128 a week better off. At the other end of the scale a married man, with two children, earning £115 will be 32p a week worse off. That demonstrates the disparity within the Budget. Surely, the unfairness of flat rate taxes occurs to the Government. With regard to income tax, there is a great deal to recommend a tapering system that reduces the difficulties that we face with high marginal rates, but is, at the same time, fair. We oppose the poll tax because it is grossly unfair and pays no regard to the ability to pay. I believe that the Chancellor's drive to reduce taxes will demonstrate similar unfairness. I am especially concerned about that.

I am also greatly concerned about his threat—I mean a threat—to reduce the basic rate of income tax to 20 per cent. in the not-too-distant future. That bodes ill for the public services within this country because it suggests that public spending will be cut even further.

What will the effect of the Budget be on our balance of payments? It appears that our current account deficit is now £4 billion. In November it was forecast at £3·5 billion and it appears to have increased in the past few months. If it was not for oil this country would face a major balance of payments crisis. A spending spree, without corresponding investment in the country, will mean that more foreign goods will be sucked in. It would have been nice if the Chancellor had paid some heed to the ravages of those missing years of Conservative ideology, 1979-81. Those years are never quoted when considering the country's growth or anything else; they are rather like Stalin's missing years.

The Chancellor must address the major problem of the balance of payments, because if he does not, the result will be that the only people cheering at the end of the day will be our European and other foreign competitors.

In common with most of my colleagues I am extremely concerned about the Americanisation of this country. In America a cruel deception is perpetuated year after year: everyone, no matter what their station, can somehow make it and they should remember they live in the land of the free and in the land of opportunity. We know that that is simply not true. In this country, the vast majority will remain at the bottom of the heap and those that have will be able to better themselves because they have the financial ability and other advantages to do so. Those at the bottom

will be denied that opportunity. In this country those who have money are able to exercise choice and improve their standing in many ways. We need to ensure that all the people have the power to choose rather than some of the people.

We cannot run an economy whereby those living in one part of the country have the necessary opportunities and incentives whereas the vast majority—those who live in Scotland, the north, Wales, Northern Ireland and so on—are constantly disadvantaged. The reason for yesterday's anger—an anger that will continue—is that the Budget is for those that have. It is for the rich man, a champagne Budget. No wonder there was much cheering in the stock exchange last night and the cracking open of champagne bottles. On the other side, the dispossessed have every reason to fear for the future and fear for the welfare of their families. That is why the Budget is bad. It is about short-term gains for the few. For that reason we shall oppose it throughout this long summer.

8.28 pm

Mr. Graham Bright (Luton, South): I hope that the hon. Member for Edinburgh, Central (Mr. Darling) will not think it discourteous if I do not refer to his speech, but, in the interests of time, I shall push on with my speech.

The Budget was unique because it recorded the longest period of sustained economic growth that Britain has enjoyed since the war. That growth is consistently higher than that enjoyed by many of our rivals and it has been accompanied by low inflation, rising output, rising productivity and falling unemployment. Those are achievements about which the Government and the nation can feel justifiably proud.

It is vital that those achievements are sustained. The policies of restraint in public expenditure and borrowing, of lowering taxation and of rewarding enterprise have been the key to our economic recovery. Firm monetary discipline and a prudent fiscal stance go hand in hand.

My right hon. Friend the Chancellor of the Exchequer is right to stick to those policies. They have created an enterprise economy in which the incentives to work and to prosper operate. The net addition of 500 new businesses created each week since 1979 and the welcome growth of 800,000 people in self-employment are proof of that. It is right to use the carrot of lower rates of income tax and higher thresholds to encourage that process.

I strongly support the decision to cut the standard rate of income tax by 2p. It will provide a further incentive to private individuals, particularly small business men, to work harder. The 7·5 per cent. increase in personal allowances will be of direct benefit to those on lower incomes. The process of lowering direct taxation in this way must be continued in future years.

I make it equally clear that I support the simplification of the higher rates of income tax and their reduction to 40p in the pound. The tax burden on the top 5 per cent. of earners had been growing recently. Those earners are also the creators of many jobs. Action to cut that burden and to reduce the attraction of tax-avoidance schemes is appropriate. Higher tax revenues will be produced in due course.

Given those reductions in income tax, it is certainly right to reduce the rate of corporation tax for small companies to 25 per cent. My right hon. Friend the Chancellor of the Exchequer is, I know, aware of the concern which is shared by many hon. Members who are interested in the prosperity of small businesses—that the impact of corporation tax should be more progressive. That reduction is a step in the right direction and it will leave many small incorporated businesses subject to the lowest level of taxation since 1945.

I hope that my right hon. Friend the Chancellor will entertain the idea that I have been advancing for many years of enterprise bonds to allow small companies an instant rebate on corporation tax if they intend to expand, invest or carry out research and development, which is essential if a small company is to continue to grow.

The difficulties that rapidly expanding small companies face in finding new equity are well known. The Government have rightly taken measures to help small companies and to encourage growth in the number of venture capital institutions. I understand that more than £700 million a year is being channelled through those institutions.

There is evidence that the business expansion scheme has been benefiting companies of rather larger than those that it was originally intended to help. For that reason, I particularly welcome the proposal to limit the amount that any one company can raise under the BES in one year to £500,000. It will give newly established firms and those of smaller size a better opportunity to find equity investment than they have had in recent years. This is a matter about which I and my hon. Friends on the Back Bench smaller business committee have expressed our concern. I thank my right hon. Friend the Chancellor for responding so positively to that problem.

One of the great advantages of small firms is their flexibility and mobility. Where there are opportunities and premises, there are always small businesses willing to take them up. Unfortunately, our housing market before 1979 had severe inbuilt constraints and our work force was relatively immobile. The position has improved, but more needs to be done, especially in the inner urban areas. The extension of the BES to residential property let on the new assured tenancy basis will encourage new private investment and provide more flexibility for workers seeking new employment.

No tax is ever popular with small businesses, and VAT is slightly less popular than most. It imposes a considerable bureaucratic burden, although that is counterbalanced by the salutary need to keep up-to-date and accurate accounts, so there are benefits from it. Nevertheless, the increase in the threshold will be welcomed.

There will be an even warmer welcome from small business men for the reform in capital taxation. Capital gains tax has posed a serious disincentive to owners of small firms who are contemplating retirement, and the differential in the rates of income tax has provided clever lawyers with scope for devising ingenious methods of avoidance. I have nothing against lawyers, but their activities in that regard provide a classic illustration of the problems created by an over-complex tax system.

The extension of the ceiling on retirement relief for capital gains tax from £100,000 to £125,000, and the concession that half of any gain between that level and £500,000 will be free of tax, will go a long way towards solving this problem. Families whose assets, on passing to the next generation, have been subject to inheritance tax will now, thanks to the Budget, have to pay no more than 20 per cent. in total.

That is important because small businesses are not just one-off, one-generation enterprises. They are often family

[Mr. Graham Bright]

concerns offering employment and prosperity to successive generations. They are an essential part of the social and economic fabric of Britain, but they have been gravely damaged in the past by excessively high taxation. That era is over, thank goodness. I am sure that the extension of the ceiling will help to keep small businesses in the forefront for a long time.

It is only in a prosperous enterprise economy that resources for private and public consumption can be generated. That is a matter about which we have heard a lot from the Opposition. However, if wealth is not being generated it cannot be spent. That requires a low tax regime, with in-built incentives and without complex allowances, reliefs and shelters. We have moved, step by step, towards such a system since 1979, despite being told that it could not be done and that it would have disastrous consequences. That has been shown, by experience, to be false.

Regrettably, Opposition Members do not understand or do not wish to understand that fact, and they have no intention of accepting it. When I listen to them I sometimes think that they would be happier if their recurrent prophecies of doom were being realised, if the economy was contracting, if output was falling and unemployment was rising, if inflation was back at 27 per cent. and if the burden of taxation was increasing rapidly. Their prescription has been tried. It failed disastrously and no amount of crude blustering will disguise that fact.

The Government have succeeded in revitalising the economy. The Budget builds on that success and my right hon. Friend the Chancellor is fully entitled to ask for the support of the House and the country for its contents. I am confident that he will get that support.

8.38 pm

Mr. Allen McKay (Barnsley, West and Penistone): Is it the case that Opposition Members do not realise that the economy must prosper, that people must make money and be paid, and that money must be provided to pay for the National Health Service and for prosperity? Of course we believe that. We do believe that, over the years, the Conservative Government have put their hands into one pocket, taken from the poor and given to the rich. That has happened in Budget after Budget. It is not a case of funding the economy. This Budget is funding the rich. It is not a case of envy but of asking the Government why they used the available money in a different way.

Everybody knew that money was available and that this could be a once-and-for-all opportunity. Everybody knows that most of our resources have come from oil and VAT. That must stop at some time. Instead of using the money that is now available to rejuvenate aspects of the economy that need to be rejuvenated — that is the sad thing about it — the Government have decided to give money to aspects that should not have received it.

The Opposition's wrath was not directed to what the Chancellor said at the beginning of his speech. Some hon. Members sometimes nodded or shook their heads in agreement. When he announced the 40p tax level, there was the realisation that £3 billion went to the wrong place. About £2 billion would have done the National Health Service the world of good.

That is what we were talking about. That is what people were angry about. The Government have said, "We shall not give £2 billion to the National Health Service because something could come up later." There is no doubt that the Chancellor had about £4 billion up his sleeve. He could say, "I hope that nurses' pay will be completely funded by central resources." That is the least that can be done in the present circumstances.

Some of my colleagues and I met representatives of the Royal College of Nursing. It is true that they did not talk about wage increases or what was in it for them. They asked what was in it for the people they were taking care of. For years I have been proud of our general hospital. It is fairly new. When people have talked about the problems of their hospitals, I have wondered why they have not attacked my hospital. When I met representatives of the Royal College of Nursing I realised that my hospital has growing staff problems and that there are patient care problems.

The Government's policies are driving wages down, encouraging private enterprise, harming hospital infrastructures and interfering with patient care. That is what the Opposition's wrath was about — not because money had gone to other things but because the Chancellor had money to use to put matters right. That was the problem. We have different points of view. Sometimes, hon. Members' points of view coincide.

Unlike what is happening in any other area, unemployment in my area is reducing extremely slowly. Male unemployment is still about 18 to 19 per cent. My area is not coming out of the recession in the way in which other areas are. I have questioned why that is so. I knew why it was so, but I wanted to prove it. I live in a coal and steel-producing area. Industries have been wiped out because of Government policies. Recovery is sluggish because nothing is going in to replace them. Yorkshire and Humberside are the worst areas for prosperity — for example, car and house ownership and other facets. South Yorkshire has produced coal and steel for some time. There is only one worse area in terms of prosperity, and that is Northern Ireland. I was shocked to discover what is happening.

Why is some of the money not available for my area? Why are we not getting unemployment down? *[Interruption.]* The Minister is smiling, but the facts are there. Time and again, I have said what is happening. The Government did not believe me. I asked the Government to declare it a special development area and provide some impetus. It is available. We have one of the finest work forces in the country. We have a network of roadways that join at the correct points. We have land available for building. We have people who are willing to get off their bottoms and get it done. We need that little bit extra to get it moving, and that little bit extra could have come from the Budget.

There is no doubt that we are falling behind. I have a census to prove it. Time is short, so I shall raise the topic on another occasion.

The Opposition emphasise what should have been done with the available money. The Government should have taken one important step, which would not have cost a lot. At least it would have shown that they have some compassion. I refer to television licences for old people. More than ever before, the Government had the opportunity to wipe out an anomaly. Old people, knowing that money was available, looked closely at what happened. They will not forgive the Government.

I refer now to the problems in my area and ways of overcoming them. First, we must provide special development status. Second, we must put money into infrastructure — schools, hospitals, roads, and, in particular, housing. I was in local government for about 26 years before I came to this place. At one time, a couple could get married and have a house within three weeks. But, within the short space of five years, the first homeless family has had to go into bed-and-breakfast accommodation. That is a clear sign of what has happened over the past five years. From the prospect of having a house in three weeks, they have moved to the prospect of bed-and-breakfast accommodation in five years. That is a measure of where the Government's policies have taken people in my area.

We must examine what is happening and see how to put it right. With the Budget, the Government could have done a lot to put things right, but they failed to do so. In moving money to the rich, who could well afford to do without it, the Government have failed millions of people.

I clearly remember one Prime Minister saying that our people

"have never had it so good."

That was true at the time, but it is not true now. We now have another Chancellor of the Exchequer virtually saying, "I am doing this because you have never had it so good." Retribution must come about. By the Budget, the people of this country will judge the Government for what they are. They will judge the Tory party's ideology and the thought behind what the Government have done.

8.47 pm

Miss Emma Nicholson (Torridge and Devon, West): An Opposition Member referred to the Budget as a rich man's champagne Budget. It is in fact an ordinary woman's cup-of-tea Budget, and I shall show why.

Again, Opposition Members have accused the Government of framing a Budget that says, "What is in it for us?" We are meant to be greedy Tories. By asking, "What is in it for them?" Opposition Members are guilty of unacceptable paternalism. The Government have created a Budget that has something in it for all of us, and that is the way it should be.

I am pleased that the hon. Members for Redcar (Ms. Mowlam) and for Durham, North-West (Ms. Armstrong) referred—albeit scathingly—to the subject that I wish to discuss. I was glad that they did so late in the debate, because, as the Chief Secretary to the Treasury pointed out in his lengthy speech of about 1,500 words, the shadow Chancellor did not even bother to mention married women. I am appalled by that.

The Chancellor has put forward a tremendous reform. Although there may be pieces of fine tuning that perhaps the shadow Chancellor, had he bothered to glance at the subject, might have wished to offer us, he did not take it seriously enough to talk about it. That is abominable. It is a betrayal of Labour ideals. Surely, in their manifesto, Opposition Members pledged to produce independent taxation for women. However, when it appears, they ignore it.

Of course, I did not expect any proper reaction from splinter groups on the Opposition Benches. Indeed, I did not get it. The hon. Member for Berwick-upon-Tweed (Mr. Beith) did not bother to talk about it, either. It is an important topic. It affects almost all women in the United Kingdom. For some reason, marriage is immensely popular today. Twenty years ago, 70 per cent. of the population married; now 90 per cent. of the population get married. I assume that 50 per cent. of those getting married are women. I suggest therefore that this reform affects almost every woman in the United Kingdom and that the new reforms will ease the constraints of marriage.

How galling and humiliating it must be for a woman whose marriage is less than comfortable — and some people are unlucky in their private lives — to have to discuss her private financial affairs, her small savings — not the grand gains that a few women make on the stock exchange, but small, personal, intimate savings which she has set aside from the housekeeping — with someone whom she does not respect as much as she should. */Interruption./* I suggest that the Chancellor is removing the financial chador which cloaked western marriage laws in darkness for so long. He has thrown it off and women will be grateful.

The tax laws which affect married women go back 203 years to the time of Trafalgar. While I appreciate that it may have been correct for Nelson to turn a blind eye to the extra-curricular activities of my namesake, Emma Hamilton, I sincerely believe that the abolition of the wife's earned income allowance is a magnificent move. This has surely been a crushing ceiling on the employment of women. It may have been acceptable in the bad old days when work was seen as the prerogative of male heads of households, but it is surely not acceptable now when 63 per cent. of all married women work and only 5 per cent. of all families have male heads of households who are the only earners. I therefore believe that this is a very important measure.

I am delighted about the abolition of the married man's tax allowance. I shall return to the point raised by the hon. Member for Redcar. She called the reform a sham and a fraud. She said that it will benefit only a very small proportion of the population and that it will help women only if they happen to be married to a very rich man or if they are very high earners. I believe that she is wrong because, as I have already mentioned, independence, personal dignity and the ability to spend will be achieved by the new measures.

Privacy was not mentioned by any other hon. Member, male or female, who spoke for the Opposition, although the hon. Member for Redcar agreed that privacy matters desperately to women within marriage as well as outside it.

The equality of personal allowances will benefit everyone. We are being offered, and we shall accept, the first ever tax allowance for married women. It can be placed against all forms of income. It does not matter whether it has been earned or saved. That is a real and signal advance.

The married woman's pension will affect the poorer female population. Women pensioners will be able to have allowances and any elderly married women will qualify for age allowance for the very first time. Generally, we are an aging population and pensioners are among the poorest in the land. I am delighted to say that this measure will affect women at the poorer end of the scale as well as those who are better off.

Ms. Mowlam: I agree that the measure will give a certain degree of independence and will get round any lack of privacy that we suffer. Does the hon. Lady agree that the Chancellor could have increased the allowance of

[Ms. Mowlam]

individuals when they get married and kept the married couple's allowance? Does she agree that the Minister has not gone far enough?

Miss. Nicholson: I am happy to say that I hold the view — as I believe the Government do — that the state should, as far as possible be non-judgmental in its financial dealings with its citizens. That means we have to withdraw the discriminatory charges against marriage. I appreciate the hon. Lady's earlier point about the problems of mortgages for women who share accommodation and who need to buy houses together. Nevertheless, it is right and proper that discriminatory charges against marriage should be removed and that the mortgage ceiling should be attached to the building and not to the people who are living in that building and contribute towards it.

Returning to the equality of personal allowances, that will give women a enormous incentive to save. The fact is that not many married women sit at home doing nothing. Only 11 per cent. of married women not in work do not take care of dependants who are either children under school age or elderly or sick people. Only a fraction of married woman are not working, in terms of not being out in the market place and not having a carer's duty at home. That is a very important point.

Couples' allowances reflect the lack of equal pay for work of equal value and the fact that women are still the smaller earners in society. I hope and believe that that will change.

Many married women prefer to stay at home while their children have not reached the statutory school age. Nonetheless, I should have preferred the couple's allowance to go to the higher earner. I accept that for the moment in almost every instance the higher earner will be the husband, although I hope that as the pattern of society, work and reward alters in terms of wages and salaries, the Chancellor will examine that again. I can only assume that is an easement of the abolition of the married man's tax allowance.

Finally, I believe that £500 million is a very small price to pay to clear away the injustice of 203 years. This is a reform which will be welcomed by all women. I suggest that it is economical, inventive and fair-minded and that those three qualities are the hallmarks of this great reforming Budget.

I commend the Chancellor's magnificent work in doubling the limit on donations which will come through the system of payroll giving. Payroll giving was invented in 1947 by the Children and Youth Alyah, the British arm of the Zionist movement. There has been a very slow increase ever since. Until the Chancellor turned his attention to it, it never took off. It is a magnificient way to make a pesonal contribution to the welfare of others. Voluntary giving is the bedrock of our society and can be equally matched through state provisions by the Conservative Government.

Mr. Deputy Speaker (Sir Paul Dean): Order. It is hoped that the wind-up speeches will begin at 9.10 pm. I appeal for brief contributions so that some of the hon. Members who have been sitting here for a long time will not be disappointed.

8.57 pm

Mr. Pat Wall (Bradford, North): For many years of my working life, I spent Budget Tuesdays being summoned to an office, under a distributive trade three-line whip, and forced to sit and listen to a transistor radio — which was banned on Derby day — and await with bated breath any changes in purchase tax, latterly VAT. Quite often, they resulted in many additional hours of weekend working drawing up new price lists. I assure the House that I found it far nicer to sit on these Benches yesterday, even listening to the present Chancellor, than to carry out those tasks.

For the 850,000 people on the hospital waiting lists, for the 3 million who earn too little even to pay income tax, for the 7 million who take home less than £135 a week — the European decency threshold — for those, whose number has increased by 50 per cent. to more than 500,000, who are caught in the poverty trap, for the two-child family who pay as much in direct taxation on average earnings today as they did 10 years ago, for the two-child family on half average earnings who pay twice as much in direct taxation as they did 10 years ago, this Budget is a disaster, especially if we compare them with those who earn 10 times the average income and who, as a result of the Budget, will pay 45 per cent. less in direct taxation.

The cut in tax rates for the top earners, which will cost £2 billion, will provide one third of the total tax cut, to the benefit of just 3 per cent. of taxpayers. Overall, the burden of taxation has increased because of indirect taxation, which hits working people hardest, and which has increased from 34 per cent. to 38 per cent. under this Government.

Mr. Chris Pond, the director of the Low Pay Unit, said today:

> "The analysis shows clearly the double standards in operation with tax cuts for the rich and benefit cuts for the poor. The Government will save £1·1 billion in the social security changes introduced this April, but it has given away twice this amount in tax cuts. The Chancellor boasts proudly that he has managed to balance the Budget. But he has failed to balance the scales of justice between rich and poor."

The rich will do very well out of this Budget. Under this Government, the number of millionaires has increased from 4,000 to 21,000. The top 60,000 taxpayers have already received about £5,000 each in tax rebates. For two fifths of our population, yesterday was not "super Tuesday" — it was never on a Monday, never on a Tuesday, and never on any other day.

A few weeks ago my hon. Friend the Member for Newham, North-East (Mr. Leighton) likened the Chancellor to the Emperor Nero. I understand that the right hon. Gentleman plays the piano rather than the fiddle. Despite the media hype, the flamboyancy and the rather sickly looking Dispatch Box cake, the Chancellor is the emperor without any clothes. What is worse, he has convinced himself that he is cloaked with levels of production, investment, employment, productivity and profit that serious analysts and even the more sober Opposition Members know are but an illusion.

As has been said, from 1964 to 1973 the rate of production was 3 per cent., falling to 1·4 per cent. from 1979 to 1986. It is far lower than Europe, the USA or Japan. In comparable periods, the British economy has lagged behind that of its rivals. When growth in manufacturing output is taken into account, the figures are far worse. Between 1973 and 1985, our manufacturing

fell absolutely by an average of 0·5 per cent. a year, while that for every major competitor rose. The faster rate of growth in manufacturing in 1987 of 4·5 to 5 per cent. must be set against that long-term record. Manufacturing production now only equals its peak eight years ago, and manufacturing investment is still 9 per cent. below its 1979 level. So much for the Chancellor's boom.

The boom, such as it is, has been boosted by £60 billion of oil revenue and, more recently, by revenue from the financial and service industries. Until last year, manufacturing was stunted, and any growth was made possible only by a sharp decline in the value of sterling, making exports cheaper and imports dearer. During the past six years, sterling has risen sharply against the dollar and has now passed through the Chancellor's personal European snake of a 3 deutschmarks parity. He appears to be getting little help from the Prime Minister.

The Confederation of British Industry, in "CBI News", takes a view rather different from that of the Chancellor. It said:

"The decline of the dollar . . . has resulted in a sharp drop in optimism. The balance of optimism to pessimism is minus 7 per cent. compared with plus 14 per cent. in October. Although export orders and deliveries increased over the past four months, they are expected to slow over the next four."

I wish to make many points, but I am aware that other hon. Members wish to speak. I want to make one point about productivity and manufacturing. An article in the *Financial Times* said:

"It is often forgotten quite how far Britain fell behind. Manufacturing outpt in September, for example, despite the recovery of recent years, was still 2¼ per cent. lower than in the boom of 1973 under Mr. Edward Heath. Over this period, production has risen by 49 per cent. in Japan, 46 per cent. in the US, 18 per cent. in Italy and 16 per cent. in West Germany.

The comparison is in some ways even bleaker if 1979, the year Mrs. Margaret Thatcher entered Downing Street, is taken as the starting point. A marginal 1¼ per cent. rise in manufacturing output in the UK contrasts with gains of, for example, around 32 per cent. in Japan and 23 per cent. in the US. If Britain is to regain its standing, even of the late 1960s, it will have to out-perform its rivals for at least a decade, perhaps much longer."

It continued:

"it is not unreasonable to argue that British productivity is still only between a third and a half of that in other leading industrial countries."

The Government had an opportunity to finance health and insurance infrastructure and to refinance industry and building, which is a non-inflationary approach, but they chose to give money to the rich. There is a growing world crisis. British factories are under-funded and under-equipped. The workers are under-trained and under-skilled. There is under-investment in industry. Whether the Government like it or not, the Budget does not herald an atmosphere of growing prosperity and growing riches for the top section of society. It denotes a future of disaster for the people of Britain unless we change this Government and their proposals.

9.6 pm

Mrs. Maria Fyfe (Glasgow, Maryhill): The hon. Member for Wolverhampton, South-West (Mr. Budgen) said that where there was a lot of noise there had to be agreement. It is a little like imagining a large crowd at a Celtic and Rangers match shouting at each other, "We want a draw."

We have been told also that the Opposition argument is about the politics of envy. I should like to point out something to the few Conservative Members in the Chamber. The people whom we represent created the wealth in the first place. Their money created the £2 billion and, as they said in every opinion poll that one cares to name, they wanted it to go towards the Health Service. The House rises during the long summer recess and the country seems to manage quite well without us. If the work force who created the wealth stopped their work for two and a half months, the economy would collapse. That proves my point.

The Chancellor's Budget has been presented as a great deal for women. That is far from true. Fifty per cent. of all the tax cuts in the Budget have gone to the top 10 per cent. of taxpayers. The bottom 50 per cent. of taxpayers pocket 10 per cent. of the tax cut money. Who are largely among the bottom 50 per cent. of taxpayers? It is women, mostly in low-paid jobs. Indeed, there are many in the lowest quartile. Taxes remain at 38 per cent. of GDP. The burden has shifted to indirect taxes, national insurance contributions and other taxes which fall predominantly on low-income groups—again, mainly women.

There are 13 million people in families below the tax threshold on untaxed benefits who will get no tax cuts. For up to 2 million people living on low incomes, benefit cuts cancel out any tax cuts that they have had. A wife and mother in such a household, struggling to keep her family fed and clothed, will view the Budget with bitterness, if she has any time to take in its details. For a person with a weekly income of £100 the net gain is 5p a week. There will be dancing in the streets of Maryhill at that! For a person with a weekly income of £2,000 the net gain is £281 a week.

We have been told that this is all justified by the need to control tax avoidance and evasion—in other words, do not put taxes too high in case people dodge them. It is amazing how the financially well-off get financial incentives not to indulge in what can be criminal behaviour but the lowest of the low-paid and the unemployed are chased by social security snoopers to ensure that they do not break the law.

We are supposed to have seen a big reform with tax forms. Because, at long last, women will fill in their own tax forms the Chancellor thinks that we cannot see through his little game. He has abolished the married man's tax allowance, but, hey presto, just like a magician, he flicks out of his sleeve a married couple's allowance. Is that to go to the man and the woman half each? No, it is to be paid to the man, not the woman. Where is the big reform in favour of women in that? Will all couples—or at least the male half of them—benefit? Do not ask silly questions.

As the hon. Member for Torridge and Devon, West (Miss Nicholson) said, this dodge gives an extra £500 million of tax cuts through independent taxation of investment income—hardly the kind of money that most families aspire to see. A couple with £10,000 investment income will save an extra £41 a week in tax. That is more than some of my constituents have to live on all week. The Government continue to ignore that fact.

On the same day as the dawning of the new era of independent tax form-filling, the Chancellor is to introduce for women in England and Wales the joint and several liability for their husbands' poll tax—a year later than in Scotland. If women think that the Chancellor is doing anything for them, they will learn differently before very long.

[Mrs. Maria Fyfe]

There is much else to be said about the Budget that I do not have time to say. However, let me mention the general impact of the Budget. The Chancellor has put more money into the hands of those men and women who will do nothing with it other than live lives of even more offensive display while others live in squalor. The consumer boom depends on imports bought with credit cards and other forms of high interest loans. The Prime Minister read some economics 40 years ago, it seems, and she thinks that high interest rates curtail borrowing. That seems logical, but it has not happened, has it? All the borrowing is boosting imports from other economies and not boosting our investment in our economy.

Even if the forecast were correct, that investment would still be below the level achieved in 1979. The hopes for jobs are therefore bleak. We continually hear about the recovery of the economy. Hon. Members mentioned high unemployment rates in their areas, and they are dreadful indeed, but I have yet to hear of a constituency with unemployment as bad as that in my constituency, with 22 per cent. average unemployment and 29 per cent. for men. Where is the wonderful boom in the creation of jobs? We are still waiting for it. The Government give tax incentives for the rich, but if one is poor one must learn to live on less. That is the message of the Government.

This Budget has shown more clearly to many more people that the Government are hellbent on a massive transfer of wealth from the low-paid and unemployed to those who are already substantially well off. It will not be forgotten or forgiven.

9.12 pm

Mr. Stuart Holland (Vauxhall): We have heard many interesting contributions during the debate and it is a great pity that the House is not more fully attended, given the major issues to which we have addressed ourselves. In that context, I think especially of the contributions made by hon. Ladies — for example, my hon. Friend the Member for Redcar (Ms. Mowlam), who talked about the married man's allowance and the implication of the change for women, my hon. Friend the Member for Durham, North-West (Ms. Armstrong), who referred to the Health Service, and my hon. Friend the Member for Glasgow, Maryhill (Mrs. Fyfe) who has just spoken. I regret that she did not have time to make her further points. Among other things, the hon. Member for Torridge and Devon, West (Miss Nicholson) kindly drew to our attention the fact that she is the namesake of Nelson's mistress, a point that I note with interest.

There is a character in Voltaire's "Candide" called Pangloss. He is the man who echoed Leibniz in saying that "All is for the best in the best of all possible worlds". He said that over the ruins of the city of Lisbon, which had just been devastated by earthquake. The Government's economic policy has not yet been devastated by earthquake but there are considerable tremors in the ground.

When we strip the Budget of the rhetoric and self-congratulation with which the Chancellor opened his speech, we find that there is a great difference between his fantasy view of the economy and the facts as they are actually are. Let us consider the Chancellor's first fantasy:

"the six years to 1987 have been the longest period of steady growth for half a century."

Set aside the challenge to half a century. Again, I quote:

"During the 1980s, our growth rate has been the highest of all the major European economies."

What are the facts? Since 1979, the growth rate of the United Kingdom has been the lowest of the Group of Seven top economies. Furthermore, we rank second lowest in terms of income per head among the G7 countries on 1986 figures and we are currently being overtaken by Italy, making us the lowest of all. In the OECD we are 15th in terms of GDP per head, which is a fall in the OECD league tables since the time of the outgoing Labour Government in 1979.

The Chancellor's second fantasy concerns unemployment. He says that in 1987

"unemployment fell faster than in any other year since the war".

That is terrific, but what are the facts? Under this Government unemployment has increased faster than in any other OECD country. It has reached record levels. Registered unemployment is now 2·69 million but the de facto unemployment, in terms of the unamended figures, is at least 3·2 million. The Government kept changing the basis on which the measurements were made or adopted policies that affected those registered as unemployed.

One can change according to choice the number of ways in which the Government have done that. Some estimate that there have been only half a dozen ways but others estimate that there have been up to 19 ways and some estimate up to 23. I shall mention three of the most important.

In February 1981, the register affect of special employment and training measures meant that, in effect, half a million people were taken off the dole at the stroke of a pen. In October 1982, there was a change in definition and compilation of monthly unemployment figures from a clerical count of people who registered for work at jobcentres to a computer count covering only benefit claimants. This took another one fifth of a million people off the dole at the press of a button. From October 1986 to January 1987, the introduction of the tighter availability for work test took nearly 100,000 people off the registered figures within a year and over 120,000 after that.

The reality is that unemployment will get worse. All we have to do is ask some of the self-styled experts. From February-March, before the Budget, the independent average, which is an average of 11 forecasts, including Liverpool, the Confederation of British Industry, Cambridge, OECD, the National Institute, the London Business School, Henley, Oxford, Economic Forecasting and others, estimated that unemployment would increase over the period concerned. If one takes the GDP growth rate as the fundamental reason, it will fall from about 4·1 per cent. in 1987 to 2·7 in 1988 and to 1·9 in 1989.

There may be some stimulating effect on the economy as a result of tax cuts. However, it is not nearly as effective to stimulate or sustain economic growth by cutting tax as it is by more direct forms of expenditure. In fact, it is only about one fifth as effective to do so and that is another reason why we can see that the growth — the so-called miracle on which the Chancellor congratulates himself — was a pre-election boom that will not last.

The Chancellor's third fantasy is:

"The plain fact is that the British economy has been transformed . . . This outstanding performance was founded on a further big improvement in productivity."

Productivity has gone up, essentially because it is higher in bigger business with greater capital intensity and more

embodied innovation and is lower in smaller firms. One reason for the increase in productivity is that so many small firms have been bankrupted, especially during the 1979-81 period. That may well be replicated by allowing the pound to rise now because the Chancellor is not in control of exchange rate policy and has the Prime Minister breathing down his neck.

Any fool can increase productivity by cutting jobs. No one in the Government has increased productivity by raising long term investment and innovation on a scale comparable with our competitors. That is what counts: it is not simply the rate at which productivity increases from the depths to which it had sunk by 1981. It is especially not done under this Government by the oft-cited mechanism of promoting new small and medium-sized firms. That has been well shown by Mr. David Storrey of Newcastle university, who specialises in such matters. Within the lifetime of this Government, for every 100 firms that started, 80 are now dead; four out of five are now dead. That is the mortality rate among such firms. Four of each 100 now account for half the employment. In other words, there is an advantage to bigger business.

The fourth fantasy of the Chancellor is that the current account deficit is now manageable and that

"the outlook both for exports and for jobs will depend critically on employers keeping their costs firmly under control." — [*Official Report*, 15 March 1988; Vol. 129, c. 995-996.]

The wage element clearly influences the outcome but it does not do so "critically". This Government have consciously pursued a policy of increasing aggregate unemployment, or sustaining high levels of unemployment to reduce wages. They have sought also to compete internationally by confronting trades unions and organised labour, relying on low wages to give us a competitive advantage in world markets.

Tell that to the country having the most competitive economy in the modern world, which is Japan. In contrast to the Chancellor, the Japanese rely on investment and innovation to raise competitiveness, and state-supported investment to sustain competitiveness. They also guarantee lifetime employment to core company workers.

The results in the examples are these. The labour content of the value of a product in Japan in heavy engineering, medium engineering and electronics — and including companies such as Matsushita and its household brand names, and the Japanese auto firms Toyota and Nissan—is now down to 5 per cent.

The Japanese are not running a low-wage economy in order to compete. They are running a high-wage and innovating economy in order to compete. Again, that is reflected in training, as was stressed by my right hon. and learned Friend the Member for Monklands, East (Mr. Smith). Again from Japan comes the illustration that an average skilled on-line worker in Toyota or Nissan spends seven years training during a working lifetime. At Ford, until very recently, only one and a half years was spent training during a working lifetime. The Japanese are reskilling and extending the skills of their workers and relating them to innovation rather than going for a wretched low-wage economy, which has been the record of the Government in recent years.

That policy in itself affects tax rates. Taking 2p off tax when the wage is low is only one way of increasing disposable income. The real way of increasing long-term disposable income is through investment in sound products in entirely new sectors of industry and by raising wages.

Further, we have a change in the exchange rate. The Chancellor has moved his position on that, and I am sorry he is not with us tonight. We are led to believe that he was Keynesian in his youth — I believe he was at Christ Church, so he cannot have been far away from Sir Roy Harrod—an advocate and supporter of a fixed exchange rate. He then moved to supporting a floating exchange rate, and then to managed floats. Now we are back to target zones. All very good — certainly give him a blue star for effort. But exchange rate policy is not simply a matter of whether or not rates float but what firms actually do at prevailing rates.

The illusion of this Government was shared, for example, by Lord Joseph when he was Secretary of State for Trade and Industry. When in this House, he said that the Government would roll the burden of taxation off the back of business — and the Chancellor has now done that — and we would see an unleashing of millions of British entrepreneurs, British exporters and foreign markets.

It is always very problematic in this House that after getting to one's feet a certain number of times — as you know very well Mr. Deputy Speaker, sometimes one gets to one's feet quicker than others — it becomes almost automatic. It is rather like the member of another place who dreamt one night that he was speaking and woke up and found that he was speaking. I found myself asking the Secretary of State for Trade and Industry whether he was really unaware that there were not millions of British firms in manufacturing or visible trade. There are only about 10,000 regularly exporting firms. Two hundred and twenty control two thirds of our trade, 75 control half and 30 firms account for 40 per cent. of our visible export trade.

What those firms do matters. The Japanese know that. The Germans, for all their reluctance to use four-letter words such as "plan", either because they are too close to the East German border or to an unlamented past, nevertheless intervene at the level of leading firms through the Deutsche Bank. Recently there was a Dm7 billion package of investment through the Kredietanstalt für Wiederaufbau. They know how to intervene, but this Government do not. That reflects the Prime Minister's prejudice against any intervention.

I suspect that the Chancellor may well prefer to have an industrial strategy. He has come some way towards target rates on the demand side and he may well want to have a real supply side economics rather than the laughing matter of the Laffer curve and its alleged incentive and volume effects. But he cannot reach an industrial strategy, because his mistress will not let him.

The result is that the Government have been offering Austin Rover and British Leyland on the market to the highest bidder. Under the Labour Government, we had a British motor industry. We invested resources through the National Enterprise Board. As a result, we had a considerable increase in productivity. What happens under this Government? They offered to sell the industry or let it have a joint venture with Honda, so that a Rover is now a Honda with a Rover badge. That is the failure of the Government's strategy, and it relates both to incomes and employment.

The fifth fantasy is that the fight against inflation should be "paramount". That was what the Prime

[Mr. Stuart Holland]

Minister said only a few days ago in this House. Obviously, countering inflation should be a key objective of any Government, but the fight against inflation should not be a paramount aim, even of a Conservative Government. The Government's Budget strategy should have been to make it possible to get higher productivity through investment and innovation, thereby increasing our international competitiveness against this disastrous chronic deterioration in our balance of trade.

No hon. Member in his right mind would thank a doctor for reducing a patient's temperature if the result was rigor mortis. Why then should we thank the Government for reducing inflation when it has killed at least 2 million jobs and we have forgone billions of pounds of income and output? Even if that income had been taxed at the rate which obtained a day before the Budget, it would have been higher from sustained economic growth than it has been under the Government.

The Chancellor likes to give the signal in the City that he is no longer going for monetary targets. The code words are that he is no longer a monetarist. Certainly he is the only person who is paying attention to M0. *[Interruption.]* The Economic Secretary to the Treasury questions that. Perhaps he or the Chief Secretary would like to get to their feet and tell us whether the Chancellor is still a monetarist. If so, what is meant by monetarism? Where is the relation between inflation and the money supply? M3 targets have been abandoned down to M0. What is M0? It is cash in the till and certain types of deposit. Nobody takes that seriously as an index, other than the Chancellor.

A further fantasy is that there are inherent benefits in a balanced Budget because public spending in principle drains the private sector. We have news for the Chancellor: public spending does not drain the private sector or crowd it out; it sustains the private sector. In housing, for example, in England and Wales as a whole, over 90 per cent. of the council houses built are built not by public but by private contractors. So it is hardly miraculous that the cuts in the housing investment programme, which approach nearly two thirds of the total for 1979-1986, collapsed the sales of private contractors nine times more than those of the direct labour organisations of councils.

That is the so-called success of the Government. The cuts have deprived people of housing and have doubled the rate of bankruptcies in the private housing sector. That is not a record that the Government will wish to defend.

Keeping a balanced budget when the remainder of the OECD is slowing down, the United States economy is slowing down and the world economy as a whole is slowing down is like putting an aircraft on to auto-pilot. It deprives the Government of the ability to influence the level of demand and of the possibility of taking a lead at European Comunity level with, for example, the Governments of France and West Germany, to follow the example of Japan and give a stimulus to spending, income and trade in the world economy.

The Economic Secretary to the Treasury (Mr. Peter Lilley) *indicated dissent.*

Mr. Holland: I see the Economic Secretary shaking his head. Perhaps he wishes to rise and say, "No, that is not the case." *[Interruption.]* I know who the Economic Secretary is, but I am now looking at the Chief Secretary who is also nodding his head. Perhaps Ministers would like to tell us whether they think it necessary that the European economies should take the strain from the world economy, the leadership of which can no longer be provided by economic growth in the United States. Have the Government any priority for that? Why did they not reply to the call made by the Secretary of the United States Treasury, Mr. James Baker, before the Venice summit, to other leading OECD Governments to set targets for economic recovery?

If spending and demand targets, which are more important than exchange rate targets, had been set, we might not have seen Black Monday. If they had been set and there had seen a recovery of Europe's trade and sustaining of the dollar by the volume effect on exports, we might have had the "adjustment" on 19 October of the Chancellor's euphemism rather than collapse. In those respects, the Government are heading, at best, into a recession of the world economy and, at worst, into a possible slippage into slump. Through their commitment to a balanced Budget, they are denying themselves the means of coping with that or contributing to a recovery programme with our leading partners.

In contrast with the Chancellor's claims, the real economic scenario is that this country has had the lowest growth rate of any G7 country since 1979. The GDP per head has fallen in OECD tables. Unemployment is still over 3 million and more than double the figure when Labour left office in 1979. Manufacturing investment is still lower than it was in 1979 and the trade crisis is chronic. After more than eight years of Tory rule, this country is uncompetitive, unproductive and unready to cope with a worsening global crisis.

In addition, as my right hon. Friend the Leader of the Opposition said yesterday and as my right hon. and learned Friend the Member for Monklands, East and so many other other hon. Members have emphasised today, this is the most uncharitable and uncaring Budget of all. If the Conservative party thinks that it has anything to do with the economic and social philosophy of the gurus at the Adam Smith Institute and the Institute of Economic Affairs, it has a surprise coming.

Adam Smith was not the man who elevated to the highest principle the self-interest of the entrepreneur. The reference to the invisible hand is a throwaway phrase in "The Wealth of Nations", relating to Smith's preference for domestic trade rather than international trade. Smith thought that by far his most important contribution was his book "The Theory of Moral Sentiments" in which he criticised

> "This disposition to admire, and almost to worship, the rich and the powerful, and to despise, or . . . to neglect persons of poor and mean condition . . . is, at the same time, the great and most universal cause of the corruption of our moral sentiments".

Smith went on to say:

> "It is not the soft power of humanity . . . that is capable of counteracting the strongest impulse of self-love. It is a stronger power, a more forcible motive . . . It is reason, principle, conscience".

Smith stressed the sense of propriety — which is so missing from this Budget — and what is proper versus the rights of privilege and property. He wrote of

> "the propriety of resigning the greatest interests of our own for the yet greater interests of others; and the deformity of doing the smallest injury to another in order to obtain the greatest benefit to ourselves".

In practice, in the terms of Adam Smith himself, the Government stand condemned for the Budget because it embodies what he deplored, the

"deformity . . . inequity . . . and corruption of our moral sentiments".

which stem from putting profit and privilege for the stronger in our society before the interests of society as a whole.

9.35 pm

The Financial Secretary to the Treasury (Mr. Norman Lamont): I am grateful to my hon. Friend the Member for Torridge and Devon, West (Miss Nicholson) not only for welcoming the Government's extremely important proposals on independent taxation, but for pointing out what I regard as the astonishing fact that the Opposition's Front-Bench spokesmen have spent so little time addressing what the Government have put forward as a solution to something that has always been regarded as an important and long-standing problem. My hon. Friend said that it went back to the battle of Trafalgar and the taxation system that was regarded as appropriate at the time of the Napoleonic wars. Certainly the reception that we have had suggests that, contrary to what Opposition Members have said, that is regarded as an important problem.

The present tax laws generally treat a married woman as if she had no separate identity from that of her married husband. Her income is taxed as if it were his income. Her capital gains are treated as though they belong to him. Even her tax allowance is technically his allowance for use against her earnings. Other taxpayers have a personal tax allowance as of right. Only a married woman has to go out to work to qualify for any allowance at all. Therefore, it is no wonder that people have been pressing for reform for so long.

That is why my right hon. Friend put forward in his Budget a radical proposal for independent taxation, which will come in from April 1990. It will give married women the independence and privacy in tax matters that they have been denied for so long. That is the earliest possible date at which such a system can be implemented and suggests the priority that we are giving to that important reform.

Under the new system, a married woman will be treated as a taxpayer in her own right with a full personal allowance to set against her income, and her own basic rate band. She will have responsibility for her own tax matters and will be able to enjoy complete privacy if she wishes. The change will mean that a married woman will no longer have her income from savings taxed at her husband's highest rate, regardless of the size of her income. A married woman whose only income comes from modest savings need pay no tax at all.

Ms. Armstrong: The problem with what the Financial Secretary is saying is that it does not match up with what his right hon. Friend said yesterday. If the Government are serious about enabling women to have independent taxation, will they pay the married couple's allowance to the woman or at least to the highest earner?

Mr. Lamont: As my right hon. Friend the Chancellor explained, the married couple's allowance will go in the first instance to the married man. However, it will be transferable to the wife if the married man does not have the income necessary to absorb the full allowance. The new system will be a step forward because it will mean that married women who work and who, at the moment, may have an allowance, but none the less have their income aggregated with that of their husband, will no longer have their income so aggregated.

The hon. Lady—and other Opposition Members—have suggested that the married couple's allowance is wrong, but if we did not have it, the threshold for married men would be lowered and considerable numbers of people would lose from the change. That is why we have designed the married couple's allowance in this way. This will allow incomes to be disaggregated, which was a point that the hon. Member for Redcar (Ms. Mowlam) addressed. However, she was wrong to suggest that this was an insignificant reform, primarily of interest and importance only to rich couples or rich women. Those who will benefit will not only be the well-off—three quarters of the benefit will go to basic rate taxpayers and non-taxpayers.

Another major beneficiary group will be the elderly. Large numbers of elderly wives earn their pensions on the basis of their husbands' contributions. They, too, will be major gainers—those who have category B pensions—and half the cost in the first year will go to elderly couples. That clearly shows that this tax reform does not only benefit the better off.

It is an important principle that there should be independence and privacy in taxation matters. That has been requested for a long time, and at long last my right hon. Friend has devised a system that will achieve all these objectives.

Mr. Millan: The right hon. Gentleman has said that pensioners' wives will be major gainers from the reform, and they will enjoy some gain. But the taxpayers who will gain overwhelmingly will be those with large investment incomes, or large incomes that include investments as well as earned income.

Mr. Lamont: I can only assume from that intervention that the right hon. Gentleman is against independent taxation and thinks that people should not have it merely because they have investment or savings income. The hon. Member for Berwick-upon-Tweed (Mr. Beith) made the same mistake. It is not necessary to be rich to have some savings income. At present, women with modest savings income have it aggregated with their husbands' income and must pay tax at their husbands' rate of tax, even if they are non-taxpayers.

The hon. Member for Redcar also mentioned covenants and maintenance. My right hon. Friend has announced some far-reaching changes in those, which will remove an unnecessary shelter in an era of much lower tax rates. The use of covenants for student support is an example that underscores and emphasises the need for reform. The present arrangements for covenants are also unfair to married couples. A covenant between husband and wife can have no effect for tax purposes because their incomes are aggregated, but unmarried couples can reduce their tax liability by making a covenant to transfer incomes between themselves.

My right hon. Friend the Chancellor also identified the present rules for maintenance as being an area in need of change, as it would be hard to imagine a system more complicated than we have now. His announcement will mean that the system will be much simpler for those who receive and those who pay maintenance.

[Mr. Lamont]

The hon. Member for Redcar referred to the unmarried mother's affiliation order, and said that she thought it was wrong that there would be no tax relief on it. That is true, but all maintenance from now on will be wholly tax-free. That is part of the simplification. She also feared that, because of the limit on relief of £1,490—the difference between the single and married allowance—there would be no incentive for anyone to pay more maintenance than that. That, of course, will largely be a matter for the courts, but I point out to the hon. Lady that, in fixing this figure of £1,490, we were not unaware that the vast majority of maintenance payments were actually under that figure.

The hon. Member for Berwick-upon-Tweed devoted part of his speech to wider share ownership, which has certainly been one of the Government's major successes. In his Budget speech, my right hon. Friend referred to the survey that we had carried out, by the Treasury and the stock exchange, in January and February of this year, which shows that 9 million people, or 20 per cent. of the adult population, now own shares, compared with 19·5 per cent. a year ago and 7 per cent. in 1979. What the survey shows is that, if anything, there has been an increase in share ownership and a willingness by investors, even in difficult market conditions, to hang on to shares.

The hon. Member for Berwick-upon-Tweed may be interested to know that the survey also showed that personal equity plans have encouraged a lot of people who had not previously bought shares to do so. A number of hon. Members, including the right hon. Member for Glasgow, Govan (Mr. Millan), talked about the Government's changes to the business expansion scheme. Some Opposition Members seem to have missed the important announcement by my right hon. Friend that there will be a ceiling on companies raising BES finance in future. There will be a ceiling of £500,000 on the total amount that any company can raise through the business expansion scheme in any one year.

We have taken this step precisely for the reasons adduced by some Opposition Members; we felt that the business expansion scheme was sometimes being used for raising money for asset-backed investments of a kind that could attract finance in other ways, and that it was wrong to give such a big tax relief in those situations.

The right hon. Member for Govan also raised the question of double BES relief under independent taxation. It is an interesting point but again, for the reason that I gave earlier, he is exaggerating the effect there, because the vast majority of wives with disaggregated incomes in future will either pay no tax or be basic rate taxpayers, and the opportunity for that will be extremely small.

Mr. Millan: No.

Mr. Lamont: I follow the logic of the right hon. Gentleman but equally he must follow ours. If there is independent taxation there should be separate reliefs, just as there are for capital gains tax and just as there are in the area of the business expansion scheme as well.

We have heard a lot of accusations by Opposition Members that this Budget does not help the very poorest in society. We have heard a lot about non-taxpayers. Opposition Members seem to think that people not paying tax have nothing to do with this Government's policy of tax reductions. It is a fact that the Government, not just in this Budget but in others, have been raising the tax threshold and taking people out of tax, and that some of those who do not pay tax are people who have benefited directly from the Government's policies.

The hon. Member for Dunfermline, East (Mr. Brown) has put forward an extraordinary figure. He has actually talked about the 12 million adult non-taxpayers who will not benefit from this Budget. One would not think, from the way in which he talked about it or in which some of his hon. Friends have canvassed the same figure today, that of that number only 400,000 are people of working age in full-time employment. All the others are either part-time workers, married women with part-time jobs and young people living at home, perhaps some of them coming from relatively well-off homes.

Keeping people out of tax is not something of which we should be ashamed, or which causes pain or anxiety. Keeping people out of tax by constantly increasing tax thresholds is extremely necessary, and is something for which the Government have an extremely good record.

The hon. Member for Redcar implied that the Budget had done nothing for the elderly. Again, many of the elderly are non-taxpayers precisely because the Government, through successive Budgets, have taken them out of taxation. We have the highest tax threshold for married pensioners since the second world war.

As I said a moment ago, pensioners will also be major beneficiaries of the move to independent taxation, especially older pensioners. Each married pensioner will receive an age allowance in his or her own right. They will also be entitled to a married couple's age allowance, based on the age of the older partner in the marriage.

Ms. Mowlam: I thank the Minister for giving way. I was trying not to interrupt, so that he would have a chance to finish, but I must correct his inaccuracies.

If the Minister had followed the logic of my argument, he would have understood that I was identifying the parts of the Budget that do not cater for women. If the Government are serious about their commitment to women, they should be dealing with that. Pensioners know, from the context of electricity privatisation and television licences, that what is given with one hand is taken away with the other. The Minister should put his remarks in the right context.

Mr. Lamont: I am sorry that I gave way to the hon. Lady. I think that my proposition that independent taxation—as put forward by my right hon. Friend the Chancellor—is indeed independent, and achieves privacy for taxpayers, stands and has been well demonstrated.

When the Leader of the Opposition replied to my right hon. Friend's Budget speech, he said that the Budget did nothing for the average person. It comes as something of a relief to many people to hear the Labour party putting its shoulder behind average people: it so seldom seems to pay any attention to them.

The average person benefits from the Budget. The married man on average earnings benefits by nearly £5 a week, and some 6 million people with between three quarters of average earnings and one and a quarter times average earnings have benefited by between £4 and £6 a week.

No one who listened to the right hon. and learned Member for Monklands, East (Mr. Smith) would have dreamt that over 70 per cent. of the cost of these tax changes had gone on the basic tax rate, and on increasing

allowances. Some 23 million people are basic rate payers, and 99 per cent. of them are beneficiaries of the Budget. They will gain, as they have gained from previous Budgets from the present Government, by significant amounts.

It should be remarked—as my right hon. Friend has pointed out—that the basic rate of tax is at its lowest level since the second world war, and the personal allowance for a married couple is at its highest since then. That is how ordinary people have benefited from the Budget, and they can be confident that they will benefit from future Budgets produced by my right hon. Friend and the present Government. We have set our sights on reducing the basic rate of tax to 20p in the pound, as my right hon. Friend has said.

My right hon. Friend the Chief Secretary has pointed out that the majority of European countries have a top rate of taxation that is lower than our previous rate of 60 per cent. In some countries, such as Switzerland, the rate is significantly lower. Many other countries are moving to cut their top rates—Australia, New Zealand, Canada and the United States.

Mr. Holland: Germany?

Mr. Lamont: Yes, Germany has a rate that is lower than 60 per cent., and so does France. I would be happy to go through every country and demonstrate, as my right hon. Friend has, that the majority of European countries have top rates below 60 per cent.

The Government have reduced the top rates previously. Indeed, the last time we reduced them it was by a larger amount—23 points as compared with the reduction of 20 points announced yesterday. As a result of that reduction, the revenue from top rate payers soared in real terms and indeed, my right hon. Friend noted that the proportion of tax represented by the top 5 per cent. of taxpayers increased from 24 per cent. to 29 per cent. We expect that broadly to continue to be the case even after the changes that have been made in the Budget. My right hon. Friend emphasised that policy.

If the result of cutting the top rate of taxation in the past has been to increase revenue, why is the Labour party so opposed to such cuts? When we previously reduced the top rate to 60 per cent. Opposition Members said that that was outrageous and pledged themselves to reverse that decision. However, the increased revenue provided more money for the National Health Service and for our public services.

Several Hon. Members *rose*——

Mr Lamont: I will not give way now.

I had long given up hope for the Labour party, but perhaps I am doing it an injustice because I noticed a report in *The Times* of 26 January—admittedly it is a Murdoch newspaper and some Labour Members may not have read the announcement—which was headed:

"Labour to end the policy of high taxes for rich."

That article said that the Labour party believed that the starting point for income tax could be extremely low, but that the maximum top rate under a Labour Government might only be 50 per cent.

Apparently, despite yesterday's indignation and disruptions, that is what the Labour party has been thinking about in private. It appears that a cut of 20 points is outrageous and unacceptable, but a cut of 10 points is something quite different. We have the greatest difficulty in understanding what great difference of principle is involved in that argument.

Labour Member after Labour Member has referred to the amount that my right hon. Friend the Chancellor has had to give away—that is the phrase that they have used. Every word of their speeches showed that they had no understanding of how my right hon. Friend has achieved his current strong position. They talk about the amount that he could give away as though the increased revenues were somehow an accident or manna from heaven——

Mr Holland: They come from oil.

Mr. Lamont: That is an interesting comment. Occasionally, the hon. Gentleman may dip into the Red Book, but perhaps the last time he did so was seven or eight years ago. Today, North sea oil accounts for something like 1·9 per cent. of revenue.

I noticed yesterday that when my right hon. Friend was talking about the strength of revenue, Labour Member after Labour Member said, "North sea oil," and that simply shows that they do not understand that it is by prudence that my right hon. Friend has achieved the current position.

In the past, my right hon. Friend has shown that prudent financial policies are the ones that will leave this country in a strong position. However, we cannot expect Labour Members to understand that. There was a look of utter bewilderment when my right hon. Friend talked about reducing the PSBR or reducing debt.

The Opposition do not look beyond today into tomorrow and they do not look for savings in debt interest. The Autumn Statement of my right hon. Friend the Chancellor amply showed that reducing debt interest can create more room for improvements in priority sectors. Prudence has enabled us to place more and more resources into state services.

Debate adjourned.—*[Mr. Neubert.]*

Debate to be resumed tomorrow.

Sidbury

Motion made, and Question proposed, That this House do now adjourn. *[Mr. Neubert.]*

10.1 pm

Sir Peter Emery (Honiton): I wish to speak on behalf of a number of my constituents — farmers who are farming on land that is difficult to farm and would be judged to be difficult in whatever part of the world it was situated. They do a remarkably fine job against all possible odds and in conditions that seem to work against them. The EEC could hold out some financial help and relief for their farms, but the Government have so far found themselves unable to help.

The farmers are in an area north of Sidbury. It is difficult farming land and they want the Government to grant their land to be eligible for disadvantaged area status. Such status, which is available through the EEC's less-favoured area directive, would enable them to receive grant-aided headage payments on beef, cows and sheep.

The area submitted can be specifically seen on a map, which no doubt is in the possession of my right hon. Friend the Minister. It is a high, sharp, sloping area north of Sidbury and stretches almost up to Honiton on the northern boundary, with the scarp slope east of Ottery St. Mary on the western boundary and stretches almost to Colyton in the east.

The central part of the appeal area is on a high plateau, which is just under 800 ft high, and is a southern extension, in geological and geographical terms, to the Blackdown hills. An application was submitted on behalf of the Blackdown hills area, which is similar in nature, for less-favoured area status and subsequently that application was successful.

An appeal was submitted on behalf of nearly 70 farmers, and a clear boundary was put forward to give an island site well in excess of the 1,200 hectare minimum size required for less-favoured area status. Subsequent to the proposal being submitted, surveyors from the Ministry of Agriculture, Fisheries and Food assessed the area to see whether it would qualify under the terms of directive 75/268/EEC, article 3(4).

The Ministry is the initial assessor of whether proposals meet the criteria of that directive and, in essence, whether the block of land in question is of sufficiently poor quality to be handicapped in its farming activity to such an extent that it requires the additional farming assistance that the EEC would allow.

Having surveyed the area, the Government surveyors rejected the initial submission for less-favoured area status on two counts: first, that there was not sufficient land of grade 4 or 5 status for it to be determined as being a predominantly less-favoured area; and, secondly, that it was not homogeneous.

In keeping with previous practice, the Minister allowed the rejected proposal to be submitted to an appeal process. That process requires farmers to resubmit their proposals to an independent tribunal. The tribunal was made up of three farmers appointed by the Minister, with terms of reference set by the Minister. It was required to assess the submission at a formal meeting and on site. Ministry officials gave evidence to the tribunal about why the site was originally rejected. In the case of the Sidbury appeal on 3 and 4 February 1987, the Minister's appointees met and heard evidence by farmers, the Minister's surveyors and independent experts produced by the National Farmers Union. A detailed case was put by the NFU experts, who represented 66 of the 70 farmers.

I am certain that the Minister knows the basis of the case. The high plateau top of the area reaches 835 ft and is exposed and difficult to farm. Many of the valley combes off the plateau are not south-facing and are open to northerly winds. Slopes off the plateau are extremely steep — if one drives over them, one realises that that is an understatement — and are beyond the gradient recommended by health and safety standards as suitable for tractor work. Virtually the entire area is above 600 ft, and is so similar in characteristics to the Blackdown hills just to the north of the appeal site as to be indistinguishable. Again, I stress that the Blackdown hills site has been accepted as suitable for LFA status.

Because of the land's physical characteristics, the principal form of farming in the appeal area must be beef and sheep, and only around the periphery is there any evidence of dairy production. After all, the Minister does not need to be reminded that dairy farming is the basis of the Devon farming industry. Characteristically, farms have low stocking densities, and high yields are achieved only by the purchase of high levels of concentrates and by renting land off the hill for summer and winter grazing. A natural boundary can be found around the area. If the Minister cares to look at the map, he will see that it is obviously a boundary. It was submitted to the Ministry, and it is inclusive; there are no areas away from it.

Perhaps most significantly, the soils of the area are inherently poor and offer little prospect for improving farming. Much of the plateau suffers from poor natural drainage due to impermeable clay subsoils. Without exception, loamy topsoils contain a high proportion of flint and chert stones. The plateau is surrounded by steep scarp slopes, at the bottom of which is a spring line of running sand, which is almost impossible to drain. There is frequent land slipping. Valley bottoms are poorly drained and are frequently in a marshy condition.

In summary, the interaction between climate — rainfall exceeds 40 in a year — soil types and topography restricts the period for grazing and land work essentially to only summer months. In the spring, most of the area remains wet until the end of April in an average year, and May in a wet year. Where it is possible to cultivate, a high flint content leads to additonal costs in respect of implement wear and breakage.

The panel of Government arbitrators fairly considered the appeal area that was submitted to them. I stress that they spent two days on site. It has become widely known that, having heard the arguments of all parties concerned, including Government officials, they felt that the area was suitable for LFA inclusion. In short, an independent panel reached the conclusion that the Government should include the area as part of their submission to Brussels. It must be pointed out that the tribunal panel was given very clear guidance by the Minister as to what was acceptable and what was not. It was fully briefed as to the criteria for less-favoured area status.

The tribunal's views towards the area were submitted to the Minister along with many other appeal decisions around the country. In the case of Sidbury, it would appear that the same officials who submitted evidence to the tribunal again submitted views, after the tribunal had

reported, urging the Minister to overturn the tribunal's decision. The Minister decided not to accept the independent tribunal's view, and to reject the appeal.

One of my local farmers wrote to me saying:

"Our local committee of farmers representing the whole group carried out considerable preliminary work to make sure that we only appealed on land genuinely disadvantaged and to identify a boundary that excluded patches of better land. Our committee had several farmers with a wealth of experience drawing on generations of farming in this area, and could readily identify those farms and areas where farming is hard."

Mr. Hailey continues:

"I have had fourteen years' experience of running farms both on the plateau and in the steep valleys in an area which the Ministry agrees is Less Favoured and I was impressed with the homogeneity of the area in the application. The Ministers' panel of experienced, practical farmers, familiar with other panels and appeal areas, were apparently also impressed with what they saw of the whole area.

If we had been told that we do not qualify for Less Favoured status in comparison with other areas, then we would be able to accept it. However, to be told that part of the area is acceptable and another part, which is indistinguishable from the first, is not makes no sense whatsoever."

My conclusion is twofold. It comprises an argument and a request to my right hon. Friend the Minister of State. An appeal procedure was established and the terms of reference were set by the Minister. It has also been confirmed to me in writing that

"the vast majority of Panel recommendations have been accepted by officials without the need for reference to Ministers."

That was said in a letter from Lady Trumpington dated 12 August 1987.

How many or what percentage of representations have not been accepted, because Sidbury is one of them? I gather that very few have been rejected. In the Sidbury case, the panel's recommendations were overturned, so the Minister has been influenced either by the old arguments rejected by his appeal panel or by new arguments put by the same Ministry officials whose noses have been put out of joint by the panel's decision. If there have been new arguments to overcome the panel's judgment, surely the farmers should know what those arguments are and should have had the opportunity to refute them.

The Minister's reasons for refusal are twofold. First, he says that this is not a homogeneous farming area. However, it is contiguous, and has a single boundary to create a continuous island site and is more than 1,200 hectares. If the Minister were to visit the area, he would see that the land is of a uniform nature — one of the definitions of "homogeneous" in the "Oxford English Dictionary." The farmers have gone to great trouble to exclude land that was better land or was not homogeneous to the site.

Secondly, the Minister has stated that the land is not of sufficiently poor quality to qualify. However, the farmers — not the civil servants — the designated members of the appeal and the independent experts before the appeal, do not accept that view; nor do I. On one side there are the local farmers, the independent experts, the NFU, the appeal panel and the local Member of Parliament. Against them are the local civil servants supported by Whitehall.

I realise from experience the extreme difficulties for Ministers in reaching decisions when there is such conflicting advice. However, if my right hon. Friend were to see the land, be driven up and down the massive slopes of the combes, see the slate and stone, the nature of the soil, the wet, the dampness and the overall difficulties, I am sure that he would join me in supporting this application.

As one of my right hon. Friend's supporters and admirers, I ask him to accept my invitation to come and see the site. I should be delighted to ask him and his wife to spend a relaxed weekend with me, and we might even have a good bottle of claret. However, it is necessary to spend only two hours on the Sidbury hills, and then my right hon. Friend might immediately reverse his decision. If that is now impossible, he might at least accept a new application upon which he could look favourably. After all, it is not asking very much, and it is what this Adjournment debate is all about. Will he come and see for himself?

10.16 pm

The Minister of State, Ministry of Agriculture, Fisheries and Food (Mr. John Selwyn Gummer): Those who read the report of this debate will recognise the care and local knowledge with which my hon. Friend the Member for Honiton (Sir P. Emery) has put his case. None of his constituents could possibly imagine a better advocate for his cause. Certainly, he has been most kind in taking us through the real problems in agriculture in that part of his constituency. He will recall that I have seen that part, and others, when I have visited him. His offer is a considerable temptation. I remember when I accepted such an offer before and enjoyed myself immensely. If I do not satisfy my hon. Friend on this occasion, I hope that he will not refuse to allow me to walk on those scarps and to look at the countryside.

Sir Peter Emery: All that my right hon. Friend has to do is to say, yes.

Mr. Gummer: The problem is rather different from that which my right hon. Friend described.

There were about 1,700 appeals against the original decisions, but ultimately only six of them came to me. That is not a large number, so I was able to devote some considerable time to studying the problems. My temptation was to agree to them all, because there is nothing to be gained from saying no to one's right hon. and hon. Friends, or even to Opposition Members. It is much easier to say yes than to say no, as my hon. Friend will understand.

When the alterations to the less-favoured areas are finally put together, they must be submitted to the European Commission, which must be satisfied that the process through which we have gone has been proper and that the Commission's requirements, which have been endorsed by the Council, have been met.

If we allow within our submission areas of land that do not meet those requirements, they will be in jeopardy, as will all those areas that do meet the requirements. There are problems. Already more than half the land area of this country is designated as less-favoured. The Commission is naturally cautious about extending that land area. We have gone through the most complex and careful consideration of all those parts of the United Kingdom that have asked for this status because, as my hon. Friend says, it carries with it certain considerable advantages in terms of the aid available to farmers. My problem is that, if I decide in a way that the Commission would find contrary to the regulations — which we all have agreed

[Mr. Gummer]

as members of the European Community. I cast in doubt areas that fully meet those requirements. This gives me a considerable burden to bear.

I did not agree with my officials on all the appeals. I upheld several. I look at the appeals carefully. Wherever possible, consonant with my duty to the rest of those appeals whose cases were so clear that they had already been included, I tried to include those appeals that came before me. In this case, I was unable to do so. The reasons will, I think, be clear to my hon. Friend, although they are not particularly helpful, because obviously my hon. Friend would like me to change my mind.

I have a difficulty. I cannot comment on what advice was given to me by the local panel, because that advice is confidential and, for almost every local panel, and all the cases at which they looked, it has remained so. I cannot undermine the confidentiality which has already been kept by almost every panel asked to do this job by agreeing, or disagreeing, with my hon. Friend, and he will understand why. There may be three farmers with local knowledge. They have to live in that community for the rest of their lives. If they are to give the best advice they can, it must not be advice that is automatically spread abroad to everyone else who lives in the area. I must defend their right to confidentiality. In a sense, I cannot defend myself, or otherwise, on this matter, and my hon. Friend must excuse me for not doing so.

There are two issues which, I am afraid, those who want this area to be included within the LFAs must face. An area that wants to be included in an LFA must either be contiguous with an area already in the LFA or be an island site at least 1,200 hectares in size. Those 1,200 hectares must be — it is no good avoiding it; I wish that it were not so, but this is the rule — homogeneous in the sense that the land must have common qualities of poverty and of not being able to maintain sufficient stock such that it would be unreasonable to expect people to get a decent living from it. That is the kind of criterion that applies.

The difficulty with this area is that it is neither contiguous nor does it contain sufficient areas which are disadvantaged, by objective judgment rather than in the subjective view of those who have been there — which I understand. It does not contain more than 700 hectares of disadvantaged land. The area is not even on the margin of acceptability; it is 500 hectares out from the European Community's regulations.

What would happen if I included the area because of my respect for my hon. Friend and for the pressure that he has brought to bear, and my respect for the farmers and my knowledge of their difficulties? Because the measurement is an objective measurement, the Commission could without difficulty assess that I had included in the LFA application an area which clearly, on that ground alone, did not meet the criteria.

It is rather like filling in a tax return. If the tax man finds that one has failed to declare something that one has clearly been paid, he begins to think rather carefully about the rest of the contents of one's tax return. He begins to ask, "I wonder whether that is right. I wonder whether he has remembered to include that. Do I think that he should have included this?" Very soon, the taxpayer, I think with justification, finds himself having to answer a whole series of questions that he would not have been asked had he not brought it into question that he was following the rules properly. If I include the area in the application, every doubt will be cast on every other area that we propose. The Commission has the final word; it can say no. It can reject the whole application.

There is a second reason why I cannot include the area. The less favoured areas directive says that the area must be

"homogeneous from the point of view of natural production conditions"

and comprise a predominance of land

"mainly suitable for extensive livestock farming".

In practice, the area is a mixed farming area typical of large parts of south-west England, particularly those inland from the south coast of east Devon and west Dorset. Many of the farms in the wooded valleys are dairy farms, most of which have been developed in recent years and are modern, intensive units. There are also many sheep flocks in the area, but they are predominantly intensive flocks, producing fat lambs, not the extensive enterprises typical of the LFAs. There is also a large acreage of cereals in the area — a far higher proportion than one would normally expect in a livestock-rearing area, let alone a less-favoured area.

My problem is that, because the area does not meet the criteria, I cannot include it without endangering other areas proposed. My other problem is that many other areas, which have already been excluded and have accepted their exclusion, could more reasonably be included than the Sidbury area. It worries me considerably to have to say that, because my hon. Friend is a friend. I love his constituency and would wish to support its countryside and give additional aid to his countrymen. However, the criteria laid down by the Community are quite clear and the area does not meet them.

I wish it could be otherwise, because I should have loved to tell my hon. Friend, "I have considered this matter again. I have seen the problems and I believe that with careful phraseology and proper presentation I can encourage the Commission to take it on board." However, I cannot. As Minister I have one job that the advisers and the panels do not have: I have to consider each individual case not just as an individual case but bearing in mind its effect on the rest of the cases. Even if it were true that the panel had said otherwise and that the local people said otherwise, I have to think of how that would affect the rest of the United Kingdom. For that reason, I have to disappoint my hon. Friend in order to protect others.

Sir Peter Emery: I thank the Minister for his reply. I believe that some of the information about the amount of farming, the cereal and the dairy, is not accurate. If I can support that, I hope that my hon. Friend the Minister will look at the matter again.

Mr. Gummer: I give my undertaking that if that is so, I shall look at it again.

Question put and agreed to.

Adjourned accordingly at twenty-nine minutes to Eleven o'clock.

House of Commons

Thursday 17 March 1988

The House met at half-past Two o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PRIVATE BUSINESS

LONDON REGIONAL TRANSPORT BILL *(By Order)*
Order read for resuming adjourned debate on Question [10 December], That the Bill be now considered.
Debate further adjourned till Thursday 24 March.

TEIGNMOUTH QUAY COMPANY BILL *(By Order)*

YORK CITY COUNCIL BILL *[Lords] (By Order)*

ASSOCIATED BRITISH PORTS (NO. 2) BILL *(By Order)*

CARDIFF BAY BARRAGE BILL *(By Order)*

CITY OF LONDON (SPITALFIELDS MARKET) BILL *(By Order)*

FALMOUTH CONTAINER TERMINAL BILL *(By Order)*

NORTH KILLINGHOLME CARGO TERMINAL BILL *(By Order)*

ST. GEORGE'S HILL, WEYBRIDGE, ESTATE BILL *(By Order)*

SOUTHERN WATER AUTHORITY BILL *(By Order)*
Orders for Second reading read.
To be read a Second time upon Thursday 24 March.

BRITISH RAILWAYS (NO. 2) BILL *(By Order)*
Order read for resuming debate on Question [15 March], That the Bill be now read a Second time.
Debate to be resumed upon Thursday 24 March.

Oral Answers to Questions

HOME DEPARTMENT

Police Cells (Remanded Persons)

1. **Mr. Matthew Taylor:** To ask the Secretary of State for the Home Department how many unconvicted prisoners were remanded in police cells in England and Wales on 1 March; and if he will make a statement.

The Secretary of State for the Home Department (Mr. Douglas Hurd): On 1 March there were 1,535 prisoners in police cells in England and Wales. Most of these would have been unconvicted prisoners.

Mr. Taylor: Does the Home Secretary accept that conditions in police cells are far worse than those in remand prisons, and that it is barbaric for a civilised society to keep people in conditions that are often little better than those in which animals are kept in the zoo? When does he plan to introduce European minimum standards into our prisons?

Mr. Hurd: The Government have made an unparalleled commitment to the prison service in terms of new building, modernising existing buildings up to standard and staffing. The position to which the hon. Gentleman has drawn attention, which is certainly deeply unsatisfactory, is the result partly of industrial action in two large London prisons and partly of the increase in the prison population. That increase is caused not by an acceleration in the growth of crime—which has actually been slowing down—but by more cases going through the Crown courts, and the increasing severity of sentences passed by those courts.

Mr. Lawrence: Although I accept what my right hon. Friend has said about the Government's actions in the prison sector, is not the overcrowding of prison cells quite unacceptable? Is this not the moment to press ahead with the introduction of private contract prisons for remand prisoners?

Mr. Hurd: My hon. and learned Friend knows that there is no magic in that suggestion. For example, it does not automatically deal with the planning permission problems, which are one of the bugbears of the prison building programme. My hon. and learned Friend also knows how constrained I am by existing law. I agree, however, that we cannot afford to neglect new ideas simply because they are new, and I shall bear that in mind in making the reply that I owe to the Select Committee on Home Affairs.

Mr. Grocott: Why do we find it necessary in this country to imprison more people for longer periods, whether in police cells or in ordinary prisons, than any other country in western Europe?

Mr. Hurd: Neither the hon. Gentleman nor I send people to prison. The courts do so, after considering each case. I think that most hon. Members would welcome the fact that there are now more severe sentences for the more severe crimes of violence. In the case of lesser crimes, we want to build up ideas of punishment in the community in which the courts can have confidence.

Mr. Bowis: In the light of the escape from court cells of prisoners on remand in Battersea, will my right hon. and learned Friend give an undertaking that in future no prisoners on remand on charges of murder and crimes of violence will be held overnight—or, in particular, over weekends—in such cells under the tutelage of the police rather than of prison officers?

Mr. Hurd: My hon. Friend rightly looked into the incident in his constituency, which is a classic example of the dangers that we run as a result of industrial action in certain London prisons. I entirely agree with him that it is highly undesirable for dangerous people to be lodged, even temporarily, in police cells, and we do our best to avoid that.

Deportation

2. **Mr. Madden:** To ask the Secretary of State for the Home Department if he will make it his policy not to remove or deport any person from the United Kingdom who has been granted a judicial review of the circumstances of their case.

The Minister of State, Home Office (Mr. Tim Renton): Those who obtain leave to apply for judicial review of a decision about their immigration status cannot expect automatically to be allowed to stay here until proceedings are completed.

Mr. Madden: Will the Minister reconsider that reply and give a clear undertaking that anyone who has sought to apply for a judicial review, or has been granted one, will not be removed or deported until those procedures have been exhausted? I urge him to reconsider, following the passing of the Immigration Bill, because it will impose important new restrictions. I believe that the implications of my request are most important, in terms of natural justice, for those who are faced with very great difficulties.

Mr. Renton: There is nothing new about this. In his statement to the House on 3 March 1987 my right hon. Friend the Home Secretary made it plain that this would be our procedure in cases of those applying for asylum, for example. There may be cases in which the interests of maintaining proper immigration control will make early removal necessary. I am sure that the right approach is to deal with each case carefully according to its individual circumstances.

Mr. Irvine: Are not applications for judicial review sometimes used by illegal immigrants simply as a delaying tactic? Will my hon. Friend tell the House the average time span between an application for judicial review and the eventual decision?

Mr. Renton: My hon. Friend is absolutely right. Leave to move for judicial review can be used simply as a means of delaying removal and thus of staying longer in this country. If a case is taken to the Court of Appeal or to the House of Lords, delays of four to five years may occur before removal takes place. Even in the case of an application to the Divisional court, the time taken to bring the case to a hearing can often be as long as two years.

Mr. Randall: Is the Minister aware that the Master of the Rolls in the Swati case indicated that premature removal of a person might deprive the courts of jurisdiction in such cases? Bearing in mind that the powers of Members of Parliament to make representations are under continual threat from the Government, and that the Home Secretary has said that not all cases will be referred to the United Kingdom Immigrants' Advisory Service referral system, what effective safeguards does the Minister intend to introduce to ensure justice for genuine visitors or asylum seekers who wish to appeal?

Mr. Renton: I have no doubt that there is genuine justice at the moment. We have a superstructure of appeals in this country which has little parallel in other Western countries. That superstructure is such that, through using the system, people are often able to abuse it and to stay for much longer in this country than is justified. I assure the hon. Gentleman that we have not yet had cause to remove or deport anyone in the circumstances that I outlined in my original reply. It is correct to reserve the right to do so in future and to have regard to individual cases.

Mentally Disordered Offenders (Release)

3. **Mr. Cran:** To ask the Secretary of State for the Home Department what further discussions have taken place since January concerning the release into the community of mentally disordered offenders.

The Parliamentary Under-Secretary of State for the Home Department (Mr. Douglas Hogg): Discussions are continuing between Home Office and Department of Health and Social Security officials, and within the DHSS, to seek ways of promoting good practice in the case of patients with chronic mental illness who have a history of offending. The objective is to ensure that such patients remain in contact with psychiatric services and do not find their way back into prison. The DHSS also intends, later this year, to lay before Parliament and to publish a code of practice for the guidance of people involved in the treatment of mentally disordered offenders.

Mr. Cran: I am extremely grateful to my hon. Friend for that reply. Is he aware that the option of remand to a psychiatric unit for some convicted prisoners awaiting sentence and who have psychiatric problems is sometimes frustrated by the unwillingness of medical and other staff to accept individuals who have behavioural problems?

Mr. Hogg: Yes. My hon. Friend's interest in this matter is well known and greatly to be welcomed. Officials of the Home Office and of the Department of Health and Social Security are proposing to undertake urgent talks to see whether it would be possible to persuade the regional health authorities to increase the number of beds available for the kind of persons to whom my hon. Friend has referred.

Mr. Cryer: Will the Minister persuade the DHSS to slow down the programme of community care because of the problems that have been highlighted today of the release of people into the community? Will he tell the DHSS that many of us are very suspicious about the programme, which involves the closing of hospitals for the mentally handicapped and selling the sites for private development? It is important that this sort of attitude should be stopped and that plenty of money should be made available for local authorities to provide community care before any changes are made.

Mr. Hogg: That question is really a matter for my right hon. Friend the Secretary of State for Social Services. The

hon. Member for Bradford, South (Mr. Cryer) will, I think, welcome the Government's policy on this matter, which is, first, to try to divert from the prison system those who are better off in hospital, secondly, to try to provide better care for those in the prison system; and, thirdly, to provide better support for prisoners who are discharged back into the community.

Mr. Nicholas Winterton: Is my hon. Friend aware that his remarks will be very welcome indeed? Is he further aware that many of those in our prisons at present are there because there is not a bed or a place for them in a psychiatric hospital? When someone is discharged from a psychiatric hospital in the first place and commits some minor offence in the community, the court often has no alternative but to send him to prison because of the lack of a place in a long-stay psychiatric hospital. Therefore, will my hon. Friend seek to ensure that his Department's views are drawn forcefully to the attention of the Department of Health and Social Security, which is carrying through an over-rapid closure of psychiatric hospitals, in some cases for the reasons advanced by the hon. Member for Bradford, South (Mr. Cryer)?

Mr. Hogg: My hon. Friend has made a very important point, as one would expect of him. The Home Office recognises that in some areas there is a need for more beds of the kind described and intends to have talks urgently with the Department of Health and Social Security to see what can be done to persuade the regional health authorities to make such provision.

Mr. Speaker: Before I call the hon. Member for Dundee, West (Mr. Ross), I remind him and others who may be called that the Birmingham bombings case remains sub judice. If questions are confined to later events concerning Dr. Skuse's retirement, they will be in order.

Dr. Frank Skuse

4. **Mr. Ernie Ross:** To ask the Secretary of State for the Home Department when the first staff report was made which referred to the deterioration in the performance of Dr. Frank Skuse.

The Minister of State, Home Office (Mr. John Patten): Staff reports for 1981 and 1982 showed a pattern of deteriorating performance. Dr. Skuse was, therefore, removed from reporting cases to court in January 1983.

Mr. Ross: Why is the truth about Dr. Skuse being covered up? Is not the truth that we have another Dr. Clift on our hands? If so, would it not be better for Ministers to own up rather than our having to drag it out of them?

Mr. Patten: The hon. Gentleman's conspiracy theories are totally unfounded. Dr. Skuse was the subject of adverse reports from his line managers in 1981 and 1982. He was immediately removed in January 1983 from performing his duties and he retired voluntarily from the Civil Service in 1985. All Dr. Skuse's cases, dating back to 1966 — some 350 in number — were examined by the director of the Chorley forensic science laboratory in 1985 and 1986.

Sir John Farr: May I suggest to my hon. Friend that it might be a fairer course to adopt if all the cases with which Dr. Skuse was associated before his retirement were looked into, in case there is any association between the activities in which he took part and those in which, for example, Dr. Clift took part, with the result that so many cases had to be reviewed?

Mr. Patten: The director of the Chorley forensic science laboratory has already looked at some 350 cases dating back to 1966. If any right hon. or hon. Gentleman, or anyone else for that matter, has evidence of any possible miscarriage of justice based on forensic evidence placed before the courts by Dr. Skuse, my right hon. Friend the Home Secretary will, of course, be prepared at any time to examine that evidence.

Mr. Mullin: Is the Minister aware that while Dr. Skuse was giving evidence recently he was in telephone contact with the other principal Crown witness, Superintendent George Reade? Will he organise an investigation

Mr. Speaker: Order. I think that the hon. Gentleman is sailing very close to the sub judice rule.

Mr. Mullin: Is the Minister aware that this was in direct contravention of the instructions of the Lord Chief Justice?

Mr. Patten: I am not aware of the facts that the hon. Gentleman suggests. However, there is no evidence at all of which I know thus far of any collusive or collaborative arrangements between any of the private citizens to whom the hon. Gentleman refers. It is incumbent on him to take to the police and lay before them any evidence of alleged collusion or collaboration.

Mr. Alex Carlile: On the more general question arising from the Clift and Skuse cases, does the Minister agree that competent forensic scientists play a crucial role in the detection of criminals? Does he recognise that the salaries offered to forensic scientists by the Home Office are now so low that they are failing to attract the best forensic scientists out of industry and are actually encouraging Home Office scientists to go into the private sector?

Mr. Patten: There is no evidence whatever from the figures of excessive wastage from the forensic science service or of problems of recruitment. I can assure the House that all forensic science laboratories are most rigorously checked, and have been since 1979, by a system of trials, including blind trials, and we now have the very important scientific advisory committee under the chairmanship of Sir Ronald Mason, Fellow of the Royal Society, to ensure that the highest possible scientific standards are maintained throughout.

Metropolitan Police

5. **Mr. Corbyn:** To ask the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis as to how many Metropolitan police officers above the rank of chief inspector are currently suspended on suspicion of misconduct.

Mr. Hurd: I understand that one such officer is suspended.

Mr. Corbyn: Is the Home Secretary aware that the existing legislation concerning complaints about the conduct of senior officers calls into question the credibility of the Police Complaints Authority and the procedures agreed for it by the House? What steps is the right hon. Gentleman taking to review the Police (Discipline) (Senior

Officers) Regulations 1985 and section 83 and 84 of the Police and Criminal Evidence Act 1985 so that proper investigations can take place into allegations of misconduct by senior officers?

Mr. Hurd: That was precisely the purpose of the sections to which the hon. Gentleman draws attention. That Act, which is fairly recent on the statute book, established the Police Complaints Authority and gave it the role of supervising investigations as they take place rather than simply receiving reports afterwards. That is a great step forward, as I believe that the cases that the hon. Gentleman has in mind show.

Sir Anthony Grant: Rather than calling for a report, as the hon. Member for Islington, North (Mr. Corbyn) suggests, which is a thinly disguised attempt to smear the police, will my right hon. Friend send a message to the Commissioneer saying that the police, wherever they are, are doing a magnificent job in defending democracy, despite the impediments placed upon them by the loony Left?

Mr. Hurd: I entirely share and endorse my hon. Friend's message. I am glad to note that, despite the efforts of the hon. Member for Islington, North (Mr. Corbyn), the influence of the loony Left in these matters seems to be diminishing.

London Traffic (Policing)

6. **Mr. Adley:** To ask the Secretary of State for the Home Department if he will seek an early meeting with the Commissioner of Police of the Metropolis to discuss the effect on the policing of London's traffic of recent legislation on this subject.

Mr. Douglas Hogg: My right hon. Friend expects to meet the Commissioner after Easter to discuss a range of London policing issues. These will include traffic matters.

Mr. Adley: Is my hon. Friend aware that the Metropolitan police have written to me describing the effect of coach deregulation in London as horrendous? As ours is supposed to be the party of law and order, does my hon. Friend agree that we may find ourselves with a tarnished image unless we can satisfy the Metropolitan police that we are prepared to listen to the problems that they are suffering as a result of the legislation? As I am simply asking my hon. Friend to raise the matter, and as he has already agreed to meet the Commissioner, will he ensure that this item is on the agenda?

Mr. Hogg: These are essentially matters for the Commissioner, but if the Commissioner wishes to discuss them with my right hon. Friend, he will be very willing to oblige. My hon. Friend is well known for his support for and interest in railways, but the railway service will improve only if there is an alternative. Coaches provide a useful and proper alternative.

Mr. Tony Banks: What discussions has the Minister had with his colleagues at the Department of the Environment and at the Department of Transport, which between them are turning London into a dirty, pot-holed car park? In a recent parliamentary answer we were informed that at 31 December 1983 there were 1,789 traffic wardens, but that at 31 December 1987 there were only 1,527. Is the Minister aware that Government policy is reducing London to chaos in traffic terms and that the Metropolitan police and the Home Office are not doing enough to enforce traffic regulations?

Mr. Hogg: I am surprised that the hon. Gentleman does not give greater support to Government policies on this matter. He will know of our policies on wheel clamping and the improvements that have taken place as a result of fixed penalties, registering parking tickets with fines, and so on. I am surprised that he did not take this opportunity to pay tribute to what we are doing.

Mr. Adley: On a point of order, Mr. Speaker. In view of the unsatisfactory nature of the answer to my question and its inappropriateness from a Home Office Minister, I beg leave to give notice that I shall seek to raise the matter on the Adjournment at the earliest opportunity.

Television Licences

8. **Mr. Wigley:** To ask the Secretary of State for the Home Department what recent representations he has received concerning providing television licences free of charge, or at lower prices, to pensioners and disabled people; and if he will make a statement.

11. **Mr. Winnick:** To ask the Secretary of State for the Home Department what further representations he has received regarding concessionary television licences for pensioners.

Mr. Renton: Since 1 January this year four petitions forwarded by hon. Members have been received, and 42 hon. Members and 72 members of the public have written seeking either free or concessionary television licences for pensioners and disabled people.

Mr. Wigley: Is the Minister aware that that is a significant number of representations? Does he accept that pensioners and disabled people in residential care get the television licence for 5p under the 1978 regulations, whereas if they come out of residential or institutional care into the community they must pay a thousand times as much for their licences? In view of the Government's policy of trying to move people into the community and of bolstering community care, is that not a contradiction? Is it not time to look again, at least in part, at those regulations?

Mr. Renton: I accept the hon. Gentleman's point and the similar points that have been made to me by other hon. Members on both sides of the House. There are anomalies in the scheme and we are currently examining whether it would be appropriate to amend it.

Mr. Winnick: Is the Minister aware that pensioners and many others in the community are bound to ask why, on Tuesday, the Chancellor could give substantial tax concessions to the super-rich while the Government deny free television licences to the elderly? Does the hon. Gentleman not know that most pensioners live on a small income and that television plays an important part in their lives? When will the Government end this mean-spirited squalid attitude towards our elderly?

Mr. Renton: I shall take no lectures from the hon. Gentleman about the treatment of pensioners, given that the last labour Government cancelled their Christmas bonus two years out of five. After the Budget, the average single pensioner will be more than £68 a year better off and

married pensioner couples will be £147 a year better off. That compares with an increase in the television licence of only £4·50 — the first for three years. If we gave a free licence to all pensioners, many better-off pensioners would receive one at the expense of some non-pensioners who are on low incomes.

Mr. Latham: Is my hon. Friend aware that it is now more than 12 months since the Melton borough council wrote asking him to sort out the problems of concessionary licences following the Kirklees judgment, and five and a half weeks since I brought a deputation to him on this matter? May we have a decision in weeks, rather than months — to use Lord Wilson's famous phrase?

Mr. Renton: I am aware of this. I told my hon. Friend when he brought the deputation to see me that there were anomalies in the scheme. That is why I told the hon. Member for Caernarfon (Mr. Wigley) that we are considering ways of amending it.

Mr. Patrick Thompson I agree that the Labour party has nothing to be proud of on pensions, but does my hon. Friend accept that there are anomalies in expenditure on television licences in sheltered accommodation and the like? He will recall that there was recently a court case in Norfolk about this matter and that I have corresponded with him on behalf of the residents of the Felbrigg Green residents' home in Hellesdon in Norwich. Does he accept that this anomaly must be sorted out?

Mr. Renton: I agree with my hon. Friend, and I am aware of the case to which he refers. It is because of that and other cases that we are now considering why those in sheltered housing and accommodation provided by housing associations or councils should receive this substantial benefit while others in other types of sheltered housing in the private sector do not. That is why we are now considering ways of amending the scheme.

Rev. Martin Smyth: Although I welcome the Minister's answer to the hon. Member for Caernarfon (Mr. Wigley), on further consideration will he assure the House that the amendment will not take away that which has already been granted, instead of extending it to other disabled people?

Mr. Renton: I am afraid that the hon. Gentleman will have to bide his time and exercise his patience, because if we are to reform a scheme that is clearly full of anomalies, we wish to come up with one that is fairer and more just.

Mr. Patnick: Will my hon. Friend quantify the number of people who could have a licence at a reduced fee, how it would be paid for, what its cost would be and the effect of that cost being included in the licence fee?

Mr. Renton: My hon. Friend is absolutely right. Following the Kirklees judgment there is a considerable inclination for local authorities—one understands why—to try to change their existing sheltered accommodation housing schemes to bring them within the ambit of the scheme. The fact is that if all pensioners were able to obtain that benefit it would cost about £350 million per year, which would have the effect of increasing the licence fee by 50 per cent. for everyone else.

Mr. Corbett: Before the Minister starts lecturing us about pensioners, does he accept that the problem would not arise for millions of pensioners if his Government had not snapped the link between rises in incomes and rises in pensions? Will he now think again about the answer that he gave about refusing to give an undertaking to the House that, as part of the review of the anomalies, he will not withdraw the treatment that those now living in sheltered accommodation receive? Can he explain to the House why it would be an anomaly to offer all pensioner households free television licences, irrespective of levels of income, when every state pensioner is entitled to the Christmas bonus?

Mr. Renton: The hon. Gentleman should not forget that during the five years when the Labour Government were in power pensioners' average annual incomes increased by only 3 per cent. in real terms — that was over the entire five-year period — whereas since we have been in office pensioners' average incomes have increased, after inflation, by the same figure — by 3 per cent. every year that we have been in Government. It is for that reason that one cannot accept lectures from the hon. Gentleman.

Violent Crime (Prevention)

9. **Mr. Paice:** To ask the Secretary of State for the Home Department what recent measures his Department has taken to combat crimes of violence.

Mr. Hurd: We are further strengthening the police, we have put before Parliament proposals which will increase certain penalties, strengthen existing controls over the possession of guns, prohibit the sale of specified offensive weapons, and make it an offence to possess a knife in a public place without good reason. Our present crime prevention campaign is aimed at the 4 per cent of crime committed against the person, as well as the 96 per cent. committed against property.

Mr. Paice: Bearing in mind that crimes of violence in Cambridgeshire rose by almost 20 per cent. last year, will my right hon. Friend agree to reconsider his decisions regarding Cambridgeshire constabulary's request for extra police officers? Will he take steps to ensure that the Government's policies are co-ordinated across all Departments to try to encourage a sense of responsibility among parents and other people to try to stamp out violence where it begins?

Mr. Hurd: I agree entirely with my hon. Friend's second point. He will have seen what we are doing about that. If we could reduce the crime figures simply by increasing the number of police, we would have solved the problem long ago, because the manpower available to the police has increased by 20,000 since 1979. No public service has had a bigger increase in resources. As my hon. Friend knows, we are in the middle of a further expansion of the police. We met the Cambridgeshire request, but only in part, last year. I am considering the latest application that I have received from that constabulary, alongside many other applications, before deciding on the increase for this year.

Mr. Boyes: The Home Secretary will be aware that the Northumbria police have one of the highest rates of serious crime per policeman and that the chief constable identified a need for between 500 and 700 extra policemen. In fact, there has recently been a shotgun attack on a sub-post office in my constituency. Why does the Home Secretary not produce the money that is needed to employ those extra policemen, because if he does not, does that not

demonstrate that his party's claim to be the party of law and order is bogus and just empty words? It is action that we want. Why will he not cough up the cash?

Mr. Hurd: I cannot take that from the hon. Gentleman. I have given the figure for the immense increase both in resources and in numbers available to the police since the right hon. Member for Morley and Leeds, South (Mr. Rees) was the Home Secretary. No other service has had a comparable increase. Now we are faced with a series of applications from different police authorities throughout the country. I test those in the light of the advice that I receive from the Inspectorate of Constabulary. It is partly a matter of population growth and partly a matter of the incidence of crime, but we must also ask whether a particular authority and force are making the best use of the resources which they already have, given that it now costs between £2,000 and £2,500 a week to keep one police officer permanently in post.

Sir Bernard Braine: My right hon. Friend will know better than most of the increasing volume of under-age-drinking in public houses and the connection between that, the fracas and the consumption of police time and energy. Will he resist any suggestion that there should be further liberalisation of drinking hours until the problem of under-age-drinking has been tackled energetically and successfully?

Mr. Hurd: My right hon. Friend is perfectly right to make that link. He will know that that is why my right hon. Friend the Prime Minister set up a committee under the chairmanship of the Lord President to consider this and other problems related to alcohol abuse. He will also know how, in the Licensing Bill, we have strengthened the precise proposals about under-age-drinking, with which he is concerned. He may be referring to a change made in that Bill in another place and there will, of course, be an opportunity to discuss that when the Bill returns to this place.

Mr. Rees: Would the Home Secretary be happy to have the crime rate that he inherited from me in 1979? Does he remember all those specious policy promises made in 1979, all of which have gone wrong?

Mr. Hurd: I thought that I might flush the right hon. Gentleman out. As he knows, although violent crime has continued to increase, it has been increasing under this Government at about half the rate of increase over which the right hon. Gentleman presided. The main difference between the two sides is not that crime has increased under the one and not under the other, but that we have done something about it by way of a substantial strengthening of the police force.

Mr. Dickens: Does my right hon. Friend accept that the state has a duty to protect its citizens, that the public demand a country where women are safe to walk without fear of being molested and raped, where the elderly *[Interruption.]*

Mr. Speaker: Order. The hon. Gentleman must have his say.

Mr. Dickens: —where the elderly can feel safe in their own homes and where children can play safely without fear of being abused and killed? Will my right hon. Friend state firmly that that is the objective of the Government?

Mr. Hurd: Of course, my hon. Friend is entirely right. That has been our objective and is reflected in the proposals that we put before the House and in the way in which we spend taxpayers' money.

Mrs. Ann Taylor: Will the Home Secretary turn his attention from the sensational to the serious problem? Will he accept that one of the best hopes for crime prevention is the proper rehabilitation of offenders? How does he think that this can happen when conditions in prisons are such that, for a whole weekend recently, only eight prison officers were left in charge of D wing at Wormwood Scrubs, where there were over 200 life prisoners?

Mr. Hurd: The increase in the staffing of our prisons has been more rapid than the increase in the prison population. The hon. Lady is perfectly right to say that prisons have to be staffed as well as built. That is why I have obtained the resources from the Chancellor to increase the staffing in our prisons by 1,960 this year, of which only 600 are to replace normal wastage. I hope that the hon. Lady will also share with me the thought that, whatever the difficulties of the prison service and its members at present, it cannot be justified for the staff in two major London prisons, Pentonville and Wormwood Scrubs, to intensify those difficulties by refusing to accept prisoners.

Satellite Television

10. **Mr. Sumberg:** To ask the Secretary of State for the Home Department what representations he has received in connection with the control of television broadcasting by satellite; and if he will make a statement.

Mr. Hurd: A small number of representations on this subject have been received from hon. Members, members of the public, and interested organisations.

Mr. Sumberg: I thank my right hon. Friend for that reply. We all welcome greater choice on our television screens, but is my right hon. Friend aware of the widespread public concern that the advent of satellite television could bring into our homes more pornography and violence? If my right hon. Friend shares that concern, what steps will he take to prevent it?

Mr. Hurd: We are proposing to bring the broadcasters of domestic television under the Obscene Publications Act, from which they are at the moment exempt. But my hon. Friend is perfectly right about the possibilities of satellite broadcasting from abroad, and that is why we are engaged in negotiations in the Council of Europe on a draft treaty on that subject and also in discussions in Brussels on the possibility of a draft directive. We recognise the need that my hon. Friend has identified and are working to meet it.

Mr. Grocott: Will the Home Secretary explain to the Prime Minister, who does not seem to understand these things, that the proliferation of television channels, far from increasing real choice for the viewer, can, by reducing programme standards, diminish real choice? Will he also make it plain to her that the increased commercialisation of broadcasting under the Government is a real threat to a public service broadcasting system that was once the envy of the world?

Mr. Hurd: That is a distinctly old-fashioned view. There is no reason to suppose that, by offering the British people greater choice in the variety of their television,

which is what we propose to do because it is now technically possible, that leads to a lowering of standards. It means that people have a greater choice to listen to and view what they want.

Dr. Alan Clift

13. **Mr. Cohen:** To ask the Secretary of State for the Home Department how long elapsed between the discovery that the Home Office forensic scientist Dr. Alan Clift was unsatisfactory and the first quashing of a conviction based on Dr. Clift's evidence.

Mr. John Patten: Dr. Clift was suspended from duty on 9 September 1977, and on 8 June 1978 three men had their joint convictions for robbery and burglary quashed.

Mr. Speaker: Before I call the hon. Member for Leyton (Mr. Cohen) I say again that the case of Dr. Skuse is sub judice and supplementary questions should be confined to events in which Dr. Alan Clift as involved, not to other matters.

Mr. Cohen: Are there not remarkable similarities between the cases of the forensic scientists Dr. Clift and Dr. Skuse? Were not both retired early by the Home Office for unsound forensic work and, in Dr. Clift's case, did not Home Office procrastination mean that many innocent people had to wait a long time before they were released? Does not the same apply to Dr. Skuse? Does not the fact that the Home Office is not clear about the errors in his work confirm that many unsound judgments have taken place in the courts?

Mr. Patten: The Home Office acted quickly after unsatisfactory reports about Dr. Clift's performance and he was retired on the date that I have just given. The hon. Gentleman really must recognise the improvements that have been made to Britain's forensic science service since 1979: first, by the introduction of continuous checking, including blind trials, by scientists from other areas; secondly, by a full review which was undertaken by scientists in 1986; and, thirdly, by the important oversight now given to the forensic science service under the chairmanship of Sir Ronald Mason FRS.

Dr. Reid: Is my hon. Friend the Member for Leyton (Mr. Cohen) not correct when he says that there are now increasing and uncanny echoes of the case of Dr. Alan Clift when we consider Dr. Frank Skuse? Is the Minister aware that, after the departure of Dr. Clift, no fewer than 16 cases were taken to the Court of Appeal and the sentences were quashed? Would it not be better for the public, the police and those who may be the innocent victims of mistaken forensic evidence if the Minister were to order a public inquiry now into the cases dealt with by Dr. Skuse?

Mr. Patten: We should be concerned, not with echoes, but with evidence. If anyone has clear evidence of collusive or collaborative activity on the part of anyone, or of failures in a forensic scientist's judgment, that evidence or allegation should be taken to the police.

Proceeds of Crime (Confiscation)

14. **Mr. Charles Wardle:** To ask the Secretary of State for the Home Department what progress is being made in negotiating new arrangements with other countries for the reciprocal confiscation of the proceeds of crime.

Mr. Hurd: On 9 February my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs and I signed an agreement with the United States of America on the investigation and confiscation of the proceeds of drug trafficking. We hope to conclude further such agreements this year. Part VI of the Criminal Justice Bill will, if it is passed, enable us to seek agreements on confiscation of the proceeds of other serious offences.

Mr. Wardle: I am grateful to my right hon. Friend for that encouraging reply. Does he agree that that matter should be resolved urgently with our European neighbours, and can he assure the House that rapid progress will be made in that direction?

Mr. Hurd: I agree with my hon. Friend. We believe it is wrong that a drug trafficking crook should be able to serve his sentence, comfortable in the knowledge that he is hanging on to the fruits of his crime. I am in touch with several European Governments and I hope that, when they have their domestic legislation in place, as we have ours, we might be able to have a European treaty which will bring this forward.

PRIME MINISTER

Engagements

Q1. **Mr. Malcolm Bruce:** To ask the Prime Minister if she will list her official engagements for Thursday 17 March 1988.

The Prime Minister (Mrs. Margaret Thatcher): This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today.

Mr. Bruce: Will the Prime Minister, in the light of the welcome decision for a stay of execution for the Sharpeville Six for four weeks, use the intervening time to intervene direct with President Botha to impress upon him that that kind of action is intolerable? Will she indicate that she is willing, if necessary, to withdraw the British ambassador, or to re-open the case for sanctions, if the South African Administration go ahead with an action that shows them to be barbarians who show contempt for fundamental human rights?

The Prime Minister: No. Full and correct representations have been made by myself, by Chancellor Kohl and by President Reagan, which expressed our views extremely clearly and asked for clemency. As the hon. Gentleman will be aware, there was a further Supreme Court hearing in South Africa today and the Supreme Court there has ruled that there should be a stay of execution for one month while the appellants prepare an application for a retrial.

Mr. Ashby: My constituency has just received £500,000 in derelict land grant to overcome the problem from the dereliction of mines in north-west Leicestershire. Will my right hon. Friend visit the Coalfield Communities Campaign exhibition in the Upper Waiting Hall and reaffirm the Government's commitment to improving land which has been made derelict by the coalfields?

The Prime Minister: We are very anxious to see that derelict land is restored and that it is the subject of new enterprise and jobs. I will of course endeavour to visit that exhibition in the Upper Waiting Hall.

Mr. Kinnock: Today's reduction in interest rates is very welcome, but of course they need to go lower—just a little bit. In pursuit of what the Chancellor on Tuesday called the explicit role of "greater exchange rate stability", does the Prime Minister now understand that, when necessary, one can, and indeed must, "buck the market"?

The Prime Minister: My right hon. Friend, in a most excellent speech on Tuesday, which would have been even better had it been heard in quietness the entire way, made it perfectly clear that

"Short-term interest rates remain the essential instrument of monetary policy. With a continuous and comprehensive assessment of monetary conditions, I will continue to set interest rates at the level necessary to ensure downward pressure on inflation." —[*Official Report*, 15 March 1988; Vol. 129, c. 997.]

That is what the Chancellor did today.

Mr. Kinnock: I am glad, and I am sure the country will be, to know that No. 10 and No. 11 Downing street are one big happy family again. I am also happy to welcome the right hon. Lady's reconversion to managed floating. Is not the real problem that while the Chancellor is now a manager, she is still a floater?

The Prime Minister: Why does the right hon. Gentleman not include the whole Cabinet in the big happy family?

Mr. Kinnock: Perhaps the right hon. Lady should discuss that further with the Secretary of State for Education and Science. On the matter of domestic stability, did not the right hon. Lady say a week last Tuesday that she was against a cut in interest rates because it

"would not be in the interests of inflation at the present time," or by the present time did she just mean a week last Tuesday?

The Prime Minister: I know precisely what I said last Tuesday. I said:

"The only way to deal with that is either to have excessive intervention . . . or to deal with the matter by interest rates, which would not be in the interests of inflation at the present time." —[*Official Report*, 8 March 1988; Vol.129, c. 184.]

[Interruption.] That was precisely what I said, but of course the right hon. Gentleman does not understand. He did not understand the significance of the last Budget, in so far as he was listening. *[Interruption.]* He does not understand because he does not listen—*[Interruption.]*

Mr. Speaker: Order. I hope the House will listen.

The Prime Minister: Had the right hon. Gentleman listened, he would have noted that on Tuesday we had an excellent Budget that demonstrated, with debt repayments of £3 billion, a strong and prudent fiscal position, the full strength of which was not known to the world until that time. Since then there has been a strengthening of exchange rates, which has tightened monetary conditions, all of which make possible the reduction of interest rates, but I do not expect the right hon. Gentleman to understand.

Mr. Tebbit *rose*

[Interruption.]

Mr. Speaker: Order. Mr. Norman Tebbit.

Mr. Tebbit: Does my right hon. Friend agree that, despite the ill-informed attack on expenditure cuts and a give-away Budget, we are living in a period of the highest ever levels of public expenditure, the highest ever tax takes in terms of revenue, the lowest tax rates, the best ever record of inflation, falling interest rates and the repayment of debt instead of the increase of debt? Does she agree that that is the hallmark of a successful Chancellor, a successful Government and a successful economy?

The Prime Minister: I agree with my right hon. Friend, who has put it in his own inimitable way. No one could have put it better.

Q2. **Mr. Wigley:** To ask the Prime Minister if she will list her official engagements for Thursday 17 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Wigley: Is the Prime Minister aware that my county, along with many others, is facing a programme of hospital closures, including five community hospitals, for reasons spelt out in the health authorities' consultative document a few weeks ago as clearly arising from under-funding by central Government? In view of the Budget surplus announced on Tuesday, of £3 billion, will the Government reconsider their funding policy towards the Health Service and stop the forced closure of such hospitals?

The Prime Minister: No. The increase in expenditure for the Health Service was announced as part of the £4·5 billion increase in programmes, and £1·1 billion is to go to the Health Service. As the hon. Gentleman is aware, we shall consider the nurses' pay—when we know what is recommended—in the usual way, as we always have in the past.

For Wales, the output of the Health Service and the improvement in it has been enormous. The number of in-patient cases treated per year has risen by some 76,000 to over 435,000, an increase of 21 per cent. The Health Service in Wales is like the Helth Service elsewhere, greatly improved and performing many extra services over and above the position eight years ago.

Mr. Patrick Thompson: Bearing in mind the importance of engineering activity and manufacturing industry to wealth creation in this country, which is fully recognised by Conservative Members, is my right hon. Friend surprised to learn that at the recent full-scale engineering debate in the House last Friday only one Opposition Member cared to turn out to listen and take part?

The Prime Minister: I am grateful to my hon. Friend for making it plain to the House that that was the case. My right hon. Friend the Chancellor explained that the enormous success in manufacturing industry during the past year has greatly contributed to the increased prosperity of the country, the health of the whole economy and the standard of living of our people.

Q3. **Mr. Haynes:** To ask the Prime Minister if she will list her official engagements for Thursday 17 March.

The Prime Minister: I refer the hon. Gentleman to the reply that I gave some moments ago.

Mr. Haynes: Is the Prime Minister aware that many people in my constituency have bought their own homes, and that obviously fits in with her Government's policies?

However, is she further aware that hundreds of those properties are being destroyed by mining subsidence? Also, is she aware that many building firms in my constituency — small firms that the Government encourage—have gone to the wall because that work is no longer available? Will she call in British Coal and do something about the problem and give the people in my constituency a fair deal in the matter of damage to their property? The board is saying that they are out of time, yet it was the board that was responsible for the damage.

The Prime Minister: The hon. Gentleman must, of course, take that matter up with the National Coal Board, which I fully expect he has done. I notice that of the questions I am being asked today, not one dares to criticise the excellent Budget that we had earlier this week.

Q4. **Mr. Burt:** To ask the Prime Minister if she will list her official engagements for Thursday 17 March.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Burt: Will my right hon. Friend acknowledge that the latest unemployment figures show that the enterprise economy is continuing to provide prosperity and jobs, particularly for the long-term unemployed in regions and constituencies such as the north-west and Bury, North in particular? Will she confirm that the measures taken in the recent Budget will continue to improve that position further?

The Prime Minister: Yes. The latest employment figures show that unemployment is falling for the 19th month in succession. We have had a reduction of 400,000 since the election. The reductions in unemployment are among the greatest in the north-west, north-east and the west midlands. The Budget that my right hon. Friend announced on Tuesday will continue the increasing success of enterprise, the increasing number of jobs and the rising standard of living of our people.

Mr. Bell: If it is right to support General Secretary Gorbachev in withdrawing Russian troops from Aghanistan when they were invited there by the Afghan Government, what has the Prime Minister to say to President Reagan for sending 3,000 troops to Honduras at the invitation of the Honduran Government?

The Prime Minister: The hon. Gentleman surprises me if he thinks that the Russian forces in Afghanistan were anything other than an occupying force. [HON. MEMBERS: "Honduras".] I will come to Honduras. I must say that we deplore the reported incursion by Nicaraguan forces into Honduras. At 11 o'clock on 16 March the Foreign Minister called a press conference to call world attention to the possibility of a Nicaraguan attack. President Azcona also called on his Central American opposite numbers to restrain the Sandinistas. It is only the Labour party that condemns America.

Q5. **Mr. Malins:** To ask the Prime Minister if she will list her official engagements for Thursday 17 March.

The Prime Minister: I refer my hon. Friend to the reply that I gave some moments ago.

Mr. Malins: Will my right hon. Friend accept that in my constituency in Croydon, which has a thriving business and commercial centre, this week's Budget has been greatly welcomed and that, in particular, the cuts in income tax and the increase in thresholds, which benefit everyone, not just the wealthy, will be seen as a real stimulus to our local economy?

The Prime Minister: Yes, the Budget contains something for everyone. *[Interruption.]*

Mr. Speaker: Order. The Prime Minister has been asked a question.

The Prime Minister: All 25 million taxpayers benefit from the double indexation of allowances. Three quarters of the total cost in 1988-89 of income tax reductions is due to increased allowances and the reduction in the basic rate. Age allowance has been increased by twice the indexed amount so that it is now at its highest real level since its introduction in 1975-76.

Sharpeville Six

3.32 pm

Mr. Gerald Kaufman (Manchester, Gorton) *(by private notice)*: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on whether any reply has yet been received from the South African Government to the representations made by Her Majesty's Government that President Botha should see fit to exercise the prerogative of mercy in respect of the Sharpeville six.

The Minister of State, Foreign and Commonwealth Office (Mrs. Lynda Chalker): I have nothing to add to the answer that I gave the right hon. Member yesterday. I am informed that the Supreme Court has ordered a stay of execution until 18 April. Full details are not yet available.

Mr. Kaufman: May I first thank you, Mr. Speaker, for granting this private notice question, which, of course, you considered before the latest developments regarding the Sharpeville six.

Is the right hon. Lady aware that we welcome the news that these obscene hangings will not take place tomorrow, but that the shadow of the gallows still hangs over those six people, as it has now for more than two years, and even if the stay of execution is maintained they may face the prolonged ordeal of a second trial?

Has the right hon. Lady seen that President Botha said yesterday, after his meeting with Archbishop Tutu, that he might consider a reprieve if something new emerged from the court process? Clearly, something new has emerged from the court process.

A few minutes ago the Prime Minister said that full and correct representations for clemency had been made by President Reagan, as by her. Is the right hon. Lady aware that yesterday Secretary of State Shultz followed up those full and correct representations by making a personal telephone call to Pik Botha asking for clemency?

Will the Prime Minister now follow that laudable example of President Reagan, whom she called in aid a moment ago, and herself pick up the telephone and ask President Botha once and for all to end the agony of the Sharpeville six?

Mrs. Chalker: The granting of this stay of execution until 18 April is to enable the lawyers to lodge an application for the case to be reopened. Whether the right hon. Gentleman is right is saying that something new has emerged, I cannot tell him at the present time, and I would not have thought that he had had the evidence either. Whatever telephone calls were made to President Botha or anybody else, we shall continue to make representations just as we have done and to bring to the notice of the South African Government at every possible opportunity the need for clemency in this case. Of course, we are glad that the stay of execution has been granted.

Mr. John Carlisle (Luton, North) *rose*—

Mr. Jeremy Corbyn (Islington, North): Botha's boy.

Mr. Speaker: Order. Every hon. Member has a right to be heard in the House.

Mr. Carlisle: Will my hon. Friend agree that there are two lessons to be learned from this sorry affair? The first is that if the west had been more sympathetic to the understandable difficulties that South Africa face there might have been a more sympathetic response from President Botha; and, secondly, it is none of our business anyway.

Mrs. Chalker: We have been over all this ground before. I do not think that there is anything to be added.

Mr. David Steel (Tweeddale, Ettrick and Lauderdale): Does the Minister's earlier answer mean that once the court proceedings are finished Her Majesty's Government will not resume their masterly inactivity but will continue to make representations at the highest level possible; a failure to reply to the British ambassador is surely not acceptable?

Mrs. Chalker: There has been constant activity, not masterly inactivity. The right hon. Gentleman has his facts wrong, yet again. We shall continue to make sure that the views of the House and this country and of the free world are well heard in South Africa.

Mr. Tim Rathbone (Lewes): Will my right hon. Friend appreciate that the countries which are behind this Government in the submissions that they have made to the South African Government pleading for clemency in a situation where justice has obviously gone awry will continue to maintain those pressures? The world will be watching South Africa, hoping that it will give some indication of fairness in this matter, and we hope in other matters as well.

Mrs. Chalker: Yes, Sir.

Mr. David Winnick (Walsall, North): Is the Minister aware that, far from this not being part of our business, it would indeed be a bad and disgraceful day if the House of Commons was ever indifferent to the racial situation existing in South Africa, where the overwhelming majority of the population continue to be denied the right to vote or to take part in their government? Is it not the case that if the hangings had gone ahead tomorrow it would have been just a few days before the 28th anniversary of the day when a large number of Africans were put to death at Sharpeville by the South African authorities?

Mrs. Chalker: I am very well aware of what the hon. Gentleman says, but I have really nothing to add to what has already been said by my right hon. Friend the Prime Minister and by myself.

Mr. Bowen Wells (Hertford and Stortford): Does my right hon. Friend agree that the best way to proceed in this terrible matter is quietly, by diplomatic means, and by firm and constant purpose to bring to the attention of the South African authorities the abhorrence of us all? Does he further agree that dramatic measures such as lifting telephones and other actions that have been suggested are very likely to be counter-productive? I congratulate my right hon. Friend and the Prime Minister on their conduct of the matter.

Mrs. Chalker: I have many times sought to point out to the House that we shall try to take the most positive steps to make sure that the needs of the Sharpeville six are well heard. I believe that some of the suggestions that we have heard from the Opposition Benches would go positively against the interests of the Sharpeville six.

Mr. Paul Boateng (Brent, South): Given the Minister's commitment to diplomatic means, and the use of the British ambassador for the Government's purposes in

South Africa, will she now reconsider the decision not to recall the British ambassador from South Africa, so that he can apprise her at first hand of the current situation in South Africa, not only in relation to the Sharpeville six but the equally serious matter of banning all democratic means of presenting a real alternative for the creation of a non-racial southern Africa?

Mrs. Chalker: The hon. Gentleman is well aware that we are working through dialogue for non-racial representation in South Africa. We have constant daily contact with our ambassador in South Africa and I believe that that is the right way to proceed. We can get information from him at first hand. He is on the spot and able to get information in Pretoria or Cape Town at first hand. That is the best way to proceed at present.

Mr. Roger Knapman (Stroud): Would my right hon. Friend agree that we are far more likely to have influence over the South African Government because we do business with that country than we would have if we had introduced sanctions?

Mrs. Chalker: Yes, Sir.

Mr. Corbyn: Is the Minister aware of the absolute hell that the six condemned prisoners and their families are going through at the present time, and that this is likely to continue for at least another month? Will she not now, once again, absolutely and emphatically demand of the Government of South Africa that they drop the charges and release those prisoners? Will not the Government take some concrete action, such as imposing economic sanctions or withdrawing our ambassador, to demonstrate that they are serious in their condemnation of the racism of the South African Government?

Mrs. Chalker: We are absolutely serious in our condemnation of the South Africans in their pursuit of apartheid, but the suggestions that the hon. Gentleman makes simply receive the answers, no, no and no again.

Several Hon. Members *rose*——

Mr. Speaker: Order. I remind the House that we have business questions and a further statement, followed by a very heavy demand to take part in the Budget debate. I will take one more question from each side.

Mr. David Ashby (Leicestershire, North-West): Will my right hon. Friend convey to President Botha that the independence of the South African judiciary is not in doubt, but that what is in doubt is the sentence— not the conviction, but the sentence? Will she convey to President Botha that no civilised country indulges in hanging and that it is that which is so wrong, the hanging?

Mrs. Chalker: Whatever one's individual views may be, it is up to the Government of South Africa to decide on their own judicial penalties. Now that the application for the case to be reopened has been made, we hope that the facts will come to the fore and that a sensible, fair and just decision will be reached.

Mr. John Hume (Foyle): Given the Prime Minister's correct description of the regime in South Africa as an evil regime, and given that the victims of that regime, the black people of South Africa, cannot take even the most elementary step of casting a vote in order to change that regime, and given that the international community has either failed or refused to implement effective pressure, including sanctions, on that regime, what would the Minister or her colleagues do, if they were black South Africans, to change the regime and prevent the bloodshed that stares everyone in the face?

Mrs. Chalker: We shall continue to work through dialogue and to open the channels for dialogue to change the totally unacceptable situation in South Africa. There is no other way to change a system which we find repugnant and detestable, and we shall go on working to that end.

Mr. Dennis Skinner (Bolsover): I thought that everybody had the right to be heard. Does that only apply to——

Mr. Speaker: Order. I am not having the hon. Gentleman shouting at me like that.

Business of the House

3.42 pm

Mr. Frank Dobson (Holborn and St. Pancras): Will the Leader of the House—*[Interruption.]*

Mr. Speaker: Order. If the hon. Member for Bolsover (Mr. Skinner) continues to shout from a sedentary position, I shall have to order him to leave the Chamber.

Mr. Dobson: Will the Leader of the House state the business for next week?

The Lord President of the Council and Leader of the House of Commons (Mr. John Wakeham): Yes, Sir. The business for next week will be as follows:

MONDAY 21 MARCH—Conclusion of the Budget debate.

TUESDAY 22 MARCH—Progress on remaining stages of the Education Reform Bill (1st Allotted day).

Motions on the Income Support (General) Amendment Regulations and the Family Credit (General) Amendment Regulations.

WEDNESDAY 23 MARCH—Progress on remaining stages of the Education Reform Bill (2nd Allotted day).

Motions on housing benefit regulations. Details will be given in the *Official Report*.

THURSDAY 24 MARCH—Progress on remaining stages of the Education Reform Bill (3rd Allotted day).

FRIDAY 25 MARCH — Motion for the Easter Adjournment.

Motion to take note of EC document on the establishment of a court of first instance. Details will be given in the *Official Report*.

MONDAY 28 MARCH—Completion of remaining stages of the Education Reform Bill (4th Allotted day).

The House will wish to know it will be proposed that, subject to the progress of business, the House should rise for the Easter Adjournment on Thursday 31 March until Tuesday 12 April.

[Relevant documents:

Wednesday 23 March: Housing Benefit (Supply of Information) Regulations 1988; Housing Benefit (General) Amendment Regulations 1988.

Friday 25 March: European Community Document 8770/87, Court of First Instance: Report of European Legislation Committee, HC 43–viii (1987-88), para 2.]

Mr. Dobson: I thank the Leader of the House for his statement. I think that we could go on record as saying that we object to the content or the timing of practically every item of business for next week.

May I ask the right hon. Gentleman to postpone consideration of the Education Reform Bill, on which there has been so little time for consultation? In particular, will he postpone consideration of the clauses to abolish the Inner London education authority — for which the Government have no mandate—at least until we know the outcome of the ballot being conducted by parents in inner London?

Will the Leader of the House move the debate on the social security regulations scheduled for Tuesday, so that they are considered at least earlier in the day—rather than late at night—to give his right hon. Friend the Secretary of State for Social Services a better opportunity to explain why he is taking money from the poor at a time when the Chancellor is giving £2 billion to the very rich?

In view of the criticism by the Joint Committee on Statutory Instruments of the Scottish poll tax registration regulations, which try to give the registrar extra-statutory, extra-parliamentary snooping powers not included in the original Act, will the right hon. Gentleman withdraw the regulations and ensure that they do not come back to the House until they are properly drafted? Such behaviour by the Scottish Office makes it all the more important that the Select Committee on Scottish Affairs is established to keep an eye on what is going on. We have heard a great deal in recent days about party discipline on the Tory side of the House. When will it extend to discharging their duty to the people of Scotland?

Does the Leader of the House expect the Select Committee on televising the House to meet before Easter? It is now more than five weeks since the House voted, against his advice and that of the Prime Minister, to set up the Select Committee. Hon. Members on both sides of the House are becoming concerned about the delay, and are wondering whether it is evidence of the Prime Minister's continuing resolve to keep the cameras out.

Finally, will the Leader of the House arrange for an early debate on the Griffiths report on care in the community, which was placed in the Library of the House yesterday, and which deserves wide and deep consideration?

Mr. Wakeham: The hon. Gentleman has raised five subjects. The first was about delaying the Education Reform Bill from next week's business. I regret to say that I do not believe that there is a case for doing that. All the stages of the Bill have passed through the House up to now by a substantial majority, and the timetable motion was approved by the House.

The hon. Gentleman asked about the social security regulations, and regretted that they were to be dealt with late at night. I too regret that, but it is necessary—particularly at this time of year — to have some important debates later in the evening.

The hon. Gentleman asked about the Community Charges (Registration) (Scotland) Regulations 1988. Those regulations are already in force. The points at issue are minor and technical, and relate to a supplementary inquiry form. They do not challenge the fundamental framework of the registration system established by the regulations, and there is nothing to prevent that system from starting to operate next month, as planned. My right hon. and learned Friend the Secretary of State for Scotland is considering the points raised in the Joint Committee's report.

I share the hon. Gentleman's regret that we have not been able to set up the television Select Committee. As the House will know, the motion on the Order Paper has attracted two amendments, one from members of the Official Unionist party and the other from members of Plaid Cymru. I had hoped that it would be possible—and I still believe that it should be possible—to reach an agreement on the composition of the Committee through the usual channels. I regret that the two parties have not yet been able to reach agreement, and I hope that they will seek to do so as a matter of urgency. If they fail to reach agreement, the House must be invited to determine the issue. I hope that that will not be necessary, but if it is, I hope to make a statement in my business statement next week.

The Griffiths report is an important report which has just been published. I feel that it would be best for us to study it, but I shall refer the hon. Gentleman's request to my right hon. Friend the Secretary of State.

Mr. Cranley Onslow (Woking): Does my right hon. Friend agree that the disgraceful scenes towards the end of the Budget speech earlier this week underline the need for the appointment of a Select Committee on Procedure —a need that is constantly brought to our attention by the persistently boorish behaviour of Opposition Members sitting below the Gangway? Will he bring forward a motion to do this, however reluctant the usual channels may be to co-operate?

Mr. Wakeham: I have a great deal of sympathy for my right hon. Friend. It is necessary to set up the Procedure Committee and discussions are going on through the usual channels to see if we can do that as soon as possible.

Mr. James Wallace (Orkney and Shetland): Does the Leader of the House agree that, if the Community Charges (Registration) (Scotland) Regulations 1988 are unlawful, it is not a minor or a technical matter? Does he approve of the Secretary of State sending registration officers out when they are being asked to undertake an illegitimate task? Would it not be much better to withdraw the regulations — [HON. MEMBERS: "No — the Act."] — preferably withdraw the whole Act, but at least ensure that if there is to be an Act it will be operated lawfully?

Does the right hon. Gentleman also accept that certainly we on this Bench endorse the comments that have just been made by the right hon. Member for Woking (Mr. Onslow) about the setting up of a Procedure Committee? Some issues have been raised in recent weeks that we would like to see referred to that Committee, and we hope that that can be done as soon as possible.

Mr. Wakeham: I cannot add anything to what I have already said about the Scottish regulations. I understand that the points are minor and technical. My right hon. Friend the Secretary of State is considering the points that have been raised, and I do not think that I can add anything to what I have said about the Procedure Committee.

Mr. Ivor Stanbrook (Orpington): Is my right hon. Friend aware that no fewer than 344 hon. Members have signed early-day motion 6 calling for the removal of the anomaly whereby public service pensioners may get war service included in their pensions provided they did not serve overseas?

[That this House deplores the fact that, alone among public service pensioners, those whose service was overseas cannot count pre-appointment service towards their pensions; and calls upon Her Majesty's Government to remedy this injustice to a dwindling group of elderly people whose working lives were spent in adverse conditions while dedicated to the service of British interests overseas.]

That is a majority of hon. Members and a far greater number than have signed any early-day motion in this Parliament or the last. In all those circumstances, surely some extraordinary measure should be available to enable my right hon. Friend to provide time for a debate on the subject.

Mr. Wakeham: I recognise the strength of feeling and the support that my hon. Friend has. While I shall keep the matter under review, I regret that I have nothing to say to him today, except that it seems to be a point that could well be made in today's debate or in the debate on Monday. That might help my hon. Friend.

Mr. Stuart Holland (Vauxhall): Will the Leader of the House ask the Minister of State responsible for Channel fixed link matters to come to the House and make a statement next week on how he intends hon. Members to be able to make representations on this matter? Ministers constantly say that they are not responsible for the answers, that British Rail is. When, as the Member for the constituency of Vauxhall, which includes Waterloo, I went to put questions to British Rail at a seminar on the Channel link, I was refused access by the manager of British Rail. Short of barging my way through the doors to a committee room in Waterloo station, when can I actually get answers to questions on these matters, and get them here in the House of Commons?

Mr. Wakeham: I recognise the hon. Gentleman's concern in these matters, and I shall certainly see to it that this matter is brought to the attention of my right hon. Friend the Secretary of State for Transport. If there are matters properly for him to answer, I shall see that the answers are given to the hon. Gentleman.

Mr. James Hill (Southampton, Test): My right hon. Friend the Home Secretary mentioned the Council of Europe, and the work that it is doing in preparing a structure for possible legislation in this House. Would this not be a good time to have a debate on the work of the Council of Europe in its many forms and also, perhaps for the information of its members, to discuss one of its responsibilities—the European Court of Human Rights?

Mr. Wakeham: I recognise the work that my hon. Friend and others do in Europe on these matters. I should like to find time for a debate on the very important issues about which they are concerned, but I cannot promise a debate at the moment. I shall bear the matter in mind.

Mr. James Molyneaux (Lagan Valley): Following what the Leader of the House said about the difficulties over the establishment of the Select Committee on televising the House, is he aware that we on this Bench, and I think I speak for the two national parties on the Bench in front of me, would be happy to see an amicable settlement to this problem? May we suggest that the easiest way is to increase the membership of the Committee by one to 22?

Mr. Wakeham: The trouble is that there are fairly well-established and long-standing rules about the size and composition of Select Committees; all parties have to agree with those as far as it is possible to do so. The right hon. Gentleman will recognise that we chose a Committee of a size that would enable two representatives of the smaller parties to serve, which I thought was helpful. Unfortunately, we have run into difficulties, but I shall bear the right hon. Gentleman's suggestion in mind.

Mr. Michael Latham (Rutland and Melton): Will my right hon. Friend arrange for the Secretary of State for Defence to place in the Library, and make a statement next week on, the internal Ministry of Defence document "Learning from Experience" which shows that up to £4 billion of Ministry of Defence expenditure every year is accounted for by overspending on missile procurement? As that document was wrongly called confidential — it is apparently in the possession of *The Guardian* — it ought to be placed in the Library forthwith.

Mr. Wakeham: I recognise my hon. Friend's interest in these matters. I have communicated with my right hon. Friend the Secretary of State for Defence who is aware of the interest in the report and who is considering whether it would be appropriate to make it more widely available. I have taken my hon. Friend's point on board.

Mr. Dick Douglas (Dunfermline, West): Will the Leader of the House reflect a little further on what he said about the poll tax regulations for Scotland? This is the second occasion on which the Joint Committee on Statutory Instruments has found the documents to be defective in drafting and indeed ultra vires. Will he reflect that the right thing to do is to withdraw the whole Act?

Could we have a statement next week from either the Secretary of State for Energy or the Secretary of State for Scotland on the negotiations that are due to take place very soon between the South of Scotland Electricity Board and British Coal in relation to coal burn from Scottish coalfields? This is a very important issue affecting thousands of jobs in Scotland.

Mr. Wakeham: I have already said that I shall refer the first point to my right hon. and learned Friend the Secretary of State for Scotland and I have nothing further to add on that. The second point, too, I shall refer to my right hon. and learned Friend; I have no statement to make on it today.

Mr. Andrew Rowe (Mid-Kent): Will my right hon. Friend reflect on the fact that, when Lady Wagner's committee produced its report last week, it had the courtesy to invite hon. Members to hear what it had to say before it met the press? By contrast, now that the Griffiths report has been presented to his right hon. Friend the Secretary of State for Social Services, it proves impossible for hon. Members to obtain copies of it because it is not held in the Vote Office. Will my right hon. Friend do something about that and, when there is a debate on the Griffiths report, will he link it with the Wagner report, which clearly bears closely upon it?

Mr. Wakeham: I shall bear my hon. Friend's latter suggestion in mind. I regret that he has not been able to get hold of a copy of the report and I shall see what I can do to help him.

Mr. Bob Cryer (Bradford, South): Will the Leader of the House arrange for a debate on the Register of Members' Interests so that we may see how it is operating? Will he bear in mind the fact that today's *Daily Mirror* carried a story about Morgan Grenfell and the hon. Member for Berkshire, East (Mr. MacKay)? Apparently, Morgan Grenfell is inviting clients to have the hon. Gentleman representing them. That represents a serious undermining of the job of a Member of Parliament. Surely we should have a debate to see how the register is operating and how it is being abused, rather than allowing the House to be brought into disrepute by the publication of internal memoranda that seem to suggest that some Members of Parliament are operating as Handy Andies for the clients who pay them, which is quite wrong.

Mr. Wakeham: I have not seen the report to which the hon. Gentleman refers, but I have noted the Select Committee's proposals about the changes to be made in the registration of directorships and the further look that it proposes to take at lobbying. However, I do not foresee the need for a debate in the immediate future.

Mr. Richard Holt (Langbaurgh): Notwithstanding the excellent unemployment figures today, there remains a disproportionate number of people out of work in the north of England. Is my right hon. Friend aware that in the Ministry of Defence alone there are 500 clerical vacancies? Would it not be in the interests of the Government and the people if more Government Departments — including parts of the Ministry of Defence—were moved to the north-east of England?

Mr. Wakeham: I recognise that that would be helpful, but I would also remind my hon. Friend that four fifths of the civil servants employed by central Government are located outside the Greater London area. That is a good record, but we shall continue to try to do better.

Mr. Tony Banks (Newham, North-West): May I draw the right hon. Gentleman's attention to early-day motion 759 on the current situation in Panama?

[That this House congratulates Manuel Solis Palma on being elected by the National Assembly as the new President of Panama; calls upon the British Government to recognise President Palma as the new Panamanian Head of State; condemns the continuing attempts by the Reagan Administration to de-stabilise Panama because of that country's refusal to withdraw from the contradora peace process; and further calls upon the United States Government to give a clear undertaking to abide by the terms of the 1977 Carter-Torrijos Treaty which requires all United States military personnel to withdraw from the Panama Canal Zone by 31st December 1999.]

Is the right hon. Gentleman aware that Panama is close to civil war due to the sanctions imposed by the United States Administration on the Government of Panama? Is he further aware that serious British maritime interests will be involved if there are difficulties around the canal zone? In view of all those facts, can the right hon. Gentleman say when there is to be a debate on foreign affairs, especially one that will enable us to discuss the situation in central America — Panama, Guatemala, Honduras and Nicaragua?

Mr. Wakeham: In recent weeks I have said to one or two hon. Members who have raised the question of a foreign affairs debate that I am hoping to arrange one in the not too distant future, but I cannot tell the House today when it will be. I have seen early-day motion 759. We do not agree with that motion. The British Government recognise states, not Governments, in accordance with international doctrine. Relations between Panama and the United States are matters for those Governments.

Mr. Nicholas Fairbairn (Perth and Kinross): Following the matter raised by my right hon. Friend the Member for Woking (Mr. Onslow), if the usual channels cannot agree to set up a Committee on the subject of defiance of the Chair, may we have a debate in the Chamber, with proposals from all parties for appropriate punitive and deterrent penalties for those who defy the Chair and are in deliberate contempt of the High Court of Parliament?

Mr. Wakeham: My hon. and learned Friend is quite right. These are ultimately questions for the House. I sympathise very strongly with what my hon. and learned Friend has said. All that I can usefully say is that I hope that every hon. Member will, on reflection, acknowledge that support for your authority, Mr. Speaker, is

fundamental to the work of the House, and that support for the principle of free speech is worth having only when it is expressed without qualification.

Mr. Andrew Faulds (Warley, East): Does the right hon. Gentleman recollect that I asked him last week to demand of the Home Secretary that he come to the House to make a statement as to what he is going to do about the appalling backlog of naturalisation representations which are clogging up the works at Lunar house in Croydon? Is there any truth — the House needs to know this and the country needs to know this — in the story that the people who put in these applications are going to be asked to have them back and put them in as their initials come up on some list? Will he arrange for the Home Secretary to come down and make a statement?

As to the Select Committee on the televising of the proceedings of the House, is the right hon. Gentleman aware that there is a general feeling that both sides could not have got together a more flaccid collection of right hon. and hon. Gentlemans than this bunch comprises? Will he accept that there is a need for the House —

Mr. Speaker: Order. There must be moderation in language in this place.

Mr. Faulds: Will he accept that there really is a need for the House to debate the composition of this Committee or to increase the numbers so that some hon. Members with backbone can be put on it?

Mr. Wakeham: When the hon. Gentleman rose, I thought that he was about to thank me for trying to help with the problem that he raised last week, but that must have escaped his memory. With regard to the composition of the Select Committee, I consider that there are some very fine right hon. and hon. Members on it and I think that we shall deliberate very successfully on the matter in hand once we get over the minor difficulty, which may have to come to the House, regarding membership of that Committee.

On the more serious matter of the difficulties at Lunar house, my right hon. Friend the Home Secretary is aware of the difficulties, which have been caused by the success of the campaign to encourage people to register for British citizenship before the deadline of 31 December 1987. A long-term plan for processing applications is being developed and my right hon. Friend will report to the House in the appropriate way as soon as it is the right moment.

Mr. Eric Forth (Mid-Worcestershire): Will my right hon. Friend arrange an urgent debate on the arrangements being made between the Fees Office of the House of Commons and the Inland Revenue so that Opposition Members, especially the Leader of the Opposition and the Opposition Chief Whip, who find the budgetary proposals on top rates of tax so objectionable, can arrange to repay any reductions in tax that they receive as a direct contribution to any element of Government expenditure that they favour? Will my right hon. Friend also help people outside the House who are embarrassed at the amount of their own money that they will be allowed to keep to decide the best way to treat that money, to help the Health Service or any other area of Government expenditure?

Mr. Wakeham: My right hon. Friend has made proposals in the Budget which will help all who wish to give money to charity to do so more effectively. I hope that hon. Members in all parts of the House will take advantage of that concession.

Mr. Andrew Welsh (Angus, East): Will the right hon. Gentleman allow the Select Committee considering the televising of our proceedings to consist of 22 members so as to allow representation from all parts of the United Kingdom and be satisfactory to the parties involved? Is he aware that it has been suggested that it would ease the Government's problem if the matter were solved by tossing a coin? May I urge him to recognise that that would be a totally unacceptable way to deal with matters affecting the whole United Kingdom? Does he agree that a membership of 22 would allow all parties and all parts of the United Kingdom to be represented?

Mr. Wakeham: Unfortunately, the hon. Gentleman does not take on board the fact that increasing the Committee to that size and putting a third member for the minor parties on it would make the Committee disproportionate. That is a way in which we can proceed only if there is general agreement on all sides. I am trying to find a method that is generally acceptable to everyone, but most of my suggestions so far seem to have fallen on stony ground. No doubt the minor parties will have to content themselves with the matter being resolved by the major parties in the House, which I should have thought that they would wish to avoid.

Mr. Tony Marlow (Northampton, North): In the light of Tuesday's hooligan behaviour by what has been aptly named the provisional wing of the Labour party, which significantly has not been condemned by the Leader of the Opposition who in any event is powerless to do anything about it, could my right hon. Friend say what discussions he has had through the usual channels to allow this House to discipline itself? Further, could he say, in the light of the possible advent of television cameras into this House, whether he feels that the animal excesses to which we were subjected on Tuesday will be further exaggerated by the cameras, in which case could we have an urgent and further debate on that subject?

Mr. Wakeham: I cannot promise an urgent and further debate on the subject in the near future. I fully recognise the concern that my hon. Friend has expressed about the behaviour in the House last Tuesday and I know that he is fascinated by what goes on through the usual channels. All that I can tell him is that what goes on through the usual channels is an attempt to be constructive. That has always been our approach to these matters and it will continue to be so. Unfortunately, Tuesday was not a very creditable day for the House of Commons, in my view.

Mr. Frank Cook (Stockton, North): Is the Leader of the House aware that my most honourable and apparently flaccid Friend the Member for Jarrow (Mr. Dixon) today met a delegation from Belfast who came here to discuss implications for the shipbuilding industry? As the only shipbuilding in which the Cabinet seems to be interested concerns directorships and receiverships, will the Leader of the House ensure that there is a debate on the shipbuilding industry in the near future?

Mr. Wakeham: That is one of the subjects on which I know that many right hon. and hon. Members would like a debate, but I cannot promise one in the immediate future.

Mr. Robin Squire (Hornchurch): Will my right hon. Friend consider providing time in the near future for a debate on the affairs of London, as I understand was the practice in previous years? Will my right hon. Friend bear in mind that there are 84 Members representing greater London — more than the number representing Scotland — and that many of them will wish to contribute to such a debate?

Mr. Wakeham: My hon. Friend raises an important matter. I believe that we should have such a debate and I will see what I can do, but I cannot promise one immediately.

Mr. Tam Dalyell (Linlithgow): Are we right in supposing that, in the considered reply to the considered question of his right hon. Friend the Member for Woking (Mr. Onslow), who is Chairman of the 1922 Committee, the Leader of the House has promised a debate on behaviour? Should it not be a wider debate on public behaviour considering, for instance, the actions of the right hon. Gentleman's former service, MI6, and what Mr. Anthony Cavendish had to say in his book about the smearing of the right hon. Member for Old Bexley and Sidcup (Mr. Heath)? Would not such a debate be an ideal occasion on which to discuss early-day motions 228, 253, 272, 273 and 286, all on the subject of Westland?

[That this House notes in the book, Campaign, by Rodney Tyler, the Selling of the Prime Minister: from behind the doors of Downing Street and Conservative Central Office—A unique inside account of the Battle for Power that the author on page 1, chapter 1, paragraph 1, sentence 1, states 'It was an extraordinary turnaround in fortunes from the moment on 27th January 1986 when Mrs. Thatcher secretly confided to a close associate that she might have to resign . . .' and on page 3 that 'On the eve of the crucial Westland debate she herself felt shakey enough to doubt her future' though some around her later sought to dismiss this as late evening anxieties of the sort that had disappeared the following morning). It is certainly true that if Leon Brittan had chosen to, he could have brought her to the brink of downfall, by naming the real culprits inside Number 10. Instead, he chose to remain silent', and calls on the Prime Minister to give a full account of what transpired between 3rd January and 27th January 1986, at Number 10 Downing Street, in relation to the selectively leaked Law Office's letter concerning the Westland Affair.]

[That this House notes that the Member for Aldershot on page 136 of his book Heseltine: the unauthorised Biography, states in relation to the Westland Affair that 'John Wakeham issued an order of the day which contained the trite, if effective message, that it was time for all good men to come to the aid of the party. We did and calls on the Leader of the House, The Right Honourable Member for South Colchester and Maldon, to explain when he first knew the role of the then Trade and Industry Secretary, The Right Honourable Member for Richmond, Yorks, in the matter of the disclosure of a selectively leaked Law Officer's letter.]

[That this House notes that in his book Mrs. Thatcher's Revolution, published this week by Jonathan Cape and Co., Mr. Peter Jenkins writes, on page 200 'Brittan himself refused to enlighten the Select Committee on any point of substance. However, he is reputed to have told close friends subsequently that not only has she known perfectly well what had happened but that, on the day following the leak, had expressed her satisfaction to him at the way things had been handled. However at that time, the downfall of Heseltine had not been achieved. . . . He (Mr. Brittan) might point the finger at her (Mrs. Thatcher). Potentially he now had the power to destroy her'; and calls on the Prime Minister to give the House a full account of her conversations with the then Secretary of State for Trade and Industry, the Right honourable Member for Richmond, Yorks, over the period from 3rd January and 27th January 1986, in relation to the selectively leaked Law Officer's letter concerning the Westland Affair.]

[That this House notes that in The Thatcher Years—A decade of Revolution in British Politics, published by BBC Books, Mr. John Cole, on page 170, considering the selectively leaked Law Officer's letter in the Westland Affair, writes 'why did he (Sir Robert Armstrong) not give her a quick interim report when he discovered that the leak was an inside job, authorised by her office? Why did Leon Brittan not tell her? Or the private secretary concerned? Or his chief, who sits in the same room? Or her press secretary? And why did she never ask?'; and calls on the Prime Minister to inform the House of the answers to these questions.]

[That this House notes that, in the book 'Not with Honour—The Inside Story of the Westland Scandal', on page 142, Magnus Linklater and David Leigh write that 'Instead, following Havers's complaint, she spoke privately to Brittan about the leak. Although this is something the Prime Minister has failed to disclose, to widespread disbelief, the evidence comes from an authoritative source, who told us: "The Prime Minister knew about the leak. She was pleased it had been done. There was a meeting between Brittan and her after the complaint from Mayhew. Only the two of them were present . . . Brittan assumed she knew of [the leak's] origins. You must draw your own conclusions." One of Brittan's friends adds, "Nobody thought it was a problem. The complaints were out of the public domain and any inquiry was expected to be a formality. Leon wasn't worried at all about it."'; and calls on the Prime Minister to give a full account to the House of the meeting between herself and Right honourable Member for Richmond, Yorks, referred to therein.]

Moreover, at what stage in next week's proceedings on the Education Reform Bill will there be a full explanation from the Prime Minister as to why, if the Cabinet is such a happy family, Downing street authorised the leaking of the correspondence between Mr. Paul Gray and Mr. John Jeffrey? That was not the action of a very happy family, was it?

Mr. Wakeham: The hon. Gentleman lives in a world of his own. I have nothing to say to anything that he raised.

Dr. John Reid (Motherwell, North): Does the Leader of the House accept that there is no way in which I can follow my hon. Friend the Member for Linlithgow (Mr. Dalyell? However, on the community charge — *[Interruption.]* — the poll tax — does he understand that it is utterly unsatisfactory that he should come here today on the occasion of the second imposition of unlawful regulations to do with the poll tax on the people of Scotland and describe them as "minor and technical" matters? Does he understand that that is particularly galling as his colleagues in Government are the first to scream when anyone suggests unlawful action on the poll tax? Why are we not having a debate to discuss the vital distinction between unlawful action in imposing the tax and unlawful action in opposing it, which Conservative Members find so difficult to accept?

Mr. Wakeham: When I first met the hon. Gentleman when he arrived in the House, I thought that he was one of the more sensible of the new hon. Members from Scotland, but he seems affected by some of the weaknesses of some of his colleagues. He gets very excited about points which are minor and technical and which relate to a supplementary inquiry form. I have promised to refer them to my right hon. and learned Friend the Secretary of State for Scotland, and that is what I shall do.

Several Hon. Members *rose*

Mr. Speaker: Order. I will call the hon. Members who have been rising, including those who were rising previously; but I remind them that we have a statement and a heavy demand on the subsequent debate.

Mr. Alistair Darling (Edinburgh, Central): Further to that point, does the Leader of the House realise that these poll tax regulations impose major obligations and severe penalties on people in Scotland, and that he cannot deliberately override the fact that there has been criticism of their drafting and that they are virtually incomprehensible to lay people? Is it not time that these regulations were debated, or, at the very least, that the Secretary of State came to explain to the House why he was prepared to brush aside these niceties in order to have his way with the people of Scotland?

Mr. Wakeham: I am not getting high-handed or overbearing, or anything of the sort. I am merely saying that the points have been raised, and I am referring the matter to my right hon. and learned Friend the Secretary of State for Scotland. I should have thought that that was helpful and that the hon. Gentleman would have thanked me for it.

Mr. David Wilshire (Spelthorne): If my right hon. Friend is willing to have a debate on the behaviour and conduct of Members of the House, will he undertake to hold it before the House further considers whether it wants television cameras here? After Tuesday's disgraceful scenes, a growing number of us have great reservations about whether that decision was the right one.

Mr. Wakeham: I have already said that I do not see the possibility of a further debate on televising the House until some later time when we have a Select Committee report to consider. I very much hope that we do not need a debate on the behaviour of hon. Members, as I hope it will improve.

Mr. Jeremy Corbyn (Islington, North): Is the Leader of the House aware that the United States has today ordered 3,000 troops into Honduras, which can only exacerbate the dangers of war in that region and deliberately undermine the progress of the Arias peace plan in the central American conflict? Is he further aware that, as my hon. Friend the Member for Newham, North-West (Mr. Banks) said earlier, the United States is imposing the most vicious sanctions on Panama, thereby causing great hardship to its people? In the circumstances, does not the right hon. Gentleman believe that there should be an urgent debate on central America and the need for a concrete peace plan there, which can only be achieved if the United States withdraws all its forces and stops its aggression against the Government and people of Nicaragua?

Mr. Wakeham: My right hon. Friend the Prime Minister has answered a question on this. I have answered the question of the hon. Member for Newham, North-West (Mr. Banks), and I have nothing further to add.

Mr. Tom Clarke (Monklands, West): Following the right hon. Gentleman's reply to my hon. Friend the Member for Holborn and St. Pancras (Mr. Dobson) on the Griffiths report, is it not unacceptable that that report is available in the Library but not in the Vote Office? Is not that consistent with the Government's approach to this recent report? In contrast with Sir Roy's report on the Health Service, which was widely publicised and warmly welcomed, this report on community care was published in the aftermath of the Budget, with no ministerial statement or press conference and, it would appear, in the absence of a debate. As Sir Roy identifies an important role for local government and the disgraceful state of community care provision, does not that make it all the more important that the House be given the facts and the opportunity for an urgent debate?

Mr. Wakeham: I have already told my hon. Friend the Member for Mid-Kent (Mr. Rowe) that if there are difficulties in getting hold of copies of the report I shall see what I can do to help. The Government are giving careful consideration to Sir Roy's report, which makes wide-ranging recommendations about the future of community care. We need time to study them and take account of reactions to the report. The Government will bring forward their own proposals in due course. At this stage we are keeping an open mind and considering all possible options.

Mr. Dennis Skinner (Bolsover): If the Leader of the House wants to persist in drawing up the membership of Conservative Members on the new Procedure Committee looking into the conduct and behaviour of hon. Members, will he bear in mind that the conduct of many Conservative Members will be blighted by the fact that they may well be Freemasons or moonlighters, like the right hon. Member for Chingford (Mr. Tebbit), who has five directorships and chairmanships already? Perhaps they will also be blighted by the fact that they go trotting off on freebies to South Africa in the pay of the Botha Government. Will that allow Conservative Members to be members of this great Procedure Committee? Will he allow on to the Committee people who are emotional and tired during the course of the day, having escaped from the Bars? Will they be breathalysed before attending the Committee? What a farce it all is.

Mr. Wakeham: The Committees of this House are determined by the House, not by me. The procedures that we have used over the years have produced some funny results sometimes, but by and large the results have been satisfactory.

Belfast Funeral (Shooting Incident)

4.17 pm

The Secretary of State for Northern Ireland (Mr. Tom King): With permission, Mr. Speaker, I wish to make a statement about the attack yesterday upon mourners attending the funeral in Milltown cemetery, Belfast, of the three terrorists killed in Gibraltar.

Before the funerals, the Roman Catholic Church, local politicians and community leaders had appealed for the occasion to be orderly and without violence. The police had made it clear that they wished it to happen, and would do all they could to assist. Against this background, and in the trust that neither the families nor the community wished to see any exploitation of the funerals for paramilitary purposes, the Chief Constable decided his dispositions accordingly. His aim was to police the whole area in a sensitive manner, and to avoid intervening in a private and solemn occasion. I would emphasise that the funerals were proceeding in a peaceful way until the attack took place.

At about 13.40 hours, a man on the fringe of the crowd in the cemetery opened fire with a handgun, and started to throw grenades among the mourners. He was identified, and as he made his retreat he threw further grenades and continued to fire. He was pursued by members of the crowd, who caught him at the nearby motorway, where he was subsequently arrested by the RUC. He is at present under police guard in hospital, recovering from the injuries he received at the hands of the crowd. A second man, subsequently arrested by the police at his home, is now helping them with their enquiries.

In the course of this vicious attack, three people were killed, and 68 injured, of whom four have been detained in hospital, one in intensive care. The House will wish to express its sympathy with the relations and friends of those killed and injured in this appalling incident.

A telephone call was made to the BBC, purporting to be from an organisation calling itself the Protestant Action Force, and claiming responsibility for the outrage, but the accuracy of this claim is not yet clear.

It was an obscenity that an occasion which, whatever its origins, should have been one for private mourning and grief was brutally and savagely interrupted by such an attack. The events of yesterday serve only to underline the total futility of violence in all its forms. The day began with a blast bomb attack by the IRA on an Army patrol, in which, fortunately, there were no fatalities, but in which one soldier was injured.

Even after the incident at the cemetery, and notwithstanding the professed appeals for calm, the IRA tried to launch a mortar attack on a police station in Belfast which was fortunately forestalled by the security forces. There was further violence last night, with hijacking and burning of vehicles, petrol bomb attacks, and a sectarian attack on some Protestant houses. We can only be grateful that the violence of last night did not lead to still more deaths and serious injuries.

Nothing could have demonstrated more clearly that if people's thoughts are only of revenge and retaliation after any incident, this awful cycle of killing and murder and violence will continue; yet nothing showed more clearly the total futility of violence and the fact that it offers nothing to any part of the community in Northern Ireland.

There are likely to be funerals every day this week in Belfast as a result of recent events, at which the human suffering, sadness and heartache will be all too plain; and the ultimate tragedy for all the bereaved is that it is all to no purpose. Two thousand five hundred people have been killed in Northern Ireland in the past 20 years. We know how many of those deaths flow from terrorist action and we know that those killings have not advanced any cause whatsoever. Instead, they serve only to deepen the bitterness and hatred that can divide the communities.

At this time of great emotion, it is now incumbent on everybody in the Province to play their part in ending the cycle of violence and retaliation and further violence.

It is not just the politicians, the Church and community leaders, crucial though their role is — everybody in the Province has a responsibility, to heal, and to calm and to mind what they say as much as what they do. The need once and for all to repudiate violence in speech as well as in action and the determination to work positively to build a tolerant and caring society is the message that this House should send today. It is a message that does not seek to judge, or to distinguish between one section of the community and another, but one that is deeply important for the future of every single person in Northern Ireland.

Mr. Kevin McNamara (Kingston upon Hull, North): You will recall, Mr. Speaker, that on 9 November, in the aftermath of the obscene bombing at the cenotaph at Enniskillen, I said:

> "In the past, even the most barbaric have accepted that people should be allowed to honour their dead in peace."—[*Official Report*, 9 November 1987; Vol. 122, c. 20.]

That view is still held by Opposition Members, and it is shared by hon. Members of all parties. Our sympathies and condolences must go out to the families of the three young men killed and to all those who suffered physical and emotional injury yesterday. Would that yesterday would see the end of all that in Northern Ireland.

I thank the Secretary of State for coming to the House so soon to make a statement concerning the appalling scenes of carnage at Milltown cemetery yesterday. I should further like to support the Secretary of State in the comments that he made in the immediate aftermath of the shooting and bombing. I am sure that the whole House will wish to echo his words and warnings that there should be no retaliation, otherwise the mad and

> "awful cycle of killing and murder and violence will continue".

We agree with that. The perpetration of such an outrage can lead only to feelings of revulsion in all who saw the scenes on television last night.

I feel certain too that this House would wish to associate itself with the calls made throughout these two islands by my right hon. Friend the Leader of the Opposition, the Prime Minister, the Taoiseach in the Republic, the leaders of Churches on both sides of the divide, and political and community leaders — that no matter how understandable the feelings and desires for revenge, retaliation and retribution, firm self-control and discipline should be exercised. What is needed is for those with influence or in positions of authority to seek to prevent further violence. Cool heads are required — the spirit that followed Enniskillen and the voice of the common people.

One of the tragic facts of yesterday's events is that, until the gunman appeared and threw his grenades, the funerals

had passed off calmly, with dignity, peacefully and with no hint of trouble—giving due respect to the wishes of the families of the dead.

The security forces have been left in a position where they can do no right. I am sure this House would not wish to see the "blanketing" of funerals again. Decisions on the security measures at funerals should be taken case by case. We believed that the security forces were right to hold back at Milltown yesterday, and we still believe that that was the right decision.

However, there are questions that the House deserves to have answered. First, there is a set of questions concerning the van parked near the cemetery. We are told that the white van parked on the M1 was a police vehicle belonging to the traffic division, which was to be used to prevent access to the cemetery from the motorway. Some reports have said that it was an old and battered van. If so, was it of the usual standard used by the police traffic division? What were just two policemen doing in the vicinity of thousands of Republicans? At what stage did the police in the van see the gunman? Did he get in to the cemetery the same way as he got out? When the police in the van saw the gunman and the mayhem in the cemetery, what did they think was happening? Why did they drive away and when, or if, did they summon support or alert other members of the security forces? Can the Secretary of State shed any light on the story in today's *Irish Times* that other vehicles were seen in convoy with the van half an hour before the arrival of the funeral at the cemetery?

Secondly, there is a set of questions concerning the helicopter, which is alleged to have been over the gunman as he made his attempted escape. When did the troops in the helicopter first see the man — if they did? What action did the troops in the helicopter take when they saw him? If the gunman entered the cemetery the same way as he left, did the crew of the helicopter see him? Why was no action taken before the carnage, if they did see him?

Lastly, there are questions relating to the nature of the weapons used in the attack. Have the type and origin of the fragmentation grenades and the gun or guns used in the attack been established? Is there any truth in the reports that the weapons used were of the same type as those seized by the security forces in County Armagh in January — supposedly destined for the Ulster Defence Association and similar to weapons believed now to be in the hands of the Ulster Volunteer Force and Ulster Resistance, which were 150 anti-personnel fragmentation grenades, 30 Browning pistols and 60 Kalashnikov rifles? As those are sophisticated weapons, do we know when and how the man who has been detained obtained his training?

In conclusion, we feel that there is a great need for the elected and other leaders of both communities in the North to engage in a constructive dialogue, seeking to make the strength of democratic institutions more important than the strength of arms. The catalogue of events in Northern Ireland since November — the deaths and the political misunderstandings — have shown us all, on both sides of the water and in both parts of Ireland, that we must take the constructive opportunities that are available to us. They do exist.

Tragic though yesterday's events have been, today on St. Patrick's day we must still, as democrats, have hope. We must still work for a democratic, peaceful, political solution to the problems of the North. Violence only begets violence. As democrats, we must say that it must stop.

Mr. King: I am grateful to the hon. Member for Kingston upon Hull, North (Mr. McNamara) for his opening comments and for associating with me in the call for no retaliation and for people to exercise responsibility at this time. I appreciate that. I also appreciate his endorsement of the Chief Constable's decision regarding the approach to the policing of the funerals. I believe that the Chief Constable's decisions were absolutely right and I am pleased to tell the House that he took exactly the same view about the funeral that took place today. According to the latest reports that I have received, that passed off peacefully and without violence. I am sure that that will be a great comfort and relief to all hon. Members.

The hon. Gentleman then raised a number of queries. After any incident in Northern Ireland, the air is thick with rumours, stories and allegations of who saw what and who might have done this, that or the other. That is precisely what I mean when I say that the right authority to investigate the matter is the police. That is precisely what they are doing at present. I have promised to make clear the assurance of the Chief Constable that there will be the most thorough investigation of all the matters. Obviously, I cannot respond to the individual points that have been raised. Those are matters for the police, and anyone who has any information that can assist the police in the proper conduct of the investigation should make that information available to them.

Mr. James Molyneaux (Lagan Valley): In joining unreservedly in the condemnation of this insane and dastardly outrage, can I ask the Secretary of State whether he will refute the truly monstrous allegations that the Army and the RUC engaged in a stand-off tactic to enable such an attack to take place? Does the Secretary of State agree that he can exonerate the security forces by explaining precisely how the stand-off decision was taken and what wider considerations and discussions preceded the Chief Constable's directive?

Mr. King: I am grateful to the right hon. Gentleman for his opening comments. I am certainly grateful to him for giving me the opportunity, with all the information available to me, to repudiate utterly the disgraceful allegation that there was collusion and that the purpose of proceeding with sensitivity in the area of west Belfast during the tense and difficult period of the funerals was to enable such an outrage to take place. I do not think that any reasonable person gave a moment's credence to that absolutely monstrous and demonstrable lie. It revealed quickly and immediately the hypocrisy of Sinn Fein in these matters. When the security forces seek to prevent illegality and are provoked by Sinn Fein or the IRA in many of the activities that they seek to police, they are accused of gross interference and violation of personal rights, yet, when they seek to respond to representations, from both the Church and the families, they are alleged to be exposing the people concerned to the risk of violence. It is a monstrous charge, and I am grateful for the opportunity to repudiate it entirely.

Sir John Biggs-Davison (Epping Forest): At this distressing and dangerous time, would it not be helpful if certain Catholic priests considered more carefully some of their words and the effect of those words on other people? Should not such people as Father Raymond Murray realise that a priest is called to be a pastor, not just to

[Sir John Biggs-Davison]

Republicans, but to Catholics of all opinions, including Catholics loyally serving in the armed forces and the police?

Mr. King: My hon. Friend will have noted that I referred in my statement to the crucial role not just of politicians, but of Church leaders. I do not think that I was the only person who found deeply distressing the content of some of the addresses given at the funerals, and I know that there are many throughout the Catholic community who are equally distressed by those statements. Everyone has a responsibility to avoid any language which may itself help to stir up violence and hatred in that way. At present, there is a need to heal and to calm, and people should mind what they say as much as what they do.

Mr. Seamus Mallon (Newry and Armagh): I take this opportunity of associating myself with the remarks about the police. I was one of those people who have consistently requested that, at those funerals, the police adopt the position that they adopted yesterday. They should continue to do so. What they did was right, and they should not be under attack from any quarter. As anyone who lives in the North of Ireland knows, if someone wants to commit an attack, no amount of security will prevent it.

Will the Secretary of State agree—I note from his statement that he does—that the business of politics is about creating consensus, binding wounds and healing the terrible divisions that we have had over so many years? Will he accept, with the best grace that I can offer, that the perception of this Government's approach in the North of Ireland is one of confrontation and that that has in some ways contributed to a climate in which confrontation has become the order of the day? Will he take this traumatic opportunity to assure the House that, from now on, the thrust of Government policy should be towards compassion, reconciliation and creation of a just and peaceful society?

Mr. King: I am grateful to the hon. Gentleman for his opening remarks about the conduct of the police yesterday. I know that he has held his views very sincerely for many years. The Chief Constable's decision yesterday was correct in the circumstances and it was a tragedy that the incident destroyed what would otherwise have been a peaceful and orderly funeral.

On the other hand, I do not accept the suggestion that the Government's approach is confrontational. The Government are genuinely seeking to try to heal the wounds in Northern Ireland. Over recent months and years, people have recognised that the security forces have sought to police impartially and to stand against violence and extremism, from whichever side it may come, with the full support of the Government. We have taken progressive steps to try to deal with the problem of inequality and discrimination in housing, electoral practice and employment. Surely our record shows our determination to see fairness and equality of opportunity in Northern Ireland, as we expect to see it throughout the United Kingdom.

Mr. James Kilfedder (North Down): After each obscene atrocity committed by the Provisional IRA during the past 20 years, when innocent men, women and children and members of the security forces have been murdered and maimed, I have appealed for restraint and for no acts of retaliation—even when my own cousin, a mother with a family, was murdered by the Provisional IRA, and her husband subsequently died from a heart attack. I agree with the comments of the Secretary of State. We need calm, and the right hon. Gentleman will agree that the vast majority of people in Northern Ireland want nothing better than good community relations. They want to see political and constitutional progress in the Province, but, sadly, the bloodletting that has been going on for so long hinders that progress. It is now up to everyone to appeal unequivocally to the people of Northern Ireland to give 100 per cent. support to the police and the Army, so that we shall no longer have such deplorable incidents.

Mr. King: The hon. Gentleman has consistently called for restraint on these occasions. His comments clearly bring out the fact that what is really obscene about these incidents is that they betray the vast majority of decent, hard-working people in the Province who want exactly what everybody else throughout the United Kingdom wants—a future for themselves and for their families to grow up in peace, with some prospect of happiness for the future. It is the men of violence who stand in the way of that opportunity for the whole community in Northern Ireland, and this is a time for that community to make its feelings felt in the most effective way.

Several Hon. Members *rose*——

Mr. Speaker: Order. I accept that these are serious matters and of great concern to all hon. Members, particularly those representing Northern Ireland seats, but I must again draw attention to the fact that we have a heavy day in front of us, and I ask for single questions to be put to the Secretary of State. I hope that we may be on the next business by 5 o'clock.

Mr. David Alton (Liverpool, Mossley Hill): May I associate myself and my right hon. and hon. Friends with everything that the Secretary of State has said from the Dispatch Box this afternoon? Does he agree that we shall see an end to the cycle of sectarian violence and the tit-for-tat, blood-for-blood revenge killings only when all organisations and people involved in the political process in Northern Ireland repudiate the use of violence to achieve their objectives? Does he also agree that the best course for the British Government now is to continue steadfastly pursuing the policies that have been pursued over the past two years, especially the consolidation of the Anglo-Irish Agreement, and full support for the security and police services in Northern Ireland?

Mr. King: There is no question but that violence is a threat to the island of Ireland. Indeed, the welcome news of a further arms find by the Garda in the Republic yesterday is further confirmation of the importance of cross-border security co-operation. That might prove to be a significant find, but full details have not yet come through. The Irish and British Governments, as confirmed by the Taoiseach in discussions with my right hon. Friend the Prime Minister, share a determination to work closely together in the fight to eradicate from the island of Ireland the violence which does such damage and against which the problem of political progress becomes so difficult.

Sir Eldon Griffiths (Bury St. Edmunds): Does not a heavy responsibility lie upon those who stage these highly

charged political funerals for their own unscrupulous purposes? Do not those who glorify them on television, and to that extent almost incite violence, bear some responsibility?

Mr. King: I certainly agree, and my hon. Friend will excuse me if I do not repeat the remarks that I made earlier. The way in which funerals have been exploited over recent months and years is a great obscenity. It does no service to the Province and it poses appallingly difficult problems for the police, who do not wish to get involved in any way but who do have a duty to uphold the law.

Mr. Ken Maginnis (Fermanagh and South Tyrone): Will the Secretary of State accept from me, representing as I do the constituency which contains the town of Enniskillen, that my constituents will fully understand the tragedy of yesterday? It is a tragedy for the entire community, but does he agree that it cannot be swept away with a few platitudes and clichés, and that active measures must be taken to ensure that all the paramilitaries who live off each other's violence must be dealt with, and it can only be dealt with by firmness and resolve and by ensuring that the ordinary citizen can continue with his day-to-day life? The hon. Member for Newry and Armagh (Mr. Mallon) has called for the proscription of one paramilitary organisation——

Mr. Mallon: Proscribe them all.

Mr. Maginnis: Many of us recognise the need to proscribe them all, as the hon. Gentleman now says.

Mr. Mallon: It is what I have always said.

Mr. Maginnis: Will the Secretary of State now acknowledge that there are practical difficulties, but that we could make a start by taking out of the community the known godfathers? Will he please, on behalf of the innocent people of Northern Ireland, again consider the possibility of the selective internment of those evil leaders?

Mr. King: I know that the hon. Gentleman has consistently held that view, and I respect it. I recognise that platitudes are no measure of the response that is needed to such a serious issue. With regard to the two particular approaches that he described, we keep such matters under review. Powers were retained in case there might at any time be such a need, but he will be aware—I do not want to mislead him—of the real difficulties that exist in either of those courses and the need to consider carefully whether they would contribute to a solution or add to the problem. Those are issues that the Government must consider seriously, but we keep such matters under review.

Mr. Michael McNair-Wilson (Newbury): Further to the question of my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths), may I press my right hon. Friend to say whether there is any way in which funerals relating to the perpetrators of violence can be prevented from becoming media opportunities for demagogues and others to stir up still further sectarian hatred?

Mr. King: If the organisations concerned are sufficiently unscrupulous and uncaring of the attitudes and feelings of families and virtually shanghai the privileges and rights that should belong to the families of the deceased, it is extremely difficult to prevent this sort of exploitation. There is some evidence, certainly in the case of one of the families concerned on this occasion, that they find themselves swept up in something way beyond anything that they would have wished to see.

Mr. John Hume (Foyle): May I join in the expression of sympathy to the bereaved families and the injured and welcome the unanimous, right-across-the-board condemnation in Northern Ireland of this atrocity, and the equally unanimous call for restraint? May I repeat the call that I made yesterday — that, despite the extreme provocation of this particular act, I hope that the Catholic community will respond with the same dignity and restraint as did the Protestant people after Enniskillen?

Have the weapons, ammunition and other equipment used in the attack been found, and is there any evidence to suggest their source or previous use?

Mr. King: I am grateful for what the hon. Gentleman says. I welcome the statements that he made yesterday which, undoubtedly, were helpful and were in marked contrast to the statements coming from Sinn Fein. While pretending to such an approach, as I made clear in my statement, the IRA was at that moment planning further attacks for that evening.

My understanding is that two handguns were concerned and that neither has been recovered. However, I think that ballistic tests have identified the type of weapons concerned. The source of the grenades is under investigation at the moment and further information about that may become available shortly.

Mr. Ian Gow (Eastbourne): Will my right hon. Friend confirm to the House that he has already proscribed certain paramilitary organisations in the Province? Bearing in mind my right hon. Friend's consistent and proper commitment to impartial policing in the Province, and to the even-handed administration of justice, will he please consider once again with his security advisers whether it would not be in the best interests of protecting the innocent from further tragedies if he were to proscribe all — I repeat, all — paramilitary organisations in the Province?

Mr. King: My hon. Friend has made, with his usual sincerity and concern, an important statement on his own behalf. I do not wish to add to the answer that I gave to the hon. Member for Fermanagh and South Tyrone (Mr. Maginnis), but, as I made clear to him, we keep these matters under review.

Rev. Martin Smyth (Belfast, South): I join those who condemn the atrocity of yesterday, associating with some of my own constituents who are bereaved today as a result of it, as I did with the families of the members of the UDR in my constituency a fortnight ago. I ask, following the Secretary of State's answer to the hon. Member for Newbury (Mr. McNair-Wilson), whether it is time that the British Government followed the lead of the Government of the Republic of Ireland and banned the media from promoting the actions, activities and policies of terrorists? Is it not time that that is done, even by proscription? I make the point, which friends in the media have confirmed, that the other night, when the IRA had a firing party at a new "shrine" to commemorate the dead, coincidentally a television camera and crew were there, ready to proclaim it to the nation. Is it not time that such things were stopped?

Mr. King: I have to say that we have no proposals in that specific direction, and I think the hon. Member is aware of the obvious disadvantages and unattractiveness of seeking to ban political parties, if they seek to stand as political parties, from access to television. I certainly echo the sense of what he said. I am in no doubt that in a free society the media, particularly the television cameras, have a great responsibility for what they decide to broadcast.

Mr. William Cash (Stafford): Will my right hon. Friend accept that we feel very strongly that he has exercised his functions as Secretary of State with dignity and statemanship in relation to this whole affair, not only on this occasion but on many others? We believe that the work he is doing in Northern Ireland is anything but confrontational, and we congratulate him on everything he has done to help to solve this very difficult and tragic situation.

Mr. King: I am very grateful to my hon. Friend; I appreciate his comments very much.

Mr. Tam Dalyell (Linlithgow): In the light of the decision by the Home Office to transfer a written question of mine, prompted by the Stalker book, in relation to Michael Tighe and the hayshed, does one assume that all the responsibility for any covert operations is now in the hands of the Northern Ireland Office and no longer has anything to do with the Home Office?

Mr. King: I fail to see how that remotely arises out of the statement I have just made.

Mr. David Heathcoat-Amory (Wells): If the gunman at the funeral had been intercepted and shot by the security services before he committed that appalling massacre, does my right hon. Friend think that the security forces would have been thanked or condemned by the IRA and their friends? Might not the answer to that question reveal the sanctimonious hypocrisy of the IRA and its apologists in its attitude to the deaths recently of three acknowledged terrorists in Gibraltar?

Mr. King: My hon. Friend and neighbour takes me into wider country than I would wish to go in response to the statement, but we recognise the demands we place on the security forces. We recognise clearly from the incident the way in which irresponsible elements can seek to abuse the security forces, from whichever position they choose to take, and the very difficult task they have to pursue in their proven and bounden duty to seek to protect the whole community from the abuse and foulness of terrorism.

Ms. Clare Short (Birmingham, Ladywood): Does the Secretary of State accept from the lesson of the dreadful events yesterday, the killings in Gibraltar, the shoot-to-kill policy, the conspiracy to pervert the course of justice and Enniskillen that his hope to bring peace to Northern Ireland is a hopeless quest because Britain's presence there prevents the people of Ireland from having the political stability that will take them forward to a better future? The view of the people of Britain is increasingly that it is time for the troops to go. Next year will be the 20th anniversary of British troops going into Northern Ireland and what have we achieved? I put it seriously to the Secretary of State that he must cease to pretend that this route will bring peace to Northern Ireland, and should look to what the British people are saying, which is that we must start to organise a withdrawal.

Mr. King: The hon. Lady, on the occasion of this statement—which is proof, if ever it was sadly needed, of the depth of hatred and bitterness that can exist in the Province — should remember that British troops first went to the Province at the request of the hon. Member for Mid-Ulster as she then was, Bernadette Devlin, to protect the Catholic community at that time. That was the original reason, and the troops have sought since to deal impartially and protect the community against terrorism.

How out of date can the hon. Lady get? Is she not aware that successive Irish Governments recognise that there is no solution to the problem by the withdrawal of British troops? They have recognised, as does the right hon. Member for Lagan Valley (Mr. Molyneaux) and his party, that the way forward is not by some arbitrary withdrawal of British troops but by both countries standing together to defeat terrorism and by letting the democratic views of the people of Northern Ireland be heard.

Hon. Members: Hear, hear.

Mr. Tony Marlow (Northampton, North): Is there any truth in the statement on BBC television lunchtime news that security at today's funeral was provided by the IRA —in which case, with whom was this negotiated? Were those purporting to be providing security armed, and is this the way ahead for funerals in the future?

Mr. King: As I said in answer to the hon. Member for Kingston upon Hull, North (Mr. McNamara), my hon. Friend has fallen prey to just the sort of damaging and pernicious propaganda that people seek to put out to stir up trouble. That is exactly the point I made—when we have appeals for sensitivity and for funeral processions to be able to proceed without intervention by the security forces, somebody will step forward and say, "We are now providing security ourselves." I hope that my hon. Friend the Member for Northampton, North (Mr. Marlow) will not fall for that sort of propaganda.

Mr. Ken Livingstone (Brent, East): While joining in the condemnation of this act of horror and all the previous acts of horror, irrespective of from where they come, will the Secretary of State reflect that over the past 20 years eight Governments have successively failed to win the war or win the peace? Is it not time that the people of this country had the right to decide what to do? Is it not time for a referendum of all the population of Great Britain and Northern Ireland to decide whether we should continue to remain in Northern Ireland?

Mr. King: I am not sure what contribution the hon. Gentleman has made in recent years to try to help to tackle some of these very difficult issues. He may not be aware of his party's policy and the support it has given, which is that the determination of the future of Northern Ireland should be a matter for the people of Northern Ireland. If he is in disagreement yet again with his party's policy, perhaps he will sort it out with the party.

Dr. Norman A. Godman (Greenock and Port Glasgow): May I associate myself fully with the sentiments expressed by my hon. Friend the Member for Kingston upon Hull, North (Mr. McNamara)? In view of the immutable connection between the killings in Gibraltar and the funerals yesterday, when can we expect a ministerial explanation concerning the involvement of police officers in that sad affair in Gibraltar? I severely condemn the murderous intent of those shot down in the colony, and

believe that such a statement would, at the very least, acknowledge the very deep concern felt by many people about that affair.

Mr. King: I appreciate the fact that the hon. Member included in his question some recognition of the murderous intent of the people who lost their lives in Gibraltar. Some people do not appreciate that the potential impact of the bomb in Gibraltar would have been some 50 times more damaging than that discharged at Enniskillen, and the possible carnage and loss of life that could have resulted hardly bears thinking about. In some of the reports, some people have lost sight completely of that. Having said that, my right hon. Friend the Foreign Secretary has made it absolutely clear that the due process will now be gone through, and there will be an inquest in Gibraltar, so obviously that is the next stage in the matter.

Mr. Dennis Skinner (Bolsover): Would it not be fair to say that, in the course of the 18 years that I have been in the House, a succession of Ministers representing Northern Ireland have given reports of what is taking place? Several times a year one of those Ministers comes along and talks about the need to get together, about unity and all the rest of it. It has struck me, as one who has not intervened in Irish debates over the years, that the statements are being repeated constantly, without any effect upon what is happening over there.

Would it not be sensible to put the Anglo-Irish Agreement on the back burner? Would it not be sensible to consider some of the other options, such as withdrawal? Surely it is time, bearing in mind that the British people are getting fed up to the back teeth with what is taking place, to start considering all the other options?

Mr. King: The hon. Gentleman was candid enough to include in that question a statement that he had no close acquaintance with the problem. The longer he went on, the more I agreed with that sentence.

Orders of the Day

WAYS AND MEANS

Order read for resuming adjourned debate on Question [15 March].

Mr. Speaker: Before I propose the Question, I remind the House that for very good and understandable reasons we are very late in starting the debate. There is great pressure to take part in it, so may I appeal for brief contributions from the Front Benches and the Back Benches today?

AMENDMENT OF THE LAW

Motion made, and Question proposed,

That it is expedient to amend the law with respect to the national debt and public revenue and to make further provision in connection with finance; but this Resolution does not extend to the making of any amendment with respect to value added tax so as to provide—

(a) for zero-rating or exempting any supply;
(b) for refunding any amount of tax;
(c) for varying the rate of that tax otherwise than in relation to all supplies and importations; or
(d) for relief other than relief applying to goods of whatever description or services of whatever description.—*[Mr. Lawson.]*

Question again proposed.

Budget Resolutions and Economic Situation

[Relevant documents: European Community Document No. 9561/87, Annual Economic Report 1987-88 and the unnumbered document, Annual Economic Report 1987-88 (final version as adopted by the Council).]

5.1 pm

The Chancellor of the Duchy of Lancaster and Minister of Trade and Industry (Mr. Kenneth Clarke): The Opposition's campaign against my right hon. Friend's Budget so far seems yet again to be based on the false belief that there is a choice between enterprise and compassion. I do not believe that there is necessarily any conflict between the two. The Government firmly believe that enterprise and compassion must go hand in hand. The successful creation of an enterprise economy enables the country to give practical expression to its compassion, as the Government have been doing during the past 12 months.

The Chancellor has shown admirably in his Budget, for the second successive year, before and after a general election, that it is possible to increase public spending substantially in the autumn, to reduce taxation substantially in the spring and still be able to pay back public borrowing. That has been achieved because the climate has been created for the economic growth that enables that unique trio of achievements to be repeated for the second year.

When I listen to the remarks of Labour Members it is clear that they are still rooted in the belief that the country can pay for public services only by imposing incredibily high taxation on every working person. We all recall that at the last general election the Labour party was committed to increasing the basic rate of taxation by 2p if it was elected. The Labour party believed that the country can pay for good public services only if it raises

[Mr. Kenneth Clarke]

particularly high levels of taxation from the most successful and talented people in our society. That lies at the root of all its arguments so far on the Budget.

We do not accept that. We believe that we can best pay for the good public services which we all require by creating the conditions for sound economic growth. We believe that it is necessary to encourage people to earn the wealth that the country needs to pay for personal prosperity and good public services. One way in which we can encourage people to engage successfully in the wealth-creating process is to reduce taxation generally, and particularly on the most successful people who provide the leadership of British industry.

The idea that reducing taxation enables the country to generate wealth and is beneficial to public services, particularly in the medium term, has never been accepted by Labour Members. I do not understand that. They should look back at their own experiences, particularly at the year which should have scarred the Labour party for ever—1976. At that time, they were levying taxation on earnings up to the absurd maximum rate of 83 per cent. In 1976, the maximum taxation on capital was 98 per cent. —a quite nonsensical level. In that same year, when they were levying punitive taxation on the rich, they were obliged to cut spending on the National Health Service in a way which has been done only once, by one Government since 1948, since the National Health Service started. When imposing that punitive taxation on the rich for their own political purposes, they cut revenue spending on the National Health Service by 3 per cent. in real terms. They cut capital spending on the National Health Service by no less than one third and delayed new hospital building throughout the country.

In contrast, this tax-reducing Government are steadily increasing resources. Since last autumn in particular, we have increased resources substantially for health, education and, above all, for social security, for the benefits that are paid to pensioners, the disabled and the poor. We have steadily increased those resources because we were taking the benefit of the growth produced by the enterprise economy which the Government have created. We are able to sustain those improvements in our public services as a result of the success which has been won by the men and women who work in British industry and commerce who have taken advantage of the climate which we have created.

Against that background, today I propose to examine the implications of my right hon. Friend's Budget for commerce and industry, on whose well-being practically everything else with which the House is concerned depends. I could hardly have chosen a better day. Things have improved even since my right hon. Friend sat down after his Budget speech on Tuesday.

It is not a very difficult task to address the House about the conditions of industry and commerce when interest rates have fallen this morning, as I am sure all hon. Members were delighted to hear, and unemployment has fallen by another 33,000 to its lowest level for six years. Hon. Members may not realise that this morning it was announced that capital expenditure by the manufacturing, construction, distribution and financial industries in the fourth quarter of 1987 was more than 6 per cent. higher than in the preceding quarter, and more than 12 per cent. higher than in the fourth quarter of 1986.

I do not envy the hon. Member for Livingston (Mr. Cook). He must try to address the House on the subject of commerce on a particularly bad day from his point of view when so much good news has been flowing in.

Mr. Eric Forth (Mid-Worcestershire): Does my right hon. and learned Friend agree that there are only about eight Labour party Members in the Chamber—probably because he has had so much good news to impart, and they have no answer to what he is saying? Does he think that it has scared them all away?

Mr. Clarke: It is remarkable that the Labour party does not seem to be able to sustain its campaign against my right hon. Friend's Budget for more than 24 hours and that the three items of extremely good economic news this morning have driven practically every Labour Member back to his or her constituency. They are probably already back in their constituencies getting the judgment of the general public.

Mr. Eric S. Heffer (Liverpool, Walton) *rose*——

Mr. Clarke: This year, at the time of this debate, the economic environment for business is extremely favourable.

Mr. Heffer: Will the right hon. and learned Gentleman give way?

Mr. Clarke: I shall give way in a moment.

It is not merely that the economy has continued to prosper during the past 12 months which is part of the enviably solid record of economic achievement and growth which is behind us. The economy has grown steadily for seven years, the longest period of sustained growth since the war. We are seeing the end of the caution and scepticism that was understandably ingrained in the British business community by so many years of comparative failure. Most of us with any contact with managers and leaders in British industry and commerce can sense the increased self-confidence and competitiveness that is now felt by those who lead our businesses.

We have not achieved that splendid result simply by riding a wave of international economic prosperity. For the period since 1981, since recovery has been under way, we have recorded the fastest sustained growth of any of the major European economies. The contrast with the 1960s and 1970s when we were stuck firmly at the bottom of every league table could hardly be more striking. British economic achievement is now a subject of envy and admiration internationally and is a source of pride that we all feel when we are congratulated on it by our colleagues overseas.

The principal duty of my right hon. Friend the Chancellor on Tuesday was to maintain the climate to sustain as much economic growth as possible in uncertain world conditions. I believe that he can do so. The House will see that my right hon. Friend's Industry Act forecast predicts continued growth in GDP of 3 per cent. in the present year. The House will recall that the prediction for 1987, which he made this time last year, proves to have erred on the side of caution.

Opposition Members often emphasise the particular importance of manufacturing performance. To some extent, when we make comparisons between manufacturing and services, we rather overlook the extent to which developments in technology and in the organisation of business are making the old clear-cut distinction between

manufacturing and services a thing of the past. Given that we have a traditional definition of manufacturing and service activity, I know that pretty well everybody in the House will share my satisfaction that manufacturing output, as traditionally defined, rose by no less than 5·5 per cent. in 1987. Again, my right hon. Friend the Chancellor was modest last year in the expectations of what he was then doing. His forcast of 4 per cent. growth in manufacturing industry in this country has been exceeded.

The volume of manufacturing output now stands higher than when the Labour party left office, having risen by more than 20 per cent. since the trough of the most severe recession since the 1930s.—*[Interruption.]* I can sense a little scepticism. It may be that Opposition Members are aware that we still have a little way to go before the somewhat higher level is reached at which the previous Labour Government entered office in 1974. However, we are nearly there and, if my right hon. Friend's forecasts of a further 5 per cent. growth in manufacturing output in 1988 is realised, that level will be attained very soon and we will be on to record-making levels.

In addition to that improvement in our manufacturing performance, I trust that the House welcomes the sharp fall in unemployment that has now continued for more than 18 months. This morning's news simply underlines the benefit for the unemployed of economic success. The total number out of work and claiming benefits is now some 680,000 lower than its peak in 1986. The House knows that no one finds it possible to forecast future levels of unemployment. I certainly leave the House in no doubt that the existing figure of about 2·5 million is higher than anyone would wish and higher than anyone can tolerate, and a continued fall is desirable. In the present climate, there is every reason to expect a further reduction in the coming year, provided that pay increases are kept at a sensible level. I shall come to that subject shortly.

The hope for the remaining unemployed must come from the continued ability of British industry to continue to create additional jobs. Here, again, recent experience is encouraging. The improvement in the number of people in employment is dramatic. There are now more than 1·5 million more jobs in the economy than there were in 1983. The main contributors to that turn-round have been self-employment and employment in the service industries. Even in manufacturing, despite the historic and continuing trends against labour-intensive manufacturing, the long decline in the numbers employed has slowed almost to a halt in recent months.

When I look at the employment picture of the past 18 months, I cannot help remembering last year's major attack on the Budget by the right hon. and learned Member for Monklands, East (Mr. Smith). He was laying his principal emphasis on the problems of unemployment. The right hon. and learned Gentleman was putting forward the preposterous proposals of the Labour party for a great spending programme to bring down unemployment. That is what he said we should have done before the election. The Labour party was saying that a public expenditure programme of about £6 billion—that was the figure advocated last year—devoted largely to creating more public sector employment, principally in local government, could seek to reduce unemployment levels by 1 million over the next two years.

Following our approach, encouraging an enterprise economy and not putting £6 billion into the pockets of public authorities to create artificial jobs, seasonally adjusted unemployment has fallen by 535,000 over the past year and by 506,000 since last March, which is when the right hon. and learned Member for Monklands, East made his assertions. Therefore, after one year, we are half-way towards the Labour party's ambitious two-year target, which was set by the right hon. and learned Gentleman in his speech on the Budget last year. However, in my opinion, what he was setting out—tax increases, massive public spending and artifical public sector jobs—would have failed. More people would have been unemployed today. The right hon. and learned Gentleman was right to say that unemployment was a principal problem, and we have achieved his laudable aims. We have hit his targets for reducing unemployment but we have done so by adopting much more sensible and successful policies.

Mr. John Smith (Monklands, East): While the right hon. and learned Gentleman is in this confident mood, can he say whether unemployment, by the end of this period of Government, will be higher or lower than when the Government came into office in 1979?

Mr. Clarke: Of course I cannot. I said that no one can successfully forecast the level of unemployment. I do not believe any forecasts of unemployment more than three or four years ahead. It depends on the success of British industry in continuing to expand and create jobs. I am saying that the more we create an enterprise economy, the more prospects we have of increasing the total number of jobs and reducing unemployment. I am also saying that our record is as good as anything the right hon. and learned Gentleman aspired to and it has been achieved by our successful policies.

Mr. Heffer: Is the right hon. and learned Gentleman aware that in February 1987 unemployment in my constituency, in real figures, was 10,929 and that this year, February 1988, it is 10,031? It has gone down by about 800. Is that a great success? Is that the success that the Government talk about?

Mr. Clarke: It is a substantial step in the right direction.

Mr. Heffer: Only 800 people?

Mr. Clarke: The hon. Gentleman represents a depressed part of the country. We all know that. There are many other depressed towns. The fact is that a drop of 800, down to 10,000, is a substantial move in the right direction. My right hon. Friend the Chancellor is seeking to sustain that by creating the right conditions for economic growth. I trust that the hon. Member for Liverpool, Walton (Mr. Heffer) shares with me the special pleasure of the fact that the improvement in employment has extended throughout the whole country. The sharpest reductions over the past year in the numbers out of work have been recorded in the west midlands, Wales, the north-east and, the hon. Gentleman's own area, the north-west. The least prosperous regions have, most encouragingly, shared fully in the recent growth in employment, particularly in self-employment.

Mr. Max Madden (Bradford, West): The right hon. and learned Gentleman has been talking about new jobs. Is he concerned about the proportion of those new jobs that often involve long hours of work, including night and

[Mr. Max Madden]

regular weekend work, for rates of pay which, in many cases, are less than £2 an hour? Is he concerned that there are allegations that jobcentres are advertising jobs, which are affected by wage councils, at rates that are below the legal minimum for those jobs? What action is being taken to ensure that jobcentres do not collude with unscrupulous employers and advertise jobs below legal minimum rates? What is being done to improve the rates of pay and the conditions of work of many of the new jobs being created in this enterprise culture?

Mr. Clarke: If jobs are being advertised in job clubs at below the legal minimum rates, those allegations will be investigated. My right hon. Friend the Secretary of State for Employment has just told me that the one allegation of that sort that he has received has been dealt with.

The idea that the increase in employment is a low-wage increase is absurd. The general level of earnings in the British economy is rising rapidly. Indeed, if there is one cause for concern about the continuing fall in unemployment in this country, it is that we are beginning to slip back into the practice of paying ourselves rather too much, a little too quickly, which will slow up the fall in unemployment.

As far as I can see, the shadow Chancellor said that the excellent climate, which I have just described, is threatened mainly by the adverse balance of payments. The allegation is being made that we are facing a slow-down in growth because of the balance of payments problems that are being foreseen by some of our critics. His predecessor as shadow Chancellor, the right hon. Member for Birmingham, Sparkbrook (Mr. Hattersley), was making exactly the same predictions of a serious balance of payments crisis 12 months ago. In early 1987 he was saying that the balance of payments deficit would be £14·5 billion for the coming financial year. Last year's current account deficit is now estimated at £1·7 billion. Again, my right hon. Friend the Chancellor erred on the side of caution. His estimate last year was rather more than the outturn for the balance of payments deficit. It is not too surprising that we are facing a slightly adverse balance of payments. The principal reason is that the United Kingdom economy is growing faster than that of most of our main competitors. This is making the British market the one to go for as far as most of our competitors are concerned.

The volume of visible exports that we achieved was 5·5 per cent. higher in 1987 than in 1986, but at 7·5 per cent. visible imports rose somewhat faster because our market was expanding faster than the markets abroad to which we were selling. But those imports were not all, or even mainly, consumer products; a high proportion of imports were raw materials and intermediate goods for industry. That is the kind of increase in imports to be expected at a time of more rapid growth of our own industry. My right hon. Friend has predicted a rather larger current account deficit of £4 billion for 1988, which is easily sustainable by our present performance.

Mr. David Ashby (Leicestershire, North-West): Does my right hon. and learned Friend also agree that the reason for part of this deficit may be that companies, foreseeing a great future for this country, have been looking for new machinery for their companies and much of this machinery is foreign—German or Japanese—so that it is really investment for the future that we are seeing as well?

Mr. Clarke: I agree with my hon. Friend that the majority of the imports that we are seeing are raw materials, semi-manufactured goods and machinery—capital investment. That is an inevitable consequence of the current expansion of our economy.

Of more lasting significance last year was the very strong performance of our invisible earnings.

Mr. Bryan Gould (Dagenham): I have been trying to follow the right hon. and learned Gentleman's argument that the rapid rate of growth by which he is so pleased inevitably means that we should move into balance of payments deficit. How does he reconcile that with the experience of more successful and stronger economies than our own—notably the Japanese economy—for which rapid growth has invariably meant the building up of very substantial surpluses in their balance of payments?

Mr. Clarke: That was true of the rapid growth of the Japanese economy because of the then exchange value of the yen and the way in which the Japanese expansion was particularly export-led.

What I am saying is that we are currently expanding far faster than most of our competitors. It is in the nature of the British economy that we tend to import semi-manufactured goods, materials and machinery as we expand. What is being produced is a very modest balance of payments deficit, which is of no concern whatever as a percentage of our GDP.

If hon. Members wish to be reassured, I suggest that they look at the very strong performance of our invisible earnings. These contributed a surplus of almost £8 billion to the balance of payments, much of it in the form of net income from our portfolio of overseas assets, which is now second only to that of Japan. Members of the Opposition have objected strongly to our building up our portfolio of overseas assets. They would probably dissipate those overseas assets by higher discriminatory taxation and politically controlled investment in the country. But that overseas portfolio is of very great assistance to us in financing our balance of payments deficit.

Productivity has been the main key to industrial success. The strong growth in productivity has been maintained for another year throughout the economy. This, again, has been particularly striking in manufacturing, which should be encouraging for us all. Output per man in manufacturing industry has now risen by more than 50 per cent. since 1981 and by over 40 per cent. compared with the year when the Labour party left office. The growth in manufacturing productivity over the past seven years has exceeded that achieved by any of our main competitors, including Japan. The basis of that improved productivity has been the fundamental changes in working practices in very many industries and the ending of outdated demarcations between different trades. We still find that on the ground, throughout the country, in many industries those very necessary changes are still being opposed by some of the Labour party's allies in the trade union movement. We need to go still further. The levels of productivity in the United Kingdom still have some way to go before they match the best achieved by our competitors. Our aim must be nothing less than to achieve the best achieved elsewhere.

In my opinion, the Labour party is complacent about these improvements in productivity and about the need to stimulate still further the performance of the enterprise economy. It fails to realise that international circumstances are becoming more competitive. We have to succeed in the single European market in 1992. That is now the biggest single change facing British industry. I cannot help reflecting on what a disaster it would have been had the single European market been achieved in the mid-1970s when the Labour party was in office; it would have been a very major threat to British industry. It is now a considerable opportunity. And we have not only to succeed in the single European market; we have to aspire to compete with Koreans, Taiwanese and Japanese—the new strong performers in the world economy—in what is increasingly becoming a global market for a high proportion of goods and services. I believe that with our present sustained growth we are on target to do so.

Last year our sustained improvement in productivity meant that in manufacturing our unit costs remained virtually unchanged in 1987 despite a 7·75 per cent. increase in average earnings. The most recent figures suggest that in 1987 our performance on unit costs was better than that of Germany, although less good than that of Japan or the United States, where the figure for unit costs was negative. However, the present trend of increases in earnings is running at around 8·5 per cent. and that is of some concern. The biggest stimulus to that was quite clearly the rather disgraceful level of settlement achieved by largely Labour-dominated local authorities with their own trade unions. Any continuation of the upward trend that that settlement seems to have provoked would be bound to put severe pressure on unit costs over the next 12 months.

Fortunately, the private sector figure is an increase of 5·5 per cent., but in all parts of the private sector people must appreciate still more the direct link between moderate pay increases and improved employment prospects, which is still not fully recognised in this country.

I hasten to add, before any hon. Member takes up the point in a later speech, that the Government are most emphatically not in favour of a low-wage economy; that is quite plainly not what we are creating in the United Kingdom at the moment. We are in favour of a situation in which higher pay is achieved by higher productivity and better performance that generates the profits to finance the higher wages that everybody understandably wishes. It is unearned pay increases that raise costs and cost jobs.

The tax reductions in this Budget enable employers to create jobs. The improvement in industrial performance has been fully reflected where it matters—in the bottom line. The profits of non-oil companies have grown steadily from the beginning of the decade and the real rate of return among these companies in 1987 reached 11 per cent., which is its highest level for 20 years. The increased profitability of manufacturing industry made a major contribution here. With three quarters of capital investment funded from retained profits, business is at last freeing itself from the shackles of inadequate profitability. The benefits of this are not confined to the shareholders; they extend to the employees, the customers and the whole community.

My right hon. Friend has encouraged us by producing a situation in which we now have, I am glad to say, one of the lowest rates of corporate taxation in the developed world. Our small company rate is particularly low, at 25 per cent., because my right hon. Friend has lowered it in line with the reduction of base rate income tax. The low level of corporate taxation is having the effect that we have always forecast on business investment, and particularly the quality of business investment, in this country. The year 1987 saw a rise of 4 per cent. in business investment, to a record level. It was made clear in the DTI's investment intentions survey, published last December, that we can expect an even sharper increase of about 9 per cent. in business investment in 1988. The increase in the volume of manufacturing investment was resumed in 1987 after a pause in 1986. The forecast for 1988 is of another increase of no less than 11 per cent. in the level of manufacturing investment. If that level is achieved, it will bring manufacturing investment also to an all-time high.

It is not only the Government's word and my word that says that the economy is thriving under the kind of treatment that my right hon. Friend the Chancellor of the Exchequer is giving to the British economy. The CBI industrial trends survey in February was merely the latest in a line of reports on the buoyant state of business confidence. Output is expected to grow strongly. Both home and export order books remain healthy. The latest chambers of commerce regional survey for the last quarter of 1987 also shows that any effect of the stock market crash was confined to a narrow circle of financial institutions, and that confidence has remained at a high level through the rest of the economy.

Just look at the warm welcome that my right hon. Friend's Budget on Tuesday has received from industry. The president of the CBI, Sir David Nickson, said that it will help to maintain the momentum of our economic recovery and will give a great boost to business confidence. The director general of the Institute of Directors, Sir John Hoskyns, has also given his strong support. I listen to people like that rather than to Opposition Members, as such people have a proper understanding of the needs of industry upon which our prosperity depends.

If the Opposition do not like domestic praise for the present situation, perhaps they will look abroad for some evidence that people believe that the progress of the British economy is solidly based. I have no doubt that they all know of the recent speech of the Japanese ambassador, who spoke of the "British miracle". He not only talked about the British miracle, but he gave his reasons for saying so. He attributed our performance to the policies of deregulation, privatisation, tax and trade union reform, and to the encouragement of competition, all of which have contributed to the revival of an enterprise culture.

There is not only praise in speeches. People abroad are showing their confidence in the British economy in the most important and practical way. Nissan has decided to undertake a further major expansion at Washington new town, to accommodate the production of a second car model. Only this week, Nissan announced that it was going to locate a new design centre in the United Kingdom. Sanyo announced last week a major new investment in the north-east for the manufacture of microwave ovens and magnetrons. There was an announcement in January by the Finnish paper manufacturer Kymmene-Stromberg of the largest new investment in Scotland by an overseas company. So our policies are being imitated abroad and attract investors from abroad. We are setting the fashion in how to create the right climate for an enterprising economy.

Mr. Nicholas Fairbairn (Perth and Kinross): Does my right hon. and learned Friend recall that when the "Locate in Scotland" survey was done in the United States, 80 per cent. of all firms that proposed to locate in Europe said that they would rather come to Scotland than elsewhere in Europe, provided that the Government stayed in power and that their policies were continued?

Mr. Clarke: I entirely agree with my hon. and learned Friend. Most of those who are responsible for the investment decisions that I have just mentioned themselves cite the economic climate that the Government have created as one of their principal reasons for coming here. Alarm is expressed nowadays about the activities of overseas companies looking to locate in this country only when, for example, Ford contemplates a major investment in Dundee and encounters the last echoes of the sort of attitude encouraged by the Opposition, with threats of curious industrial activity being imposed upon that company. There was resistance to its sensible proposal for a single union agreement.

My right hon. Friend's Budget will increase business confidence still further. By aiming for a substantial Budget surplus for a second successive year, my right hon. Friend has made clear his determination to pursue a prudent fiscal strategy. This confirms the priority that is given by the Government to the reduction of inflation. By doing so, they set the scene for continued steady growth in the economy in a way that does not put the achievements of the past nine years at risk. In its overall fiscal stance, this Budget is for the long haul. This is just what is needed for business and for wealth creation if we are to take still further the change in attitudes and improved performance.

This Budget is also a Budget for enterprise in its detailed measures. First and foremost, the increase in the tax thresholds of double the rate of inflation and the reduction of 2p in the basic rate of income tax are worth almost £5 to a married man on average earnings. There is nothing wrong with all working people keeping a larger share of increased prosperity. Labour always objects to ordinary working people taking a larger share of increased prosperity via tax reductions. The Labour party consistently prefers a situation where each section or group fights for a particularly large share of prosperity, for themselves, as on the picket lines at Land Rover or wherever, where they prefer the nation's wealth to be divided up.

The abolition of the four highest rates of personal tax had become necessary if Britain was to retain her hard-won status as an enterprise economy. The energy generated by these lower rates will produce more wealth for the whole country, from which the whole community will benefit. We last reduced the higher rates of taxation nine years ago. At that time, our tax rates of up to 60 per cent. were among the most competitive in the industrial countries; but the world has moved on since our reductions of nine years ago. Our top rates of taxation were becoming once more among the highest in the developed world, until my right hon. Friend's Budget.

Not only have the United States reduced their higher levels of taxation, but a Labour Government in Australia have recently cut their higher rates. A Labour Government in New Zealand too have recently cut their higher rates — if the hon. Member for Dagenham (Mr. Gould) is tempted to return there. In my opinion, because there is plainly a prevailing mood throughout the world that is in favour of getting rid of punitive levels of taxation, most of western Europe will follow this fashion in the next few years.

The entrepreneurs and managers who will benefit from such changes in fiscal policy are vital to our economic success. Again, in modern conditions, more and more leading managers, scientists and engineers are becoming internationally mobile, and they are not tied to this country. We cannot isolate our tax structure realistically any longer from those of our competitors, even if we wish to do so.

Changes in capital taxes will be of particular benefit to business. The exclusion from capital gains tax of all gains dating from before 1982 will enable companies of all sizes to realise their gains on assets that were acquired before then. This will release substantial amounts of capital for more productive new investment. In addition, the extension of capital gains tax retirement relief to half of all gains between £125,000 and £500,000 will be of major help to proprietors of small businesses wishing to provide for their old age. It will make it particularly easy for such proprietors to hand on their businesses to the next generation as a going concern, which also helps the creation of an enterprise economy.

This is the Budget of a Government who understand the fundamental importance of enterprise and wealth creation to all of the other objectives that we have for the whole community, for our public services and everything else of importance to us. The overall fiscal policy, and the economic strategy of which it forms an integral part, is cautious; but within that prudent framework is a radical and reforming tax package that complements the earlier reform of corporate taxation, whose benefits we now see in the performance of industry. Indeed, changes in personal taxation in particular will continue to change the attitudes and actions of those individuals who do most to make the economy dynamic.

The community as a whole benefits from the creation of a more prosperous economy. That fundamental truth is sometimes questioned, albeit subconsciously, by some on the Opposition Benches. In my opinion, it is not true that if a person becomes wealthier, he necessarily becomes less generous. *[Interruption.]* It is certainly not true that, if a society becomes more prosperous, it becomes meaner. The Labour party frequently tries to claim that the greater prosperity of the past few years has been somehow divisive or has created a meaner spirit in this country. There is no evidence for that. Indeed, my right hon. Friend's concessions will make it even easier for charitable giving and will, among other things, reinforce the huge increase in charitable giving that the British public have been undertaking in recent years. If we look at the state of society today, and if the Labour party's fundamental message is that it does not like the new, healthier, Conservative society because it is less attractive than the poorer one over which it presided, it has a rosy recollection of conditions in society when it was in office.

Let us look at how wealth was created and shared out by the Labour Government in the 1970s, applying Labour principles. What happened then was that every section of society took it in turn to strike against the other. Every section of society took it in turn to deprive the wider public of transport, of heat, of essential services. There was a nasty mean streak in British society in the 1970s, as people tried to get their 17 per cent. increase over and above the 16 per cent. increase of their neighbours.

The Labour party has not understood that today's society is not only a more prosperous but a more attractive one, and that reducing the level of taxation to redistribute greater prosperity to those who have earned it is the way to stimulate further growth of an altogether more prosperous and better society. Not only are we creating wealth; we are re-acquiring confidence. This is a one-nation country that now believes in itself again. The two Conservative Chancellors that we have had in the past nine years have played a major part in that, not least my right hon. Friend with the most successful Budget produced so far, which he gave us last Tuesday.

5.40 pm

Mr. Robin Cook (Livingston): The Chancellor of the Duchy of Lancaster and Minister of Trade and Industry has addressed the House for three quarters of an hour, preening himself and his Government on their economic record. The stream of consciousness was broken only for one passage in which he had the sheer gall to describe Opposition Members as being complacent. We had nothing but 39 minutes of complacency in the rest of his speech. If the right hon. and learned Gentleman wants to talk about complacency, no innocent listener to his speech could have imagined that he was a member of a Government who had managed to combine a surplus in oil with a deficit on visible trade—an achievement that they share only with Iraq and Venezuela—and had managed to achieve between 1979 and 1987 zero growth in manufacturing output—a distinction that they share with Malawi and Barbados. I grant the right hon. and learned Gentleman, magnanimously and generously, that yesterday's figures mean that we have now pulled ahead of Malawi and Barbados.

On investment, the figures from the Organisation for Economic Co-operation and Development, published earlier this month, show that on all capital formation we are currently 21st out of the 24 member states of OECD. We are producing less fuel than Poland, fewer motor cars than Spain—and all this against a background of unemployment still more than double the level that the Government inherited. Even when measured by all the fiddles that they have used, all 23 of them, the Government still cannot bring that down to less than the figure that they inherited.

The right hon. and learned Gentleman represents this to the House as a unique economic success. It is unique certainly; as a success, it is rather less recognisable. To be fair though, the Chancellor did not invite us to judge his Budget by its contribution to commerce and industry and business. His Budget did absolutely nothing for business and industry, unless we count the business expansion scheme for Rachmans setting up for the first time in the centre of London. Perhaps it was the absence of any scheme for business or industry which led the right and learned Gentleman, wisely, to refer to the Budget as little as possible in the course of his speech. It certainly was not the need for brevity that caused him to leave out the references. It would, therefore, be unfair to judge the Budget by what it has done for business and industry.

Let us judge the Budget by the standard that the Chancellor himself set for it. He invited our applause because he had presented a balanced Budget. Let us then judge it as such. I am bound to say that to myself and to many of my hon. Friends this Budget does not appear balanced at all. It is a lopsided, cock-eyed, warped Budget. The Chancellor had £4 billion surplus this year to spend; he will apparently have a full £6 billion to play with next year. All of that sum he chose to put into private pockets; none of it did he put into the public services.

That is not a balanced judgment at all; it is a triumph of prejudice and dogma over common sense. It is a Budget for private affluence and public squalor; and nowhere do we see public squalor more clearly under this Government than in the National Health Service.

It is, of course, charming to have the right hon. and learned Gentleman speaking to us, and we are grateful to him for being able to spare us so much time, but the member of the Cabinet that the Opposition really wanted to hear, trying to defend the Budget, was the Secretary of State for Social Services. What we wanted to hear from him was how he defended the balance of this Budget—one that gives more to the rich but no more to the Health Service and even less to social security.

The Secretary of State for Social Services has not even been allowed near the Dispatch Box—something that we might have expected from the earlier proceedings of the House this week. On Monday we had a debate, when the House guillotined the Minister's own Social Security Bill, in which he did not take part. Yesterday he produced what, by any standards, was a major statement on community health care on which he made no statement to the House and held no press conference for the public. We are, therefore, familiar with the pattern that today he is silent again, and even absent from the Chamber. No doubt, another engagement was arranged for him in case he was tempted to interrupt.

We can conclude only one thing from his absence: that the National Health Service, in the Government's judgment, is adequately funded. We are obliged to conclude this because the Budget contained not a single extra penny for the Health Service.

Let me say straight away that I understand the Government's problems in identifying the financial difficulties of the National Health Service. We know that they have problems in identifying these difficulties because, in the December statement, the Minister for Health electrified the House with the observation that the Government's monitoring arrangements had identified a cash shortage in the Health Service. That was after six weeks in which every television bulletin had identified a cash shortage.

I regret to say that it would appear that the Government's monitoring arrangements have gone on the blink again. Yesterday, in the course of the debate, there was some play on the part of the Chief Secretary to invite my right hon. Friend the shadow Chancellor to intervene in his speech. As challenges appear to be the name of the game of this particular debate, let me issue a challenge to right hon. and hon. Gentlemen on the Treasury Bench. I challenge them—and I will willingly give way if they can produce one—to name a single organisation representing the people who work in the National Health Service, who administer the National Health Service, who represent the consumers of the National Health Service, which shares their view that the Health Service is adequately funded and that priority should be given to tax cuts. There is not one.

Yesterday my right hon. and learned Friend the Member for Monklands, East (Mr. Smith) referred to the British Medical Association survey, but he could equally well have referred to similar statements from any of half

[Mr. Robin Cook]

a dozen royal colleges — from the Association of Community Health Councils of England and Wales, the National Association of Health Authorities in England and Wales and the Chartered Institute of Public Finance and Accountancy, whose survey only a fortnight ago identified the £400 million of bad debts of the health authorities, which they cannot pay and which must go forward into next year.

Even those Conservatives who have listened to those who work in the Health Service have come to the same conclusion as the workers. We have the Conservative majority on the Select Committee for Social Services, which came out in support of a request for an immediate transfusion of £1,000 million. Our absent Secretary of State responded immediately by describing that figure as arbitrary, which produced the second report of the Select Committee, with the stinging observation:

"The only arbitrary aspect of our recommendation for £1 billion was that it was less than the £1·896 billion shortfall that we had identified."

Yesterday, the Chief Secretary informed the House that we were spending more on the Health Service.

Mr. Jeremy Hanley (Richmond and Barnes) *rose*——

Mr. Cook: Let me finish this passage and then I will give way to the hon. Gentleman.

Let us look at how much more the Government are spending. I put down a parliamentary question to the Secretary of State a couple of months ago, inviting him to express the required increase in expenditure on the Health Service, applying the pay and prices rate of inflation. That is a fair test. We know that it is fair because, after only a couple of weeks, the Government used the same rate of inflation as a test of the amount by which they should increase prescription charges. Prescription charges had to go up by 8 per cent., they said, because that was the rate of inflation in the price of medicines. If that test is fair for deciding how much prescription charges should rise, it is fair for deciding by how much the funding of the Health Service should increase. The answer showed that since 1982 the total increase in spending on the Health Service was a niggardly £50 million—half of 1 per cent. That is why the Health Service is in crisis today.

Mr. Hanley: Will the hon. Gentleman tell the House in how many Budgets between 1974 and 1979 the Labour Government announced increased expenditure on the Health Service?

Mr. Cook: In the last Labour Budget, in 1978, the Chancellor announced a significant increase in the health budget. If the hon. Gentleman intended to help his hon. Friends, he would have been wise to consult them in advance. They would have pulled him down before he made precisely the contrast between the way that previous Labour Chancellors behaved and the way in which the present Chancellor has run away from the real needs of the Health Service. Because he has done so, operations are being cancelled at a rate of 300 a week, 20 cancer patients on the waiting list for operations in the west midlands die every month and beds are closing at three times the rate of the 1970s. That is why, on six separate occasions in October, women in labour had to be taken from central London by ambulance to Brighton, because that was the nearest place with an empty maternity bed.

Mr. Kenneth Clarke: The hon. Gentleman has complacently defended his Government's record by relying on 1978. Let me remind him of what the president of the Royal College of Nursing said on 6 June 1978 to the then Secretary of State for Social Services:

"I can tell the Secretary of State what is wrong with the Health Service. It is basically suffering from a shortage of cash with which to train and employ nurses and other personnel."

She said that those involved in the service were "at breaking point". Before the hon. Gentleman calmly claims that Labour financed it properly in 1978, he should recall the strikes, crisis and turmoil that his party left behind in 1979.

Mr. Cook: I welcome that interruption. The reason why the previous Labour Chancellor was quoted yesterday by my right hon. and learned Friend the Member for Monklands, East, and today by me, is that we were reminded specifically of that precedent by members of the Royal College of Nursing, who drew it to our attention with plaudits and warm, nostalgic affection, in comparison with their treatment under the present Government.

If hon. Members wish to talk about nurses, let us do so. There are now fewer nurses in the wards. We know that because we have seen the Government's submission to the pay review body. Their own evidence admits that there are now 6,000 fewer nurses in general nursing wards than in 1982—not that there were enough to go around in 1982. An article in the *Nursing Times and Nursing Mirror* in that year stated:

"We follow with a brief tour of the hospital and I note again how easy it is to construct buildings, yet fail to provide the staff, particularly nurses."

The author of that article was a councillor Mrs. Currie, chairman of central Birmingham district health authority. I took the precaution of looking up central Birmingham to find out how well it is doing now that councillor Mrs. Currie is Parliamentary Under-Secretary of State for Health and Social Security. I can report that the authority now has a shortage of 350 nurses, and the number of beds for children has halved since the general election. As a result, consultant surgeons are being told to take every seventh week off. They are told, "Go away. Go to the golf course. Take the family to the seaside. Do anything but operate and involve us in extra cost." Where is the cost-effectiveness there?

Lest it be thought that central Birmingham has fallen into neglect because its former chairman is now concentrating on the affairs of southern Derbyshire, I can also quote from last month's *Burton Daily Mail*, which reports:

"Local health chiefs are predicting the worst cash crisis in the history of Southern Derbyshire Health Authority . . . The only hope may be to get out the prayer mats",

according to the district treasurer.

Mr. Nicholas Bennett (Pembroke): So that we can keep the nursing position in perspective, perhaps the hon. Gentleman would like to note the international comparisons. He will find that there are 34·5 nurses per 10,000 of the population in West Germany, 51·4 per 10,000 in France, 46·9 per 10,000 in Japan, 54·3 per 10.000 in the United States of America and 84·2 per 10,000 in this country.

Mr. Cook: I suggest that the hon. Gentleman gets in touch with whoever put the Minister in touch with the Royal College of Nursing, because that person can put

him right on the figures. The British figures count all nurses — auxiliary, state-enrolled and student nurses — and weigh them against people of graduate experience in foreign countries. If the hon. Gentleman bothers to go around the hospitals in central London, he will find that it is the student nurses who are keeping those hospitals open.

Yesterday, as we debated the Budget, Bloomsbury district health authority debated its budget for next year. It was a very different story. There is no surplus in that health authority; there is not even a balanced budget. The authority faces a £5 million deficit next year, and the only way that it can see of closing the gap is to shut its hospitals to all but life-and-death emergencies.

To wipe out the deficits of central Birmingham, south Derbyshire and Bloomsbury would take less than half of what the Chancellor gave away yesterday in capital gains tax alone. The deficits of all the district health authorities in England could be wiped out with one third of what he gave away in capital transfer tax. There are jobs in this. Three quarters of the expenditure on the Health Service goes on staff. The Minister lamented the passing of labour-intensive industry, but there is still one labour-intensive industry around — the Health Service. There is no surer way of creating jobs than investing in the Health Service.

That means not just jobs for Health Service workers. On Friday at a conference of the National Association of Health Authorities in England and Wales, a staggering figure was produced. It was revealed that the backlog of maintenance and repair work in our hospitals is now £4,000 million. Tackling that backlog would mean contracts for the private sector; it would mean real jobs in construction and labouring; it would mean profits for the small business man — the very person whom the Goverment claim to encourage. There is an opportunity to tackle unemployment there.

I understand that the Government defend tax handouts on the lofty ground of freedom: that people should be free to spend their money as they choose. Poll after poll shows that the people of Britain want their money put into the Health Service. The NOP found that 95 per cent. wanted more funds for the Health Service. The MORI poll found that 79 per cent. wanted it. Monday's "You and Yours" programme on the BBC found that only 1 per cent. supported tax cuts before the NHS.

That is the sort of result that gets the BBC into trouble with the Government. But that is how the people of Britain want their money spent. They have the sense to know — unlike the Chancellor — that it is no good getting a couple of pounds in your hand today if you have no hospital tomorrow. The NHS is a cost-effective service that provides value for money, and it is time that the Government provided it with money to the value of the service that it provides.

In part, I must admit that the Health Service is so cost-effective because it is held together by low pay. That brings us to the other measure of the imbalance of this Budget — the gap between the rich and the poor. I am grateful to the hon. Member for Derby, North (Mr. Knight), who has a question for answer today on the rates of tax among the Group of Seven. It shows that, after the Budget, Britain has the lowest top rate of tax in the group. It also has the highest starting rate of tax in the group.

This is a low-tax country only for some people. We know how well the rich have done out of the Budget. We know that Sir Ralph Halpern, knighted by this Government, got £265,000 out of the Budget. When the Minister tells Opposition Members to warn the trade unions that we should not pay ourselves more than we can afford, he should suggest that to the Chancellor who is giving £265,000 to Sir Ralph Halpern. I hope that Conservative Members had the sense to celebrate with gin and tonic. The Government put up the duty on beer but not on gin.

Last autumn in the uprating statement the Secretary of State for Social Services froze child benefit. The reason he gave for doing that was that child benefit was not well targeted. He said that the problem with child benefit was that it did not help only those who needed it most. References were made to the Duchess of Westminster. We were told that child benefit could not be increased by 30p because the Duchess of Westminster would get it as well. As a result of freezing child benefit the Government saved £120 million. In his Budget the Chancellor gave away £270 million to people in the top rate bands. That money was solely and entirely targeted to give help to those who need it least. Why is it wrong to give the Duchess of Westminster an increase of 30p but entirely right to slash the top rate of income and inheritance tax which will give her thousands of pounds?

Each person on the top tax rate has gained, on average, £3,300 from Tuesday's tax cut. Under the new social security scales, that is more than a single parent with two young children will get to live on for a year. That brings us to the real contrast in the Government's policy — the contrast between cuts in taxes in March and cuts in welfare benefits in April.

Yesterday the Chief Secretary to the Treasury claimed that there were very few losers. That was certainly an advance on his performance on "Newsnight" the previous night when he said that there were no losers. The Government are putting up the package of social security changes under the heading, "Shouldn't you know the facts?" Taking that heading entirely seriously, let us try to explain to Conservative Members the facts about the gainers and losers from the Government's package. First, there are some spectacular losers, such as the one that my hon. Friend the Member for Bristol, South (Ms. Primarolo) told us about on Monday. My hon. Friend has a constituent suffering from multiple sclerosis. Under the new rules that constituent will lose her entire entitlement to social security and will, therefore, lose £48 a week. She is losing £48 a week while someone on four times average earnings is gaining £48 a week from the Budget.

The irony is that the people who lose most are those who are in work, because the cuts are focused on housing benefit. A family of four paying average rent are worse off on any income between £60 and £140 a week. When we put that to the Minister for Social Security and the Disabled a week or two ago, he said that it was a purely hypothetical, fanciful example. When pressed to say why it was purely hypothetical and fanciful, he said that it was because we assumed the family were paying average rent. I plead guilty, because we were assuming that. If they were paying more than average rent the losses that they would incur would be even greater.

There is a link here with the National Health Service. We cannot have a healthy population when children are being brought up in poverty. The best promoters of disease are low income and bad housing, and the cuts in April will drive more children further into poverty. Yesterday the Chief Secretary said that 88 per cent. of people were no

[Mr. Cook]

worse off. That 88 per cent. includes 2·25 million who will not get a penny more in April and who will, therefore, be worse off in real terms. Of the remainder, another 2·25 million will get a cash increase that is lower than the rate of inflation. Collectively, that means that 4·5 million households face a decline in their standard of living in real terms. Even that flatters the figures, because it takes no account of the abolition of single payments.

On Monday the Under-Secretary of State for Health and Social Security told the House that my constituents will benefit from the social fund to the tune of £51 per claimant. That is the allocation to my constituency, and I concede that the figure is correct. Two years ago the expenditure on single payments in my constituency was £154 per claimant. The new figure represents a cut of £2 per week per claimant in my constituency.

I shall conclude with two stark contrasts. This Budget will be remembered for what it does for the super-rich. The top rate of tax that anyone can now pay is 40 per cent. The funny thing is that that cut to 40 per cent. is taking place at a time when more people on benefits will have to face a higher rate of deduction.

Dr. Norman A. Godman (Greenock and Port Glasgow): Is it not the case that with the social fund we now have public provision for money-lending and the state system for money-lending will take place within local DHSS offices? The only difference between the state money-lending service and the loan sharks who infest many of the schemes in the west of Scotland is that this heartless, inhumane Government offer no-interest loans.

Mr. Cook: As the previous Secretary of State observed, the social fund is to be a banking facility for the poor. Of course, it differs from other banking facilities because the bank manager is guaranteed repayments. He will make the deductions at source from a subsistence level income that will, logically, leave families with children on an income that is below subsistence level.

Yesterday I interrupted the Chief Secretary to tell him that the number of people on benefit who would face a deduction of over 70 per cent. would double in April. The Chief Secretary said that he suspected that I had got my figures wrong. It is quite likely that the figures are wrong. I confess that I do not have a high degree of confidence in them, because I got them in a parliamentary answer from the Government. The figures show that the number of people facing a deduction of over 70 per cent. will increase from just over 250,000 to 550,000. That is a clear coincidence because Britain has 600,000 top tax payers, all of whom have seen their tax rate fall in the Budget. They are to be weighed against the 550,000 welfare benefit claimants, some of the poorest people in our country, who face a deduction in their benefit of over 70 per cent. This is indeed redistribution with a vengeance.

The Budget marks a massive shift in the burden of taxation from the rich to the poor and a massive shift in benefits, both by way of tax handouts and in terms of welfare benefits, from the poor to the rich. The Government have mastered the advice of Ivan Boesky who said:

"You do not need to feel guilty about being greedy".

I am sorry to say that I have not yet achieved that state of moral anaesthesia. I find it difficult to relish these tax cuts.

Yesterday the Chief Secretary said that the tax cuts were not just of value to the super-rich. I accept that. I have a personal involvement, as has every hon. Member, in the tax handouts. To my embarrassment, I find myself a gainer from the tax cuts because my income tax will go down by about £6 a week.

Mr. Frank Haynes (Ashfield): Will my hon. Friend give way?

Mr. Cook: Perhaps my hon. Friend would let me finish.

Next year I will benefit from the poll tax when it is introduced in Scotland. The poll tax demand on me and on my wife will be £600 less than our current payment in rates. Therefore, we will benefit from the Budget and the poll tax. When I contemplate those benefits I do not relish them. I feel a sense of shame, because I expect to pay my fair share for public services. I am conscious of the poverty of some of my constituents whom I met this winter, such as the unemployed family of six who during the winter had to live on cold meals because they could not get a single payment to replace their cooker. The single mother of an incontinent child spent this winter hand-washing sheets because she cannot get a single payment to buy a washing machine. A constituent with a curved spine spent most of the winter lying in bed because the reclining chair is broken and she cannot get a single payment to replace it. That is the true face of poverty in Britain today. By the way, I do indeed make donations in my constituency; I do give to welfare organisations to help my constituents. But I do not believe that my constituents should depend on charity. I believe that they should get that benefit as of right.

The Government have chosen to cut the top tax rate rather than help people in poverty. They have chosen to cut inheritance taxes instead of helping the Health Service. This is not a balanced Budget. It is a dangerously, disturbingly unhinged Budget which is an affront to decency, to justice and to fairness. Long after the Minister's and my names are forgotten, the Budget of 1988 will be remembered. It will be remembered as a Budget for the greedy paid for by the needy.

6.10 pm

Mr. John Biffen (Shropshire, North): A Budget debate inevitably involves such a pervasive coverage of the economy that I think it appropriate to declare an interest. The Register of Members' Interests will show that I am a director of the engineering company, Glynwed.

Let me say at once that I hope I shall not trespass upon the privileges of privy councillorship and detain the House overlong, but there are two aspects of the debate upon which I wish to touch. The first is the tax changes themselves and the formidable challenge that they represent. The longer the debate proceeds, the more discomfort Opposition Members will suffer, because they will be confronted with the challenge of deciding whether they would reverse the changes if they were in government. Secondly, I wish to talk a little about the economy to which the Budget is related.

I accept the broad philosophy embodied in the tax changes, and I should like to make three comments upon them. First, the hon. Member for Livingston (Mr. Cook) talked about the Budget lasting in memory. I think it will. I think it will compare with the Budgets before 1910 and Lloyd George, and I think that my right hon. Friend the Chancellor will be remembered as much as anything for

his reforms in husband and wife taxation. Those reforms will be long-lasting and will retain their message long after the arguments about the rates have settled into near consensus between the two sides of the House.

Secondly, from what I have just observed, it will be clear that I am not outraged by the concept of two rates of taxation, with the higher rate at 40 per cent. I understand that that is the New Zealand practice, so we have thus validated the hon. Member for Dagenham (Mr. Gould) as a reverse tax exile. But when the door is opened, it is amazing what opportunities begin to arise.

I commend to my hon. Friends the reinforced potency of the arguments of my hon. Friend the Member for Ealing, Acton (Sir G. Young) that a community charge could be based upon a graduated system—a proposition further reinforced by the fact that my right hon. Friend the Chancellor has not altered the national insurance rates. That is not to argue here the alternative to the present near-universal flat-rate poll charge unhappily proposed by my hon. Friends on the Treasury Bench but to say that my hon. Friend the Member for Acton has argued his case with great diligence. I think we shall hear more from him.

Thirdly, in the debates about the rates of higher tax, I am sure that a great deal will be said about alleged incentive. I use the word "alleged" because I am tolerably agnostic about all this; I am prepared to be open-minded in considering these matters. These things operate not only at the top end of the income scale but also at the lower end. We should not be so elitist in our view of lower-paid wage earners as to suppose that they do not have a shrewd idea where their marginal rates come into effect. My right hon. Friend said that he hoped we would proceed to a basic rate of 20p. I am not too happy about such long-range targets, which then begin to exercise a clammy embrace on all intermediate policy.

However, if we are to have that objective, it might be worth while for the House, in a calm and unpartisan way, to consider the possible reintroduction of the reduced rate band, for all its administrative difficulties. We should ensure that the question of thresholds, of the reduced rate band and of the basic rate can all be related to provide as effective a counter as we can achieve against the ravages of the black economy and the relationships between taxation and benefit. I hope that, when the noise of the battle that will take place over the next few weeks about hither rates of tax has abated, consideration can be given to that issue. However, there is enough reform in this Budget without bringing such considerations before the House on this occasion.

My second point concerns the economy more generally. Every Budget has its characteristics, and this Budget has been stuffed with drama. The Budget itself is heroic; as I said, I am sure that it will command comparison with Lloyd George. The reaction on the Floor of the House, to use the most moderate language, was vigorous. I understand that the sentiments were genuine, deeply felt and spontaneous, although I think we might just as well make our arrangements to avoid such exuberance.

Underlying everything was the prologue to the Budget which was an everyday story of Downing street folk. It seemed as though there were nuances of difference about how the exchange rate policy should be operated. We have put all that into happy context, although it would be a heroic judge indeed who decided that the issue might not yet arise again at some time in the future. I was very impressed by the way in which my right hon. Friend the Prime Minister dealt with the matter in her exchanges with the Leader of the Opposition. She said:

> "It is absolutely vital to try to keep inflation down." —[*Official Report*, 10 March 1988; Vol. 129, c. 517.]

I do not think that that was just philosophical reflection or abstract comment. I believe that my right hon. Friend believes that the price of stability is external vigilance and that there are plenty of signs in the economy to require us to be conscious of the inherent challenge of inflation.

I should like to detain the House for a moment on the subject of how such matters used to be regarded when inflation was much more to the forefront of our economic debates. Those who worshipped at the ancestral shrine of money supply were very much in vogue—born again—in the 1970s and early 1980s. Alas, my hon. Friend the Member for Wolverhampton, South-West (Mr. Budgen), who is still keeping alive that faith, is not here. I always think of him as a 1660 Prayer Book monetarist.

I have observed my right hon. Friend the Chancellor for a while. At first he seemed to have gone to series 3 and now I think he walks his monetary dog on the heath on Sunday mornings, so some of the more familiar landmarks for the debate have become somewhat fudged. It is undeniable that practically every monetary measure now shows a money supply expansion at an annual rate of something like 20 per cent. One or two odd measures, which tend to be picked up for their providential use, might falsify that proposition. When I see the Chancellor's Parliamentary Private Secretary scribbling down every word, I know this must be good stuff. If I had to summon experts, I should call Mr. Tim Congdom who knows that the Treasury still trembles a little at the thought of such representation.

I have managed to stumble through life without one day of formal education in economics, so I belong to the instinctive school of economics. My judgments are thus more prosaic, but none the less effective in that they are based on certain signs in the economy which I believe are trying to tell us something. At present, there is no shortage of such signs. The Bank of England says that lending is up by 20 per cent. over the year. The Building Societies Association and the Department of the Environment say that United Kingdom house prices generally are up by 16 per cent. and those in greater London by 24 per cent. over the year. The Department of Employment says that earnings are up by 8·5 per cent.

Anecdotal evidence comes from the Association of British Chambers of Commerce survey, which has just been published. The ABCC states:

> "Skill shortages in London, the Thames Valley and East Anglia have reached 'crisis levels', according to Chambers' 4th Quarter Regional Business Survey, published today (14 March) by the Association of British Chambers of Commerce. . .
>
> The ABCC was so concerned by the sheer scale of the skills gap reported by 8 of the 12 regions surveyed that it double-checked the figures."

Unemployment figures are probably the most difficult to interpret. I acknowledge that this is anecdotal, but my right hon. and learned Friend the Chancellor of the Duchy of Lancaster reported sharp falls in Whitehall-recorded unemployment. One way or another, all the signs point to a tightening in the labour market. Treasury statistics and privately collected statistics all show that we are

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uncomfortably close to an overheated economy in many selected but substantial areas. Rodney Lord wrote in *The Times* on 24 February:

"Last year saw the fastest growth in the economy since 1973, the year of Lord Barber's boom."

That was a very happy reference to Lord Barber. I hope that references to him will not become less happy as time goes on. Politically, I am a child of the late 1960s and early 1970s. I know what has been the consequence of inflation, socially and politically. I know how easy it is in the early stages to convince oneself that it will all come right and that there is no need to do too much about it.

On Tuesday, we had a very ambitious Budget which has understandably overlain this aspect of economic argument. How could the House do otherwise than feel passion about the proposed tax rates and the implied social and political judgments? Behind all this, however, lies the problem of the economy out there, which is showing signs of incipient inflation. I have to ask myself — it is a personal question and I do not invite my hon. Friends to share my agonies about it—whether tax cuts of such an ambitious character are the appropriate response to what I believe to be incipient inflationary conditions. I believe that their magnitude implies risk, about which I wish to register unease.

Therefore, if I can thread my way through the melée of Budget resolutions on Monday night, I shall vote specifically against the reduction of the basic rate of taxation by 2p. I shall do that as a personal gesture. It is not perverse, and it carries not an iota of disenchantment. Indeed, I applaud my right hon. Friend the Chancellor for what I believe to be an imaginative and thoroughly welcome Budget. But inflation is not a challenge to be put aside until more comfortable times when one can choose more politically congenial company. I shall make my judgment and expect to be judged by it.

6.25 pm

Mr. William Ross (Londonderry, East): The right hon. Member for Shropshire, North (Mr. Biffen) reminded us of the words uttered by the hon. Member for Wolverhampton, South-West (Mr. Budgen) yesterday. I wish to remind the House of something else that the hon. Gentleman said. He pointed out that the present Administration were elected first to control and then to eliminate inflation. Like the right hon. Member for Shropshire, North, I detest inflation as the theft of people's work, their thrift and their efforts to provide for the future, and I applaud any Government who succeed in bringing it down.

The Government were also elected on a pledge to reduce Government expenditure, but that pledge seems to have vanished into the mists of time and to have been replaced by calls for greater efficiency in the way in which the expenditure is used. To give credit where credit is due, the Government have brought inflation down to 4 or 5 per cent. for the past several years. As that seems to have been deliberate policy, I wonder when they intend to squeeze the last 5 per cent. out of the economy. If they were letting it run at that rate to ease the financial pain of those who overreached themselves in the late 1970s, that need has passed and it is time to bring inflation down still further to give more protection to those on fixed incomes who are hardest hit by inflation.

When I first came to the House, the air was full of arguments about the public sector borrowing requirement. The Chancellor told us the other day that that problem had been relegated to history. I hope that he is right, but I am not sure that he is. We must see what happens next year. I was pleased that the Chancellor used some of the surplus to repay debt, as the Prime Minister put it. I do not wish to hurt anyone's feelings by talking about selling the family silver, but if the family silver has to be sold, the proceeds should certainly be used to reduce the overdraft. If that has been the case to some extent in the past year, so much the better. Page 58 of the Red Book shows that 10 per cent. of Government expenditure goes to pay interest charges on this country's existing debts.

It is perhaps not a fair analogy, but if I were running a household and constantly had to use a large part of my income to pay the interest on my overdraft, I would expect my bank manager to be very worried. Over a long period, balanced or surplus budgets should gradually reduce interest payments. That too is money saved, although I have not heard any economists making that comment. If I am wide of the mark, I hope that the Minister will take this up when he replies to the debate. As I foolishly took on a very early morning engagement in Northern Ireland tomorrow, I must apologise for the fact that I shall not be here for the winding-up speeches, but I shall read with great care the *Official Report* of the Minister's response.

If the Government wished to make massive tax cuts, they were wise to do so on this occasion. If one does not get round to doing it in the first Budget after an election, it will certainly not be done in the last Budget before the next election, so this is indeed the time to do it. The Government have, by so doing, got rid of what is bound to be most offensive to their principal political opponents at the earliest stage of this Parliament and taken all the flak that will come in order to get it over and done with.

I quibble with the statement that we are down to two levels of income tax. We still have differing rates of national insurance contributions, which can be considered part and parcel of income tax. If they are taken into account, we still have five or six rates. Perhaps the Government made a serious error in allowing national insurance contributions to cut off, rather than carrying them through all levels of income. That would have diminished, to some extent, large tax decreases for the highest paid, and made them rather more acceptable to many people in the country.

Given that the Government have made a commitment to get income tax down to 20 per cent., we can look forward to certain adjustments in coming years, with the Government perhaps tying together national insurance contributions and the basic tax rate, so that there will be a reduction in one and an increase in the other. In that way, when we get down to a basic rate of 20 per cent., people will pay a basic rate of 25 or 26 per cent. in real terms, taking national insurance contributions into account. Most people would like that, as they would know where they stood.

The Government must also face the fact that the cut of 20 percentage points in the top rate of income tax is equivalent to a massive pay increase for people on very high incomes. I have been a Member since 1974, and I remember endless rows about people receiving huge pay increases of £10,000 or £12,000 a year, so as to put a few hundred pounds in their pockets at the end of it all. Can we be assured that there will not be such increases for those

people this or next year? They have already had their 20 per cent., and not many people in the country will get 20 per cent. — mighty few will have 20 per cent. more in real terms in their pay packets.

It was all very well for Governments to give these massive increases when inflation raged at 15 or 20 per cent., or even 26 or 27 per cent. But now inflation is down to 5 per cent., and all the chickens that were let loose in those days of high inflation by those paper increases have come home to roost. I appreciate that this Administration were not responsible for that inflation — the Labour Government were — but the Government must take account of the problem. We cannot forget the consequences of that inflation. I abhor allowing inflation to get out of hand to that extent.

In the coming months and years, more thought must be given to, and more action taken for, people who are truly unemployed — there are many of them — and whose weekly income is tiny. They suffer real hardship. My hon. Friends have objected strongly to many of the things that the Government are bringing into operation in April. I hope that, although those changes will be rushed through now, they are only the beginning of a serious look at how to care for those who are unemployed, chronically ill and unable to work. There is real hardship in that section of the community. We should recognise that, and do our best to help them.

The Chief Secretary told us — truthfully — that lower taxes create jobs. In the long term, provided that we manage to defeat terrorism — there has not been much evidence of that lately — that will be of great benefit to Northern Ireland whenever foreign firms, especially the Americans, are looking around for places in which to put their money. Such firms will compare Northern Ireland not with Scotland, Wales and England but with what else can be found on the island of Ireland.

The Republic's corporation tax was reduced this year from 50 per cent. to 47 per cent., going down to 43 per cent. So even Mr. Haughey, who has not yet been mentioned, is following the taxation policy of the Government. The rate of income tax in the Republic, which a comprehensive article in *The Economist* recently pointed out was driving the best people out of the Republic, still starts at 35 per cent., rising to 58 per cent. The comparison between the Republic and Northern Ireland will be wholly to the advantage of Northern Ireland when people look for places in which to site their factories and jobs in the future. I welcome that, and I hope that the Government will maintain that gap for a long time.

Finally, I refer to the enormous help that reforms in recent Budgets have given to capital taxation, especially for small family-owned firms and, above all, for owner-occupier farmers in places such as Northern Ireland. The teeth of capital transfer tax were drawn when its name was changed to inheritance tax 14 or 15 years ago. This year, the re-basing of the capital gains tax from 1965 to 1982 will have an astonishing effect on farmers' liability to the tax. In 1982-83, and just before, land prices were at their highest and if anything they have declined since then. That means that many small owner-occupiers and family farms will wind up paying no tax on that score. I hope that that is a long step on the road to the end of that tax.

The increase was a paper increase in value, which the person concerned never got his hands on. The farmer who worked all his life to build up his farm to a reasonable size and left it to his son or daughter was leaving a burden of debt to them that they found it difficult to meet. It is welcome that the Government have got rid of that devastating burden on the agricultural community. These two taxes have been the cause of much heartbreak in small family firms and in the farming community. I am glad that they have been so diminished in scope.

Although we do not like some parts of the Budget very much, there is much in it that we welcome and I am glad that the Government are trying to reduce taxes. That can only be good for the economy in the long run.

6.38 pm

Mr. John Butterfill (Bournemouth, West): My right hon. Friend the Member for Shropshire, North (Mr. Biffen) said that he grew up as a political child of the 1960s. I, by contrast, was probably a political infant at that stage. I joined the Conservative party in 1957 and my abiding recollection of our economic performance since the last war has been our relative economic decline compared with our western competitor nations. Not until the Government came to power and my right hon. Friend became Prime Minister was that economic decline correctly arrested.

My right hon. Friend the Member for Shropshire, North was clearly concerned about the growth of money supply. His speech echoed many of the fears expressed yesterday in our debate by my right hon. Friend the Member for Chesham and Amersham (Sir I. Gilmour). He drew a parallel between the expansion of the money supply today and that of the early 1970s, at the time when my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath) was Prime Minister. That parallel is badly drawn, although it reflects the concern about broad money, M3, and the growth of debt.

The circumstances applying today are different from those applied in, for example, 1972. I have taken the trouble to look at the economic background to the 1972 Budget and should like to draw some of those comparisons to the attention of the House. It is true that in 1972 the productivity of British industry was rising by about 5 per cent., compared with a 7 per cent. rise today, but it is also true that unit labour costs were also rising, whereas today they are falling significantly, and have been falling for some time — by 20 per cent. since 1980. It is also true that our gross domestic product was growing in 1972. Indeed, in 1971 it had grown by more than 1·5 per cent., but that compares with 3·5 per cent. today, using the non-oil figure. That shows that we are now growing much faster than our western competitors whereas in 1972 we were growing considerably more slowly. Similarly, business investment is up today by 9 per cent., but was falling in the period immediately prior to the 1972 Budget. Non-oil exports rose — we must take oil out of the equation — by 5 per cent. in 1971-72, but are now rising by 7 per cent. Today our share of world trade is increasing faster than ever. However, more important than anything else, we need to consider the public sector borrowing requirement. Only now, in this last Budget, have we achieved a balanced Budget and a debt repayment, rather than a borrowing requirement.

All those circumstances are materially different from those that prevailed in 1972. I advise my right hon. Friends the Members for Chesham and Amersham and for Shorpshire, North that, although it is right to draw parallels with the past — how else can we learn — the

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fears that they expressed are no longer as valid as they would have been in the early 1970s. If we do have a growth in the money supply, that is a reflection of an underlying healthy economy, which is expanding, rather than a reflection of one that is incipiently unhealthy.

I should like to pay tribute to the amazing reforms that have been brought about in our economy by the present Chancellor of the Exchequer. Those reforms have been striking. We have had a growth in home ownership, a wider ownership of shares, and reforms in company taxation. Those have been followed this year by the very important reform of the taxation of married couples. I know that that reform will be widely welcomed in my constituency. Indeed, that is perceived throughout the country as having been long overdue.

My constituency is one in which there is a considerable housing shortage at the moment. Many people are moving into Bournemouth from the north, seeking employment, because we have a thriving and buoyant economy in south-east Dorset, in which many people from all over the country would like to participate. Therefore, I am especially pleased that my right hon. Friend has proposed to include the provision of assured housing schemes within the business expansion scheme. That will contribute materially to the provision of rented housing for those who would otherwise be unable to afford it. It is an excellent use of the business expansion scheme which has done so many good things elsewhere in the economy. One hopes that that will carry forward into housing. It is an innovative measure that I heartily applaud.

My constituency also has a large number of small businesses. I know that they will be particularly pleased that the Chancellor has been able to raise the VAT threshold to the maximum now permitted by the European Economic Community. One can only hope that negotiations within the Community in the near future will enable that ceiling to be raised still further. I am sure that my right hon. Friend will maintain his efforts in that direction.

Small businesses will also be particularly pleased at the reliefs given in capital gains tax, especially those relating to retirement relief. That will enable many small family businesses to continue to thrive and not suffer the penalties that they have in the past. It will enable the people who have built up those businesses to enjoy the fruits of their lifetime of labour. Small businesses will no doubt also welcome the reductions in the small business rate of corporation tax to 25 per cent.

I should like to turn to a particular problem that affects my constituency with its high number of elderly people who have retired and who have relatively low incomes. Many people in my constituency retired on what might have appeared to be good pensions some years ago and bought small homes, but they now find that the effect of inflation over the years has eroded the value of their pensions or savings. They now find that they can no longer afford to enjoy the standard of living that they thought that they might be able to. My right hon. Friend the Chancellor will no doubt be aware that to address that problem I have proposed that annuity schemes secured upon the home of an elderly person should be afforded additional tax relief by allowing the interest to be rolled up and repaid after death if a mortgage is taken out to purchase such a scheme. That kind of proposal has met with a good deal of support in the House. The early-day motion that I have tabled, which recommends such a scheme, has now been signed by 233 hon. Members. That illustrates the degree of support in the House for the proposal.

There is no doubt that such a proposal would give a significant advantage to elderly people, and especially to those in my constituency. I shall give an example of the difference that such tax relief would make. If we consider an elderly widow, aged 75, living in a house that is worth about £100,000—that may sound an awful lot, but it is not a great deal of money in my constituency, given the inflation in property values, and it is certainly not a great deal in London today — if that lady were to borrow £30,000 on the security of that property to purchase an annuity, under current tax law that annuity would yield her a net spendable income of £1,908 per year. If my right hon. Friend were to permit the interest to be rolled up while allowing tax relief to be given, that income would more than double to £4,120 per year.

We must make a choice when considering the position of elderly people, many of whom have worked hard throughout their lives, but whose savings are locked up in their sole residence. We must decide what we want them to do with the savings that they have worked so hard to accumulate over their lifetimes. Do we wish those savings simply to be passed on to their heirs, affording no benefit to the elderly person, or do we think that we should make arrangements that would enable the elderly to make some use of those savings during their lifetimes? It seems enlightened self-interest as far as we are concerned to do the latter. If we do not, it may well be that the incomes of those elderly people will fall to the point where we may be obliged to offer them support — as we often do — through housing benefit or income support. Therefore, enabling them to remain independent in their own homes is to the advantage of the community as a whole and also enables them to do what they would most like — to remain independent and to stay where they have chosen to retire.

Such a scheme poses certain problems. My right hon. Friend the Financial Secretary has written to me only recently outlining some of the difficulties that will arise if we pursue such a scheme. He has told me that the principal difficulties that he envisages are, first, the problem of a level playing field between annuity schemes and other similar schemes, for example, where the elderly person sells part of his home or part of the equity in his home to purchase an annuity. Any improvement or reform that we make in that respect will inevitably change the levels in the playing field in one direction or another, although that should not necessarily deter us from going down that route.

My right hon. Friend has also pointed out that the accumulation of interest would lead to a diminution of the estate of the annuitant and, therefore, a loss to the annuitant's heirs. However, most heirs whom I know would be happy to accept a reduction in the value of what they might receive upon the death of a relative if it meant that that relative could live in much greater comfort.

My hon. Friend has also pointed out that this would not target particularly well on poorer pensioners, because only those with relatively large house values could afford to borrow a significant sum to purchase an annuity. If interest is not paid but rolled up, the accumulated debt would, over a period of years, grow larger and it would be

necessary to restrict quite severely the proportion of value of a home that was given by way of loan. To some extent, that is true. Indeed, it is inevitable that those people with larger value homes could afford to borrow larger amounts of money on them but, nevertheless, it would be valuable for all the elderly to be able to borrow in that way.

It does not necessarily follow that home values have a direct correlation with income. Indeed, in many cases, it is clear that they have not. Many people from all over the country retire to my constituency. When they retire, their income may be high, but 10 years later their income may be relatively low. However, at the same time, house prices in my constituency have risen enormously over the past 10 years, so it may well be possible for people to have high value homes but low incomes. The final point made by my right hon. Friend—this is a more valid point—is that, if annuitants are encouraged to take out such schemes when they are relatively young, and if they live a long time, the debt will become an unacceptable proportion of the value of the home. That is true and such annuity schemes would, therefore, be unsuitable for younger retired people and might need to be restricted to those aged at least 70 or perhaps even 75.

Finally, I should like to turn to one other matter which, to my disappointment, was not covered in the Budget speech, but to which I hope we shall turn during the forthcoming Finance Bill — single property ownership trusts. During the proceedings on the Financial Services Bill 1986, the Government agreed that single property ownership trusts would be a good thing because they would particularly assist urban renewal schemes which had high values. The idea behind a single property ownership trust is that a group of investors can get together and own a large property between them in the same way that they would if they were direct single owners with all the advantages of single ownership. There are problems in many of the large urban redevelopment areas because the schemes proposed are so large that they are beyond the resources of one institution or even of a consortium of institutions. They involve an unacceptable level of risk for, for example, pension funds, but by allowing a group of institutions each to take a small part in the scheme, the risk is spread and schemes become possible that could not otherwise have gone ahead.

Such schemes require some changes to the Finance Acts to enable such trusts to become tax-transparent. I very much hope that my right hon. Friend will bring forward amending legislation in his forthcoming Finance Bill.

6.55 pm

Mr. Andrew Smith (Oxford, East): Like my hon. Friend the Member for Livingston (Mr. Cook), who made such a fine speech, my theme is the unbalanced Budget. I make no apology for repeating that theme because never before in a Budget can the word "balance" have been so callously misused. Where is the balance between the Government's obsession with some monetary and fiscal targets, on the one hand, and their neglect of the real world of economic, industrial and public expenditure policy, on the other? Speaking of contrasts, I was amazed at the gall of the Chancellor of the Duchy of Lancaster in opening the debate, when he spoke about paying ourselves a little too much, a little too quickly. There are some people not a million miles from here who are paying themselves a great deal too much, a great deal too quickly. I am staggered that such hypocrisy is not recognised.

There is no balance in the Budget in the huge benefits to the well-off, not just in the massive 50 per cent. of concessions available which have been concentrated on the richest 10 per cent., but in the increased thresholds in inheritance tax and in the absence of any proposal to tackle the gross inequities of national insurance, which becomes increasingly regressive. Nor is there any balance in the failure to limit tax deductible allowances to the basic rate. There is no balance in the extension of opportunities for untaxed capital gains.

There is no balance between the interests of the few who can afford to pay for private medicine and the view of the vast majority of British people that Health Service funding should have top priority. Knowing that that is his weak spot, the Chief Secretary yesterday made something of a meal of Labour estimates of the cash injections needed to bring the NHS back from the brink of utter collapse. He appeared to be overlooking the fact that the figures that he mentioned referred to different things.

The first figure of £200 million was the absolute minimum immediate cash injection that we advocated in the current financial year to avoid the worst of the cuts, just to keep the NHS ticking over in its present inadequate state. The second figure of £1·3 billion referred to the cumulative underfunding of the NHS, based on the assessment of the Select Committee on Social Services. That figure merely showed the money needed to make good the underfunding of the NHS to date and was quite separate from the Labour party's additional commitment to improve the current levels of service. So my right hon. and learned Friend the Member for Monklands, East (Mr. Smith) was perfectly correct to identify the Government's gross misuse of £2,000 million in tax handouts to the super-rich as the figure which Labour says should have been put into health care.

The Chief Secretary would have served the country far better, as would the Chancellor, if, instead of his mealy-mouthed sniping at Labour's commitment to the NHS, which commands overwhelming public support, he had come clean on how far the Government are prepared to dig into the £3 billion reserve to fund the Health Service and to meet the nurses' pay review. The important point is that the Government have the money. Why will not they give it to the nurses and the NHS?

Given the vast amounts of money at the Chancellor's disposal, the continued underfunding of essential services is nothing short of obscene. Indeed, it is becoming increasingly obvious that the only possible explanation for the Government's fiscal intentions, even more so in the light of the savaging of social security benefits in April, may be found in an extreme Right-wing ideology which raises Galbraith's nightmare of public squalor and public affluence to the level of a deliberate policy objective, the better to undermine the public services by starving them of funds.

We can see who the Government are looking after best in the Budget by examining the benefits of just a couple of the Prime Minister's friends. Sir Ralph Halpern will get £5,134 extra a week, and Lord Hanson £4,728 extra a week. While some richly-paid bosses receive £5,000 per week, some of our nurses barely take home £5,000 a year. Where is the balance or the justice there?

There is no balance either when we examine what the April social security changes will mean in practice. The Government's and DHSS's press releases talk about roughly equivalent numbers of gainers and losers, but a

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detailed survey undertaken in Oxford for the welfare benefits research team of the department of social and administrative studies has provided shocking new evidence of just how far from the truth that is.

Previous studies, including those by the DHSS, of the effects of the social security changes were based on estimates of the effects of 20 per cent. rates contributions and the loss of single payments, but this one study has recalculated the effects using actual claimants and known levels of rates. They show that 79 per cent. of those submitting a claim after 11 April will be worse off than at the moment.

Those groups who will especially lose are pensioners, single people under 25 and, in sharp contrast to what the Chief Secretary said yesterday in the House and the day before on television, even people with disabilities. Some of the losses are significant. Overall, between 37 and 38 per cent. of the sample will lose more than £4 a week. That might not seem much to some Conservative Members, but it is £4 out of a weekly benefit of just £50 a week. That is the real obscenity of the Budget.

On Budget day the Chancellor had a clear choice on how to spend the £11 billion windfall. He chose to give it to those who are already doing nicely. It is a Budget for the healthy and the wealthy, for those with a high-paid job, not one for unemployed or retired people or those on low pay. When one takes into account the increase in electricity prices and other charges, it provides literally nothing extra for those who, through no fault of their own, now find themselves lodged in an underclass of this callous Government's creation. It must be becoming clear, even to some Conservative Members who may have had doubts before Tuesday, that the creation of that underclass has become a clear objective of Government policy. The Government say, "It is all a question of mind over matter. We do not mind and you do not matter."

Basically, the Chancellor's message is that the person who earns £2,000 a week can have a tax handout of £250, less a few extra quid, of course, for the company car. The low-paid person needs only a couple of quid and those who do not have a job can make do with even less.

Even the Chancellor's much vaunted tax changes for married couples has its greatest impact in effectively doubling the capital gains allowance for those rich enough to realise £10,000 of capital gains in a year. Paying the proposed married couple's allowance to the man, albeit with transferability, is a pretty strange way of going about eliminating sexism in the tax system.

Finally, perhaps most serious of all are the effects on the economy in the long term. Whatever effects the Chancellor was expecting his decision to have, one thing is sure: the Budget will do nothing for the economy's industrial strength and nothing for long-term future employment.

The agonies of 1980 and the subsequent years were, we were told, necessary to transform British industry. We were to cut the fat and become a modern economy, able to export in good times and in bad. What happened to that supply side revolution? I draw attention to the remarks made yesterday by the right hon. Member for Chesham and Amersham (Sir I. Gilmour). He said that the question of the so-called "transformation" of the economy must be examined in its proper context in the period snce 1979. When we do that, we find that production in manufactured goods is barely higher than when the Government took office. That should not surprise us because the Government's figures show that gross domestic fixed capital formation in manufacturing was down 5 per cent. in 1986—lower than in 1980.

That shows, and also explains, the widespread scepticism, even in the City, about the Budget's impact on industry—that the much vaunted boom simply has no foundations. The worry is that we are in a boom and bust situation, with increased output coming about not because of investment in new machinery, but because of massive amounts of overtime. The Government's own statistics acknowledge that. The "Financial Statement and Budget Report 1988-89" on page 27 says:

> "It is difficult to discern a reliable trend in recent private sector pay settlements. They have been markedly lower than the recent high growth in earnings, which reflects record overtime working and bonus payments."

What is all the suffering, hardship and unemployment, and all the grand talk and excitement of Conservative Members about our booming economy and the spirit of enterprise based on? At the first hint of a downturn the overtime will stop, our so-called competitiveness will crash through the floor and the tired machinery which is being flogged to death will come to a halt.

What have the Government done in the Budget? Where is the balance in investments in the future of science and technology and industry in Britain? When one compares what the Government put into research and development in industry with our competitors, one sees that the United States is spending £9·3 billion, and it is rising; West Germany is spending £4·3 billion, and it is rising; Japan is spending £3·6 billion, and it is rising; and Britain is spending £2·2 billion, and—hon. Members have guessed —it is falling.

Despite the fact that the Chancellor's friends in the City are cock-a-hoop at their personal good fortune as a result of the Budget, there is no sign that it will affect or help the future of British industry and competitiveness and employment in the future. Shorn of its pretensions, of which there are many, it boils down to a purely partisan Tory Budget for the rich. The Chancellor has intoned the final requiem of what was once called one-nation conservatism.

The Chancellor may delight in fiscal balance and in the sickening greed of those gloating in the City, but the Budget is divisive beyond belief, contemptuous of the common good and ignores with deliberate disdain the nation's need for investment in health, education, housing, science and industry. It will serve the country and ultimately the Conservative party badly, because, judged against the standard of future opportunities for all citizens, it is not just unbalanced; it is morally bankrupt.

7.10 pm

Sir Anthony Grant (Cambridgeshire, South-West): I disagree with everything in the speech of the hon. Member for Oxford, East (Mr. Smith) except for two points. I agree with him about the importance of research, as Cambridge is in my constituency, and I agree with him about nurses' pay. As I am married to a nurse, I very much hope, like him, that a substantial increase in pay is given to nurses, after the report of the review which was set up by the Government in April.

When I sought to intervene in the speech of the hon. Member for Livingston (Mr. Cook) to suggest that he

should give some of his new-found largesse to one of my charities, as I sought to encourage him to do, it was not meant personally. I have a very high respect for the hon. Member for Livingston, having been to the Council of Europe and the Western European Union with him for many years. I wanted to make the point not that people should depend upon charity, but that if we take away the characteristic of voluntary giving and receiving, we lose part of the fabric of a decent, civilised society.

I enjoyed very much the speech of my right hon. Friend the Member for Shropshire, North (Mr. Biffen). He will become one of those very rare hon. Members to whom Back Bench Members come in to listen, and we shall do much of that in the future. It was a little whimsical of him, as it was charming, to praise the Budget and then announce that he will vote against its main thrust, but he is a whimsical man.

For a nation which is as dependent as we are on international trade, it is immensely important to ensure that the Budget takes account of trade. If we do not get that right, we can forget about the National Health Service and everything else. The Chancellor anticipated that this year there would be pressure on the balance of payments, but that we should be able to sustain it because of the strength of our economy and the substantial overseas assets that the Government have built up. We should be able to sustain pressure on the balance of payments provided, first, that there is no return to protectionism. I hope that the Chancellor and his colleagues in the Government in all the forums—the EEC and GATT—will strongly resist attempts by other nations to resort to protectionism, which would be disastrous for the whole world. Secondly, we should be able to sustain pressure if there are no wild fluctuations in the dollar.

Like my right hon. Friend the Member for Shropshire, North, I find it difficult to understand what, if any, debate took place within the Government about our currency. I was abroad at the time, so I could not possibly know, but the strength or weakness of sterling is determined ultimately by the confidence with which it is regarded by the rest of the world. Interest rates are important, and I am delighted that they have been reduced today, as I do not like high interest rates, but it is equally absurd to pretend that one can opt out through a return to fixed exchange rates.

I remember when Lord Callaghan came to the House and announced, when he was Chancellor, the devaluation of the pound sterling. It was a traumatic experience for the House and for the nation. It provoked Lord Wilson of Rievaulx to reassure the nation that the pound in their pockets had not been devalued, but we know how misleading that proved to be.

It is essential that the Treasury and the Government use all the weapons at their disposal to prevent excessively wild fluctuations in currency. If I have rightly interpreted that as the view of the Chancellor and his Ministers on the Treasury Bench, I share that view, if that is any consolation to them. The CBI and other such organisations sometimes whine too much about the value of the pound. If it is too low, they give us a lecture on inflation; if it is too high, they moan about export difficulties. Businesses want reasonable stability, not artificial stability, from our currency so that they can plan ahead. If I am right in assuming that my right hon. Friend the Chancellor believes that we should fairly soon be members of the EMS, he has my agreement and support.

I have just returned from a visit to Japan and the United States with the Select Committee on Trade and Industry. In Japan I saw amazing opportunities for our exports and industries. Since I was last in Japan some 17 years ago, a remarkable but not perceived change has taken place, in that the people are becoming a consumer society and they are encouraging imports. There are many subtle non-tariff barriers which must be overcome, and there is constant argument and debate, but I doubt whether many hon. Members realise that Japan has introduced favourable interest rates for the import of certain goods.

It would be better if we heard less from industrial bodies, businesses, Parliament and the press about how difficult it is to export to Japan and how appallingly the Japanese behave, and instead just got on with the job in the new climate. Many people are getting on with it by exporting textiles, chemicals and even motor vehicles and motor vehicle components. Substantial exports are earned in this country, but we do not talk about them; we talk about the difficulties, snags and impediments. That is a national characteristic.

Much the same situation prevails in the United States, but in both countries I found enormous admiration and even envy of Great Britain's economic performance. I was pleased to discover some praise for Cambridge, which is still held in high esteem throughout the world for the original research work that goes on there. The economic transformation was described, perhaps rather boldly, as the British miracle. I do not call it a miracle; it is a triumph of common sense and good housekeeping, as evidenced by the Chancellor in balancing his Budget. If the Prime Minister were to run in the presidential election, she would win by a landslide, with or without primaries.

People in the United States find our tax system and the level of taxation inexplicable when they contrast it with other EEC countries and with Socialist Australia and Socialist New Zealand. They said, "You seem to be keen on exports, but why are you so keen to export your best brains and ability?" That is why the principles of the Budget are absolutely right — to reform and reduce taxation.

I have only one complaint about the Budget. I would have liked the Chancellor to tackle stamp duty, perhaps by raising the threshold level to help housing, but apart from that the principles in the taxation proposals are absolutely right.

I urge the Government to disregard whining, egalitarian fanatics who would level us down to the state of the lowest. It has been our clear policy for many years to reduce direct taxation. That has been overwhelmingly endorsed by the people at no fewer than three general elections. I am delighted that the Government and the Chancellor are fulfilling that pledge.

One of the great illusions of our age is that there is some peculiar merit in extracting more taxation from the public —including nurses, teachers and fairly humble people— swirling it about in a vast, expensive bureaucracy, and doling it out in response to the latest and loudest clamours. Another illusion is that there is a choice between giving more to the National Health Service and reducing taxation. That is an illusion. We can have both. No one wants more funding for the National Health Service more than I do, as Addenbrooke's hospital and Papworth hospital are in my constituency.

[Sir Anthony Grant]

That bunkum of soaking the rich as a viable policy that we have heard in speech after speech of Opposition Members was really debunked by the late Anthony Crosland as long ago as the 1950s. He pointed out that there was no substantial overall increase to be achieved in the standard of living merely by distribution through the taxation system. I know that Anthony Crosland is no longer fashionable among Opposition Members, so I suppose that they disregard him.

I believe that the Budget will be good for British international trade, good for Britain and, ultimately, good for the health of the nation.

7.21 pm

Mr. Eric S. Heffer (Liverpool, Walton): Many years ago, just after the war, an Italian partisan who I knew came to this country and gave me the watch that I now wear. He looked around the country and said, "How civilised Britain is." I thought that he was referring to our manners and willingness to hear the other chap's point of view. He was not referring to our manners; he was referring to our society, to the things that we had done, to the fact that we had raised the living standards of the poor and had actually tackled the problems of poverty by creating a National Health Service and a social security system that removed the fear of poverty.

At the same time, if one went to Rome, Milan or Turin, one still saw people huddling in alleyways, out in the cold, because they had nowhere to shelter, and one saw the shanty towns. Therefore, he was contrasting the civilised behaviour of our Governments and people in dealing with those problems.

The Budget has been described by some newspapers, by the Chancellor and by other Conservative Members as a radical Budget. I think that that is a misuse of the term "radical". It is not a radical Budget; it is a reactionary Budget. In some respects it puts us back in history, before the days of a genuine radical Budget, as far back as the radical Budget of Lloyd George. This Budget is not radical at all.

If hon. Members do not believe me, perhaps they should read what was said in the *Financial Times*. I will not bore the House with the full editorial of the *Financial Times*, but I think it would be very good if hon. Members were to read it. It starts with the headline "A one-sided budget." The heading on another page is, "Impact On the Taxpayer," with the sub-heading "Dramatic gains for the rich". It says:

"The 1988 Budget is one for the rich to a much greater extent than any of the Conservative Government's previous Budgets."

Apparently, that is radical, as far as the *Financial Times* is concerned. The fact that it is the worst Budget we have had and puts more and more money into the pockets of the super-rich means that it is radical. I thought that the term "radical" meant that one was helping those at the lower end of the scale.

When I hear all the talk about those who earn a great deal of money getting more money back or assistance initiatives of one kind or another, I want to ask one question: who really creates the wealth of this country? The wealth of this country is created by ordinary men and women at the point of production. The wealth comes from the application of their labour, together with the machinery which they have produced over the years. The wealth is not being distributed to those at the lower end of the scale; the money is going to the top end of the scale. That is what is happening. The Budget is a redistributive Budget to the rich.

I think that the *Financial Times* was absolutely right in stating:

"The Thatcher Government swept to power in 1979 promising incentives and opportunity in place of old-fashioned egalitarianism."

That point was made by the hon. Member for Cambridgeshire, South-West (Sir A. Grant). The Government do not say any more about the egalitarian society. They do not worry about the bottom end of the market; they do not concern themselves with the unfortunate. They only look after the rich. They are a Government of the rich for the rich, and nothing else.

There is an old saying in our movement that goes back a long way: that the Conservative party does not preach the class war, it carries it out. The Government are certainly carrying it out in this Budget, not on the streets, not in a violent way, not with the jackboot, but in the form of the new Finance Bill this year, and they are redistributing the wealth of this country to those who are already doing very well under the system. That is the biggest criticism that we should make of the Government.

The Chancellor of the Duchy of Lancaster spoke about unemployment coming down. It would be hilarious if it were not so serious. The "Financial Statement and Budget Report" states:

"The objective of the Government's economic policy is to defeat inflation and to maintain a vigorous and enterprising economy, with sustained growth of output and employment."

That sounds all right until one examines the Government's record over the years. The right hon. and learned Gentleman talked about unemployment falling recently. In my constituency in the course of a year it has gone down by approximately 800. I welcome that.

We have heard much criticism of that terrible Labour Government. Conservative Members never seem to get off their seats and vote against their own Government when they do not agree with them. I have never known such a lily-livered lot of hon. Members on the Government Benches. When the Labour Government cut the amount to be spent on housing and cut the money for the National Health Service, Labour Members made it quite clear where they stood. We traipsed through the Lobbies and voted against the Government. On one occasion my Chief Whip said to me, "It would be very nice, Eric, if you actually voted with the Government on occasion." We did that because we disagreed. Compared with the present Government, the Labour Government were angels; they were wonderful people.

When some of us were being critical of that Government from January 1979 until the election in May 1979, in Liverpool alone they reduced unemployment by over 2,000. They were actually bringing unemployment down when we lost the election. Now look at what has happened. Unemployment in Liverpool was 57,000 in May 1979 when the Government took office. Today, despite all that is being said about bringing unemployment down, unemployment in Liverpool—and remember that thousands of people have moved out seeking jobs elsewhere—is 89,366.

Certainly, there has been a small decrease in unemployment over a period of time, but that is nothing. As long as the capitalist system is in existence there will be

booms and slumps. At the moment, we are in a mini boom. The Government can come along and say, "Look, we have modernised our industry. We have done a great job and really shown what can be done with our competitive capitalist system. Unemployment is going down and employment is going up." All I have to say is, "Yes, OK, that is expected to a certain degree, but it does not get away from the fundamental fact that as long as this system exists things will not really improve." If the Government continue to put private profit before the interests of the community or the interests of the people as a whole, and if they do not build the things that are required or put money into the NHS or the regions or invest in new industries, preferably publicly owned, the improvement will be an illusion. It will last for a time, but, when the crash comes, it will be even greater than anything we have experienced up to now. That is the reality.

This is a kidology Budget; it is a deceiver's Budget. In fact, although it talks in terms of reducing taxation, the amount of taxation will be about the same as it was before. [HON. MEMBERS: "Oh!"] Not for you lot; you will be doing very well indeed.

Mr. Deputy Speaker (Mr. Harold Walker): Order. The hon. Gentleman must not bring me into this.

Mr. Heffer: I apologise, Mr. Deputy Speaker. I would certainly not put you in the same category as Conservative Members. Having battled with you against the Conservative party on previous occasions, I know that that would be a gross insult to you and I would not wish to do that. I do not want to insult that lot either. I simply think that what I am saying is the truth. I am not insulting Conservative Members; I am simply telling the people of this country, through the House of Commons, what is happening.

I will not make a long speech, but I wish to refer to one other point. The Government have hit their supporters. For example, the change in the rules concerning covenants will affect many people. What will happen to the lower middle classes who accept the terms of the Government and do something about financially supporting their young people through school and university? They will be worse off.

This time—I am thankful about it—the Government have gone over the top. At the same time as they are handing out money to the super-rich and to the new millionaires who have grown up under this Government, they are putting the worst possible pressure on the people at the bottom end of the scale. After 1 April those people will suffer cuts. At the moment they do not understand what will happen. However, when they do understand, they will be hurt and will suffer tremendously. All people with a conscience will wake up to the fact that it is time that the Government were ended once and for all. They have three more years before going to the polls, but I predict that this time they will have had it. One Conservative Member boasted about them having won three general elections. However, they did not win the majority of votes. They are a minority Government. They may have more seats in the House of Commons, but they have never had the majority of votes. Next time people will understand what has happened to the Social Democratic party, the Liberal party and the new party. Their day has gone. [HON. MEMBERS: "Where are they?"] They have gone from here and they are gone politically.

Next time there will be a Labour Government, and I trust that the Labour Government will reverse what this Government have been doing. There will be another redistribution of wealth in this country, but it will be to the people who create the wealth—the working people. We will get back to the position that the Labour party has always advocated of creating a decent and civilised society.

7.37 pm

Mr. James Hill (Southampton, Test): It seems rather strange that my right hon. Friend the Chancellor is not receiving more congratulations this evening from the Opposition. After all, I can recall no Chancellor in this House who has spent more than £2·5 billion, cut taxes by £4 billion and cut borrowing, overseas borrowing in the main, by £7 billion. To balance those three things is the finest art of financial management.

We are lucky to have my right hon. Friend as our Chancellor. I hope that there is no hesitation in all of us insisting that, certainly for the lifetime of this Parliament, he should stay as our Chancellor. Whatever the Opposition may say, he has got the formula and he is beginning to deliver the goods. I believe that the Budget will make the Conservative party, not the party in opposition, the party that will easily win the next general election.

Mrs. Maria Fyfe (Glasgow, Maryhill): Will the hon. Gentleman give way?

Mr. Hill: I am sorry but I cannot give way. There are still several hon. Members who wish to take part in the debate.

My right hon. Friend the Chancellor has created two tax bands. He has simplified the tax system and, whether one would call it radical or otherwise, he has reformed it. He has done that by many methods.

This country has been notorious for its tax system for many years. At one time the top rate was 83 per cent. and there was even an extra little prod to take it up to 98 per cent. I remember saying to a Labour Chancellor of the Exchequer, when he was proposing a 2 per cent. wealth tax —I am sorry Mr. Deputy Speaker, but it was from a seated position — "Don't you realise that that is everything?" I began to wonder what would happen to the economy, to industry and to our progress if that happened.

The hon. Member for Livingston (Mr. Cook) devoted almost his entire speech to the National Health Service, regardless of the fact that tonight is industry night, and I should like to say a few words about the NHS. First, all staff in the NHS will benefit from this Budget. The nurses' pay review is under way and I have already written to the Royal College of Nursing saying that I am anxious that they should get an extremely good review. And I hope that we shall carry forward a good training programme in the skills that we need in the nursing fraternity.

Although NHS spending has risen substantially both in real terms and as a share of total public expenditure, it is clear that all is not well in the National Health Service, and I am pleased that there is to be a fundamental review. I hope that we shall all take part in the debate on that review to find out how to improve the NHS. I do not support the blinkered approach according to which only another £2 billion this year and perhaps another £2 billion next year will solve all the ills; that is not the problem with the National Health Service. It has been proved conclusively

[Mr. Hill]

over the past three of four months that there are radical faults connected with the NHS and that this review must be carried out.

When I go further into the Chancellor's speech, I begin to understand what he means by raising the thresholds. This time he has taken another 750,000 people out of paying any income tax at all. There has not been a word about this from the Opposition, yet it must be an enormous benefit to those three quarters of a million people.

Then there is the inheritance tax. My constituency is not a wealthy one and for the inheritance tax threshold to be raised from £90,000 to £110,000 is a real bonanza for a working-class person whose mother or father may have died. That is a first-class move.

The Chancellor also dealt with one of the greatest anomalies in the tax system—the capital gains tax. Once again I quote my constituency. One of my constituents is a corner shop newsagent who lives over the shop. He has not been able to sell his business because he has been afraid that the capital gains tax would not leave him enough to buy a little home. The Chancellor has looked at that and when I get back to my constituency I shall expect to find a nice letter from that newsagent thanking me for what the Chancellor has done. Capital gains provide one way of getting the business community moving. How many people realise that, until the present Budget, it has been almost impossible for anyone to sell property, regardless of the fact that by selling that property he or she could expand the business in other directions?

Another very good thing that the Chancellor has done, as Opposition Members who are worried about the homeless and residential accommodation must agree, is to enlarge the business expansion scheme to allow firms that are letting residential property to borrow from £0·5 million to £5 million to produce homes for rent. I cannot see that there can be any argument against the Chancellor on these scores.

The only thing that I am a little disappointed about is that the Chancellor has increased the tax on petrol and diesel, because that will add to delivery charges and cut down some people's motoring. Apart from that, however, I can see no reason why he should have acted in any other way than he has.

I represent a part of Southampton, which is well known as a seaport. We have gone through some very bad times and have had strikes that even Liverpool could not duplicate. At the end of the day we privatised and Associated British Ports is now in being. The port is flourishing. There is a great deal of building going on and a great deal of interest. These lower rates of tax will obviously encourage more investors, and my area wants investors as much as Liverpool does. This Budget will give the people in the business world confidence. It is not only a good Budget but the threshold of many more years of Conservative rule. It will give people in all regions, not just Southampton, confidence to invest and will mean a tremendous amount of business activity over the next year or two.

Mr. Robert N. Wareing (Liverpool, West Derby): I was interested in what the hon. Gentleman said about Liverpool, because my constituents live in the city of Liverpool. Can he tell us what the strike record has been in the Liverpool docks during the last five years compared with the situation in the Southampton docks?

Mr. Hill: I was talking about the period in the early 1980s, when everyone who knew the shipping world realised that there were not only strikes in Liverpool, Southampton and London but a general feeling that there was unrest in the ports and docks of our country. I am not saying that we are any better or any worse than Liverpool; I am merely pointing out that we went through a very bad spell. Casting one's mind back to the early 1980s, what investor would have invested in the port of Southampton? Even the shipping companies were avoiding us. So there has been a complete change of atmosphere. Confidence has returned, and this Budget will increase that confidence.

My right hon. Friend the Chancellor has done a magnificent job and I hope that he will give us many more Budgets like this one. When we talk about taxation, we mean everyone's taxation, and the fact that some people, by paying less tax, will be able to employ more staff. *[Interruption.]* The hon. Member for Islington, South and Finsbury (Mr. Smith) disagrees. What does he think running a company is all about? If a company pays low tax it can expand and if an investor pays low tax he can help the company expand. This is a Budget that is going to get us off the ground almost rocket-propelled to a more prosperous future.

7.48 pm

Mr. John Battle (Leeds, West): Government Members have suggested that tonight is "industry night", and I should like to suggest that the debate tonight should be about investment. [HON. MEMBERS: "Hear, hear."] Hon. Gentlemen say, "Hear, hear," but we have not heard in this Budget proposals for investment in either the private or the public sector, which we would insist on and want to see.

I want first to draw the attention of the House to the analysis in *The Times* today headed

"Cuts give most benefit to the top 3·7%".

That makes it absolutely clear that the Budget is for the richest. The Minister may well want to rebut those figures in detail and deny that the Budget benefits have gone to such a tiny group in our society, because for 3·7 per cent. to receive most of the benefits is targeting with a vengeance.

The Financial Secretary to the Treasury (Mr. Norman Lamont): Is the hon. Gentleman aware that 70 per cent. of the cost of the Budget in the first year will go on the basic rate of tax, and to increase personal allowances? How does he square that with what he has just said?

Mr. Battle: I will be coming to that. I am happy to answer the Minister. Most of the commentators on the Budget have made it clear that this is an inegalitarian Budget for the rich. Yesterday, the Chancellor said, in an apparently throwaway line, that most of those who were complaining were rich men themselves, who could always send the money back. Remarks like that provoke real anger in my constituency, where I estimate that more than 30 per cent. of those I represent will not benefit at all from the Budget. They are still unemployed and they have to survive on benefits or are on low pay and still caught in the poverty trap. The Minister ought to take that into account in analysing the figures.

Even in television interviews, some Conservative Members seem to be saying that everyone will gain. Do they not realise that about 30 per cent. of people in our society earn too little to pay tax in the first place? Are they really unaware that 13 million live in families that are below the threshold for untaxed benefits? In other words, they will get not tax cuts at all.

For 2 million people living on low incomes, the benefit cuts due on 11 April will cancel out any tax cuts. I hope that Conservative Members will condemn that. There must be real contempt on the Government Benches for Tory Members to condemn those who cannot pay tax and have no share in this new-found national wealth, which the Government have chosen to distribute to so few in our society.

The Times leader on Monday 14 March announced:

"The Chancellor . . . has the best opportunity for many years to make Britain's tax system both fairer and more efficient."

The Treasury's press release says—we have heard this repeated often—that the Budget is a radical, reforming Budget. There has certainly been a clear shift of resources from the poor to the rich, but there has not been an attempt radically to restructure the relationship between taxation, national insurance contributions and benefits. Whereas, as a result of tax cuts, some people may not have to think twice before they buy a new microwave oven, others in our society will have to struggle to get the assistance even to buy a second-hand cooker. That is the reality when we compare the Budget with the budget for the poor that will come on 11 April.

Here I am responding to the hon. Member for Southampton, Test (Mr. Hill), who asked why the Labour party was not applauding the tax cuts. In practice, although the reduction in the basic rate, coupled with a reduction in tax allowances, will float some families out of poverty, the interaction between family credit and housing benefit, which will be based on net income after 11 April, will mean that the income tax cuts for the poorest families will have little effect on the poverty trap or on their poverty. I pointed that out in the Consolidated Fund debate last Thursday, very late at night.

When the Budget for the rich is compared to the budget that will take from the poor on 11 April, it will be as plain as day that there has been a massive redistribution of wealth from the poorest to the rich. Many of the poorest in our society will lose out altogether from the benefits changes, and they will feel cheated by the priorities of a Government who have set their course on targeting their resources directly on those who are least in need of them. People in such a position will feel rightly insulted at the Chancellor's remark that they might like to give the money back.

Last Monday night, I heard the hon. Member for Northampton, North (Mr. Marlow) highlight the connection between the freezing of child benefits and the expected tax cuts. He said:

"by combining these two measures, we are taking money from those with children and giving it to those without. That cannot make sense." —[*Official Report*, 14 March 1988; Vol. 129, c. 928.]

I have to say, for once, that I absolutely agree with the hon. Gentleman, and perhaps the hon. Member for Test will agree with his hon. Friend as well.

If the Minister's concern to improve incentives is genuine, it obviously does not reach out to many of the poorest in our society. Many of them face a marginal adjustment of their tax rate. They will have to pay more taxes, as their rate of payment will be twice as high as that of the highest paid. The line in the poem by Samuel Johnson, "The Vanity of Human Wishes"—

"Slow rises worth by poverty depress'd";—

has never rung truer. The poor will have no chance, as they have been effectively priced out of the benefits of our society—as the Government heralds them. There has not been a radical change, or a reform in the tax system. There has been a crude operation of the ratchet mechanism, which gives proportionately the most to those with the most. That is why a nurse earning £6,250 a year will get £1·82 a week, whereas someone earning £65,000 a year will get £129 a week. The Chancellor has adjusted the ratchet by a few notches to direct even more income to the richest.

What is notable about any ratchet mechanism is that it is set for the purpose of preventing reversible action; it is one-directional. In this case, the direction is from the poor to the rich. When the common treasury of our society is geared to funding the better-off at the expense of the poor, surely the ratchet mechanism should be changed and the tax, benefits and National Insurance system should be changed radically to ensure that the poor, albeit a minority of only 30 per cent. of our society, are not priced out of our society.

Surely tackling that would have warranted a radical and reforming Budget. What happened on Tuesday was in effect a tampering with the tax system to gear it further towards the richest. The Government seem to fall back regularly now on the dictum of Bentham, that the greatest happiness of the greatest number is the foundation of our morals and legislation. That statement has a superficially democratic ring to it, but the problem is that such a dictum completely excludes minorities.

Is the purpose of the Budget to price out the poor, not only excluding them from the benefits of the Budget but putting them out to live at the margins of our society in dehumanising poverty? They are not offered incentives but condemned to continuing hopelessness. How many people in Britain will be unable to get a break before the Government are prepared to write them off politically?

In terms of the future, I shall refer briefly to the Budget proposals for housing, and the changes in capital gains and inheritance tax. The housing proposals make it apparent that not only is this not an investing Budget; it is a "cashing in on the assets" Budget. It withdraws mortgage tax interest relief on home improvement loans. That clearly is a case of throwing out the baby with the bath water.

If the abuse of that system was that people were buying second-hand cars with the loans, why not tie such loans to specific home improvements? If the Chancellor wished to prevent luxury improvments, the relief could have been retained for basic improvements and essential repairs, such as the installation of damp-proof courses, inside bathrooms and toilets. Could we not have had the relief limited to the lower tax bands, on the ground that those in the higher tax bands already had a tax windfall? That would have been targeting on those in real need.

It is interesting to note that the National Council for Home Improvements is amazed at the proposals for housing contained in the Budget. How will it ensure that basic improvement of the housing stock in Britain, which some could claim to be our country's greatest asset—

[Mr. Battle]

people's homes? Yet £29 billion has been estimated to be needed to improve and enhance the housing stock in the private sector alone.

How can this Budget tackle that? How can this Budget be an investment Budget, in that context? What has the Budget to do with investing in housing as our key national asset? At a stroke, the Government-backed building society scheme which would enable key workers, such as nurses, to get together to buy a home is crossed out by the pen of the Budget. Do the Government propose to step back from that policy now?

The hon. Member for Southampton, Test (Mr. Hill) referred to the business expansion scheme proposal. It is all of a piece with the Housing Bill which has been heralded as a means of extending the private rented sector. The proposals in the business expansion scheme for housing are the clearest signal yet of the Government's intention to give a direct subsidy to individual landlords. Yet what an outcry there is about public subsidies to local authorities. Why is a subsidy to an individual landlord right, and a subsidy to a public body wrong? The effect of the business expansion scheme proposal will be to give a tax advantage to the landlord. It will encourage the individual Rachman rather than the institutions, the building societies and the pension funds that the Minister himself said would become — it is his term — the new "social landlords" of Britain. Those very people will now be priced out.

Mr. Ian Taylor (Esher): Does the hon. Member not realise that this piece of legislation is tied to assured tenancies, which will give him the comfort that he seems to lack?

Mr. Battle: I am sure that the hon. Gentleman will be interested in the debate—I invite him to participate in it — on Report and Third Reading of the Housing Bill, which has just gone through Committee, a debate in which we will make it plain that the assurances in the Bill are no assurances at all. If these proposals for housing go through, how on earth can the Government claim, as they did in their manifesto proposals, that they will make Britain the best housed nation in Europe? That claim now rings hollow, because the Government have totally withdrawn from investment in housing.

The selfish generation who presently rule us seem intent not only on personally pocketing the nation's oil benefits but even pocketing the income from taxes levied on the worst off. The Budget is socially divisive, economically unsound and morally unjust. The people of this country are already almost universally condemning it.

8.1 pm

Mr. Ray Whitney (Wycombe): The hon. Member for Leeds, West (Mr. Battle) complained about a lack of investment. He seems unaware that investment is scheduled next year to increase by 9 per cent. He seems not to understand that investment is made not only by Government but by companies and individuals. He complains about the social security budget. He seems unaware that in the lifetime of this Government social security spending has increased by something like 35 per cent. That has been made possible by the strength of the economy.

Mr. Battle *rose*——

Mr. Whitney: Yes, I know what the hon. Member is going to say—I will give way to the hon. Gentleman.

Mr. Battle: I am grateful to the hon. Gentleman. Will he tell me whether the increase is due to the fact that those on benefit are now better off or to the fact that more people need benefits?

Mr. Whitney: Both are correct. Benefits are higher in real terms and there are more people. That is to say, there are now nearly one million more elderly pensioners, and that is where more than half the social security budget goes.

Mr. Jeremy Corbyn (Islington, North) *rose*——

Mr. Whitney: No, I will not give way. There are too many people wanting to speak.

That is where £46 billion in the social security budget goes, and we are able to make those payments because of the strength of the economy.

The hon. Gentleman also complained about Health Service spending and, if I have your permission, Madam, Deputy Speaker, I will return to that in a moment.

I woud like to join in the congratulations of nearly all my hon. Friends to my right hon. Friend the Chancellor and his colleagues in the Treasury on what they have achieved, both in the Budget and in the stewardship which they have carried out on the nation's behalf, which has created the wealth of this economy, and, in turn, enabled the Budget measures to be put into place.

I have some concern about the inflationary tendencies which still exist in our society, and I believe that we must exercise careful monetary control in the months ahead against that danger, so that we can ensure that the steady growth of the economy, now into its eighth year, will be sustained. Of course, I stop a very long way short of the concerns expressed by my right hon. Friends the Member for Shropshire, North (Mr. Biffen) and the Member for Chesham and Amersham, (Sir I. Gilmour). I believe that my hon. Friend the Member for Bournemouth, West (Mr. Butterfill) did the House and the nation an excellent service by pointing out the significant differences, the beneficial differences, between the situation now and the situation in, for example, 1972-73. We could very well not be in the dangerous situation that my right hon. Friends fear—the positive signs greatly outweigh the others—but we must have regard for the inflationary pressures that are still present.

Much has been said by Opposition Members today and earlier in the debate about the National Health Service. I would like to offer a few thoughts on that very important issue. What we have had of course, is no thinking, or no new thinking, on this subject from either the Labour party or our absent friends from the Liberal-and-whatever-their-other-names-are-now Benches. We have had a string of figures plucked out of the air. I know that some hon. Members on the Opposition Benches have displayed some sensitivity because their figures increase as it becomes clear that the money available for the Government is increasing. Not many weeks ago the official figure of the official Opposition for our extra requirements in the National Health Service was £200 million. The figure then went up to £500 million. Then we reached £1 billion and £1·5 billion. Today's figure seems to be £2 billion.

This is, of course, typical of the Labour attitude. Labour Members have no thoughts at all to offer on any

area of our national life, least of all here. They have no new ideas and are wedded to the old ideas which have failed the British people. The Government are absolutely right to reject the Opposition's charges and their demands, not least because of the Government's own record of provision for the National Health Service. My right hon. Friends, however, are also right to make a review of the whole question of health care provision in this country. Such a review must be careful and thorough, but must not be delayed.

Mr. Heffer: The hon. Gentleman says that we have no new ideas. Is he suggesting that the Conservative party, based on the views of Adam Smith, Samuel Smiles and Professor Hayek, is putting forward bright, modern ideas?

Mr. Whitney: If the hon. Gentleman will bear with me, I will offer him some new ideas about the National Health Service. The tragedy of the hon. Gentleman, who is almost invariably the authentic voice of the Labour party—and we heard him in typical flow tonight—is that he speaks as the uncomprehending, out-of-date voice when all the Labour and socialist parties in the rest of the world have learned the lesson. The Labour parties of Australia and New Zealand and the socialist parties of France and West Germany understand that if one wishes to look after the poor and needy one can do so only if one has the resources, and that the way to produce resources is the way we have chosen to use, a way that is being copied by Labour and socialist parties in other parts of the world.

Mrs. Fyfe *rose*——

Mr. Whitney: I will give way for the last time, if the hon. Lady wishes—no, she does not.

The Labour and socialist parties in these countries have new ideas—I see that the hon. Lady is rising again.

Mrs. Fyfe: I thank the hon. Gentleman. So many hon. Members on the Government Benches have produced these figures on taxation from other countries described as socialist that I can only imagine that they have all been reading the one brief and very little else.

Is this by any chance the Tory party's application to join the Socialist International, since they feel that their policies are to some extent in line with those of other, socialist Governments?

Mr. Whitney: The hon. Lady showed diffidence in getting to her feet and I now understand why.

I return to the essential point of introducing new thinking into the National Health Service. If the hon. Member for Liverpool, Walton (Mr. Heffer) has any new ideas, they would be most welcome, although I think its very unlikely that he has. It is essential that we look in a serious and open-minded way at our own historical experience of the provision of health care and that of other countries. When we look at the latter, there is no doubt that we shall find that a significant number of countries now provide a substantially higher standard of health care than our National Health Service does.

The simplistic answer to that — the Pavlovian response that we are likely to receive from Opposition Members: the simplistic reaction of those who still have not woken up to the fact that the National Health Service, sadly, is not and never has been the envy of the world—is "Let us have another £1 billion, another £2 billion, another £3 billion."

Such an attitude reveals a total failure to understand the nature of the problem, which is that we were led down a cul-de-sac by Aneurin Bevan in 1946. He went against the thinking that had been put into health care by parties of all complexions and experts of all types: thinking enshrined in the 1944 White Paper on health introduced to the House by the then Conservative Health Minister, Henry Willink, on behalf of the wartime coalition. The aspirations of that White Paper were the same as all our aspirations. It called for a comprehensive Health Service, free at the point of delivery. But there is no doubt that there are alternative methods of achieving that laudable objective — not just the method that Aneurin Bevan foisted on the House and the country.

Mr. Corbyn *rose*——

Mr. Whitney: No, I am sorry. I shall not give way.

Aneurin Bevan could, for instance, have built on the insurance-based system that had been in place since 1911. Our absent friends from the Liberal Benches referred last night to Lloyd George. The Lloyd George National Insurance Act 1911 gave the country — for a time — a structure that was progressive and highly beneficial. By 1945 or 1946, it would have provided the opportunity of advancing to an insurance-based system. Sadly, however, we did not go down that route, which was adopted by most countries that now provide their people with a higher level of health care. Bevan did not accept the views of the Labour party at the time, which may come as a surprise to some Opposition Members. The Labour party conference at the end of 1944, just before the general election, endorsed the Henry Willink White Paper objectives, and said that there should be regional or locally funded hospitals. That, too, was thrown out of the window by Bevan.

The third resistance that Bevan overcame was that of Herbert Morrison, who warned against the Bevan plan. He said that it was overly centralised and overly bureaucratic, and who is to say that he was wrong? For 40 years, the health issue has been in the political bear garden that it has so notoriously occupied for the past few months. For 40 years, we have tried to meet the resource implications, and we have failed.

Only a few months after Bevan launched his scheme —after he had, as he said, stuffed the doctors' mouths with gold — he was complaining to the late Hugh Gaitskell about what he described as cascades of medicine pouring down British throats. It took him by surprise, and year by year it has taken every Health Minister by surprise. Over the past 40 years, averaged out against inflation, spending on the Health Service has risen by 3·7 per cent. a year. Of course, it has risen much more in years when the Conservatives have been in charge of the economy than when Labour has been in charge of it. But I do not want to make this a party issue; it is a national issue, which we should now approach coolly and with knowledge that has been ignored.

We have had 40 years of struggling with the structure. We have had 40 years of committees, Royal Commissions, inquiries and reorganisations, and it is still a mess. Every Minister who has been in the DHSS knows that it is a mess. Every Minister who has stood at that Dispatch Box seeking to answer for something that has been done, or not been done, in some district general hospital knows that the

[Mr. Whitney]

structure is ludicrous. We have created the ultimate in the sense of responsibility without power, and for 40 years we have tried to change that.

The Government must understand that, after 40 years of attempted change and 40 years of increased funding, the system cannot be reformed; it must be changed. I hope that they will regard this as a new opportunity. They must recognise how different we are as a society from the society in which the Health Service was born; the society of 1946, when Britain was weak and worn out, not only from the war but from the inter-war years; a society accustomed to rationing and queues.

We see that reflected now, as we always have, in the waiting lists of the Health Service. There have always been between half a million and three quarters of a million people on our waiting lists. That is virtually unknown in many advanced industrialised countries, countries with which we rightly like to compare ourselves. Those countries have different systems, and we must learn from them.

I would offer my own solution, Madam Deputy Speaker, but I think that you would rule me out of order, as this is not a debate on the Health Service. Nevertheless, although we must fund properly the present structure and the nurses' pay review, I beg the Government to understand that there is no thinking on the Opposition Benches, and very little—sadly—among Health Service professionals. The Government must provide that thinking, and I assure them that it is available.

I hope that in the near future the Government will produce a new Health Service, truly worthy of a modern Britain: a Britain that is economically sound, where the people can look after themselves and where we are now rich enough to ensure that those who need proper care can receive it.

8.17 pm

Mr. Gerald Bermingham (St. Helens, South): I listened with amazement to the speech of the hon. Member for Wycombe (Mr. Whitney), who, I know, served as a Minister for Health. He had no faith in the system, and that may well explain some of the problems of the system today. It may be why the medical practitioners' committee in my constituency, which is not overtly political, writes to tell me that orthopaedic consultancy appointments involve a wait of about 152 weeks. How am I to go home to St. Helens and explain that it will still be 152 weeks next week, next month and perhaps even next year?

We are not a poor nation; we are a rich nation, as has been shown time and again. We have the skills—inventive, manufacturing and economic skills—to make the products and provide the services that the world wants. We have the skills and the manpower, but we waste them. Our priorities are wrong.

When I examined the Budget, I asked myself, "What am I to say to the guy in Corporation street, St. Helens, on Saturday morning? How am I to explain the Budget? That man will want to know what it means for him." The average person in St. Helens does not earn much more than the average wage, and probably earns a bit less. What does it mean in terms of investment and what will it do for the town that I represent? The more that I considered that question, the more difficult I found it to answer.

In St. Helens we do not have vast numbers of people earning £30,000, £40,000 or £50,000 a year, so not many people will be affected by the top rate tax cuts. Many people earn £120 to £130 a week. I looked at their tax cuts, but they did not seem very high. Then I looked at what would happen to the not-so-well employed in my constituency, those on low wages or on benefits. I looked at the workers in the glass industry who have been made redundant because of modern technology. Over the last five years the coal mining industry in the area has shrunk from a work force of about 4,000 to 400 or 500. I looked at those who had been employed in the chemical industries that have moved away or closed down and the industries that have modernised and shed labour. Many small engineering companies, which fed off the large companies, have gone out of production. Their ex-employees are now in their 40s and 50s and are on benefit.

What will the Budget mean to all those people? Much of what I have heard in the debate about what will happen on 11 April I need not repeat. We know that the benefit system will change and that for many people benefits will decrease. The Budget means little to those people because they are unemployed. As regards people on low pay, one newspaper quoted a saving of £90 a year in tax. I am not the world's best economist but I can do my arithmetic, and I know that if 5p is put on a gallon of petrol it will affect the people of St. Helens because we are landlocked and, as we do not make most of our consumer durables, they come in by road. That increase in the price of petrol will push up costs.

I looked at how interest rates stood until today. I welcome the cut of half a per cent., but they need to go down much more. All those who understand anything about these matters would agree on that. Interest rates are still high.

I examined other factors in the Budget. The Government have put 1p on a pint of beer and increased the price of cigarettes. Those are things that matter to ordinary working people. Effectively, the Government have put up the cost of living. That is a simple and straightforward fact. They have written off any benefit for those who are employed in St. Helens. As income tax has been reduced, it follows that mortgage repayments will go up slightly—depending on one's tax position. There is a balancing effect. But for many people in employment in St. Helens, there is no real benefit in this Budget.

I looked at the Budget again from a completely different aspect—from the point of view of what is in it not for the citizens of St. Helens but for the economy. How will it affect the production of motor cars? We do not make them in St. Helens but we make the glass that goes into English motor cars. I asked myself how the Budget would affect the motor industry and found the answer was simple: it will hurt it. People asked me why I thought that, and I said that we have only to use our common sense. It is because the great perk of the motor industry, the car allowance, has been affected. Many people in the middle order band of industry and management will no longer want a company car because it will cost an extra £700, or whatever the figure is, per year. It will be more economical not to have a company car and to rely on the wife's car or the small family car.

There is something quite fascinating about motor cars. When people buy a car for themselves they tend to buy the

cheapest foreign little model that they can find, but when fleets of cars are bought by companies they are English motor cars.

Mr. David Shaw (Dover): No.

Mr. Bermingham: The hon. Member says no, but he ought to do his research before he hops on the band-wagon. They buy Vauxhall, Ford——

Mr. Shaw: Porsche.

Mr. Bermingham: I know where I am, Madam Deputy Speaker, so I shall not say what the hon. Member is, but I will treat his remark with contempt. It is the sort of stupid remark that has led to the economy and our manufacturing industry being in the state that they are in.

Mr. Corbyn: Have hon. Members seen the patriotism of the car park?

Mr. Bermingham: My hon. Friend is right. That is an example of how the Government have not thought through what they are doing, and it is by such means that one can see the Budget for what it is. It will not induce people to invest in industry. I am no great lover of capital gains tax or of anything that goes with it, but even that aspect of the Budget is a disincentive to the small saver, the person who might have money out of this Budget—with which I fundamentally disagree—that he might want to invest. That is a disincentive because the Government have not thought it through.

At the end of the day one asks: who will gain from the Budget? The answer: a tiny minority. The Government have made no secret of their sectional interest or their belief in a divided nation. They make no secret of the fact that they believe that those who have shall have more, and if someone can crawl over the guy ahead of him to get more, so be it, and the Government will support him. They make no secret of the concept of greed as their dominating feature. The Budget is a reflection of that. It says to the guys who have a lot, "Here you are; have a lot more." To the guy who has nothing, the Government say, "We are not really interested in you, and you will not get very much."

The British people are a strange race. They will take it and take it, and then one day they will decide that they have had enough. This Budget displays blatant divisionism—that is about the best word that I can find. It divides the rich from the poor. The majority of our people—the poor, those on social welfare benefits or on low incomes—are ignored and will get nothing from the Budget. The nation has seen demonstrated in the Budget the triumph of greed over need, and the Government will pay for that.

8.27 pm

Mr. Jeremy Hanley (Richmond and Barnes): I shall be as brief as possible, although hon. Members might imagine that, as a chartered accountant, I find that there is a great deal in the Budget that I should like to speak about. I have a sneaking suspicion that the abolition at a stroke of the attraction of many tax havens in the world will mean that there might be a slight reduction in the income of many chartered accountants who give tax advice. I welcome that!

Sir Humphrey Appleby, that well-known Secretary to the Cabinet, said that the three most unreliable things in public life were political memoirs, official denials and manifesto promises. After this Budget the list should be reduced, at least for the Conservative party, because our manifesto commitment was to reduce income tax to 25 per cent. and my right hon. Friend the Chancellor has done that on this historic occasion. He said that it was a historic occasion and it certainly has been. It will be seen as a new dawn, not only this year by people in Britain, but by people throughout the world. It will be seen as a major watershed for investment in Britain. In one fell swoop, money, effort and talent will return to this country and those are the things that would have been exported because of our previous tax rates. No greater contribution could be made to Britain than a Budget that will retain our doctors, scientists, engineers, teachers, qualified people and, indeed, nurses.

The change will be so deep-set that these tax cuts will be difficult for any other party in government to reverse. The tax changes are the successful culmination of nine years of prudent management of the economy and the background to them is clear. Only this week *The Independent* said that manufacturing output supports optimism. The article in *The Independent* says, contrary to the argument of the hon. Member for St. Helens, South (Mr. Bermingham):

> "Mr. Lawson's Budget forecast of continuing firm economic growth was supported earlier yesterday by figures showing that manufacturing output, led by the motor industry, is increasing at its fastest for 15 years."

The article says that manufacturing output, even excluding North sea oil, is higher than it has been for many years. *The Guardian*, not usually quick to praise the Government, says:

> "The last economic indicators before the Budget confirm a picture of strong economic growth".

The article in *The Guardian* concludes:

> "The sectors which have grown most rapidly comparing the latest three months . . . are metals . . . plastics, toys, jewellery and other manufacturing (up 11·5 per cent.)".

In other words, it is an extremely healthy economy that the Chancellor has to play with, and he has earned that play.

In this Budget we have given something to those who have provided the increased wealth needed to produce the increased expenditure from which all our people have benefited. Even socialist Australia and New Zealand have seen the light, but then they have at least had the responsibility for running an economy in the modern world—something that Opposition Members have not done for many, many years, thank goodness.

We should remember that almost every aspect of government is now receiving more in real terms than ever before. In the National Health Service, pensions, the police, even in Scotland, Northern Ireland and Wales, more money is spent by this Government in real terms than has ever been spent before. Only in housing and energy do we spend less and that is because the expenditure is matched by increased private sector expenditure. All that expenditure is paid for by increased growth. Let us consider increased expenditure on the Health Service. When the Government came to power we spent £8 billion on the National Health Service whereas the sum is now nearly £24 billion—an increase of £16 billion. That is nearly five times as much as the total tax cuts in this Budget.

All that the Labour party can say is that the Chancellor did not use the Budget to make an Autumn Statement. Either Opposition Members have short memories or it is gross incompetence. It is the wrong time of year to talk about expenditure. I sometimes wish that it was called not

[Mr. Jeremy Hanley]

the Budget but the income debate and that the Autumn Statement was called the expenditure debate. I wish people understood when is the time to talk about which. It is no good blaming the Chancellor for not taking enough wickets or scoring enough runs when he is meant to be playing football.

Our economy is now so strong that we have increased the take through reducing tax rates since 1978-79. The total tax taken in 1978-79 at today's prices was nearly £119 billion. This year it is £156 billion. In other words, we have taken nearly one third more through cutting tax rates. In 1987-88, we shall spend £46 billion on social security and in 1988-89 it is estimated that we shall spend £48·5 billion. Therefore, at the same time as announcing a cut worth £1 billion to top taxpayers we have announced an increase of £2·5 billion in social security, which will benefit the least well off. I think that that is perfectly fair. That does not represent the reduction that the Opposition claim. But then Opposition Members have always preferred the cynical gesture to the genuine solution.

I have every confidence that, because of the healthy economy and because of the extra boost given, even more will be spent on the National Health Service and all the Government's responsibilities. I believe that as tax rates fall the tax collected increases. One of the simplest examples that one can give is of the supermarket manager who cuts prices not to sell less but to sell more. In the United States, the top rate is between 33 per cent. and 40 per cent. when federal and state taxes are taken into account. For the first time there, the majority of millionaires are self-employed people. Those are the people who create the jobs. They create sub-contracting and enhance the local economy. That is the sort of success that flows from wealth.

If Opposition Members want to soak the rich, I remind them that in 1978-79, the last tax year for which they were responsible, the top 5 per cent. of taxpayers paid 24 per cent. of our total revenue, whereas in 1987-88—before the present tax changes — that top 5 per cent. contributed 29 per cent. of revenues. Even after the tax reductions, the top 5 per cent. will pay 27 per cent. of the revenue. In other words, the top 5 per cent. have increased their contribution to the total taxes taken by 3 per cent. In volume terms, the top 5 per cent. now pay one third more than they did in 1978-79, so the Opposition should not complain.

It is difficult to forecast the actual rise in revenues. In America, it is said that revenues may now be falling, but that is because the American economy is weaker than ours. Ten years ago we were the sick man of Europe. The Labour party had had to have the International Monetary Fund brought in to look after its affairs. Even three years ago, in 1985, the Opposition tabled a censure motion because the exchange rate was $1·04 to the pound. Opposition Members now complain about the strength of the pound. Opposition Members will remember Westland and Land Rover in 1985 and 1986. People were saying that our economy was crippled. We should remember that at that time British companies in America were buying companies the size of Westland every week and companies the size of Land Rover every fortnight. Now, thanks to the strength of our economy, we are buying companies the size of Westland every other day and companies the size of Land Rover every week. If one asks the man in the street, "Does America own more of Britain than Britain owns of America?", he will say that the Americans own more of British industry. That is not true. British companies now own 25 per cent. more of American companies than American companies own of British companies. Such is the strength of our economy. Alas, next year, following the American general election, our tax rates will probably be lower than those in America. We can then expect a rapid repatriation of those who have fled our shores for America. It will be a strong incentive, too, for Americans to come here.

The Chancellor's achievement is unique in the world. He has cut taxes and produced a balanced Budget. He has got rid of anomalies and of unfairnesses and discrimination between men and women. He has created a simpler system. I must admit that, for this Chancellor, any other Budget must be an anti-climax but I hope that he will see through his pledge to cut the bottom rate to 20 per cent.

The problems that might flow from the Budget could be an overheated economy because of the extra money pumped into the system, a rush of imports, a balance of payments problem or an increase in interest rates. Those are the possible problems listed last night at an excellent Budget briefing run by Ernst and Whinney. In fact, interest rates have fallen today and they look as though they will fall further. Furthermore, only £4 billion has been injected into the economy and I do not think that that is inflationary against the total of £160 billion of tax; 2·5 per cent. is not enough to create the rush of imports that some fear. This is not a spending Budget so much as a Budget that will encourage saving and investment. Being a prudent and modest Budget, it should encourage prudence and modesty among those who have benefited from it. I do not believe that consumer spending will go through the roof. I regret that there is no tax on credit card spending, because that would reduce debt. I would also prefer it if the Chancellor did not use the blunt instrument of interest rates to manage the economy, although, as we have seen, they have fallen.

There are four ways in which the Chancellor could have done a tiny bit better. This may seem like carping after so much success. I think that the top limit on mortgages should have been raised. I represent Richmond and Barnes where house prices are astronomical — unfairly so to many young people. Most young people in dormitory areas of London need to share houses to get a foot on the property ladder. In areas such as the south-east, the increase from £30,000 would not be before time; it should increase to £60,000 or even £100,000, particularly for shared accommodation. I fear accommodation poses problems for nurses. Such a provision would also help with the right to buy. I would have pegged the mortgage rate at the standard rate, but because of the reduced top rates perhaps that is not necessary. Before the Budget, I stated openly that I hoped that the national insurance top limit would increase. I believe that there was justice in the case for that increase. I now understand why the Chancellor did not make such an increase. The generous reductions in all rates of tax have rendered it not only unnecessary but undesirable. Had it been increased beyond the 9 per cent. limit, middle and lower managers would be paying more rather than less tax in total as a result of the Budget, which would have been unjust.

I am sorry that there are no research and development incentives. I had hoped for more in that respect, but other incentives to industry are greatly improved.

Does the Budget answer the needs of the nation? It certainly answers the needs of the taxpayer. Let us never forget that we are not putting money into people's pockets — we are taking less out. That is an important distinction. The Budget also helps non-taxpayers by creating an even healthier economy. As a result of the Budget, a further 750,000 people will not pay tax at all. The Opposition's envy — a deadly sin — is sickeningly destructive and exploiting it shows up the negativity for which the Labour party is famous, dragging down rather than pulling up helpless people and ignoring the facts and the history of this Government. In terms of meeting the needs of the nation, the Budget deserves a resounding welcome. As for our position in the world, the Budget puts us in the forefront with an exciting economy which should bring people here to trade from all over the world, to the benefit of all our people.

8.41 pm

Mr. Andrew Welsh (Angus, East): The hon. Member for Richmond and Barnes (Mr. Hanley) produced various theories and some statistics, but I wish that I could impart to him even a glimmer of knowledge of what life is really like for large sections of the population. He clearly fails to understand the reality of trying to scrape together some quality of life in parts of the north of England, Wales and Scotland. I shall be brief and stick strictly to the points that I wish to make so as to allow other hon. Members to take part in the debate.

From the Scottish point of view, the Budget is a great disappointment. It is a Budget for the south-east of England — designed, conceived and executed from the viewpoint of the Government's stronghold. As such, it is a disappointment and a wasted opportunity for Scotland. There is nothing in the proposals to hold out much hope for the regeneration of Scottish industry and commerce and nothing to tackle the fundamental social problems of Scotland, such as housing and unemployment, or to wage war on the poverty that afflicts our nation. On the contrary, the Budget gives massive tax handouts to the rich while totally ignoring the imposition of the poll tax on the poor and the needs of the National Health Service. It is a Budget for London —

Mr. Corbyn: Not all of London.

Mr. Welsh: It is a Budget for parts of London — for the money market and the rich sectors of the south-east of England economy. Scotland and other areas need a Budget to tackle poverty and promote social justice and an all-out drive to create new jobs and industrial regeneration. We need investment in health, housing and education, but the Budget fails to deliver it.

There is an air of unreality about this Budget. The London *Evening Standard* carries stories of individuals who are gaining more than £5,000 per day as a result of the Budget while one in three of the Scottish population lives on or below the poverty line. How can the Minister talk of a one-country economy when tax handouts of that magnitude are made to the rich while many people — if they are employed at all — probably will not earn that amount of money in a whole year? The Budget increases inequality and ignores the economic reality facing large sections of the population.

The so-called Thatcher economic miracle does not apply to oil-rich Scotland. Throughout 1987 and into 1988 we have been told how well our economy is doing. Yet seasonally adjusted unemployment in Scotland has fallen by only 1·6 per cent. — from 349,300, or 14·1 per cent., in January 1987 to 306,200, or 12·5 per cent., in January this year, whereas the United Kingdom rate fell from 11·2 per cent. to 9·2 per cent. The unemployment rate in Scotland is still 35 per cent. higher than the British average. Is that what the Government regard as doing well?

The index of industrial production in Scotland — the best available measure of output — in the second quarter of 1987 was only 0·1 per cent. higher than the average for 1980, seven years earlier, while in the United Kingdom as a whole it had risen by 11·6 per cent. The Prime Minister's economic miracle does not bear close inspection. For Scotland it represents nine years of wasted opportunity and more than £30 billion in oil revenue poured down the drain in support of unemployment levels unknown since the 1930s. Community programmes, youth training schemes, part-time work and a host of definitional niceties have been used to underestimate the unemployment figures and to hide the fact that almost a quarter of those fit and able to work in Scotland are without full-time employment. According to the latest figures from the Scottish Council (Development and Industry), Scottish manufactured export trade showed an unprecedented decline in 1986, completely out of line with the United Kingdom trend. The Government are now heaping on extra petrol taxes which will directly harm the rural areas and other parts of the Scottish economy.

I have outlined briefly some of the problems that a true Scottish Budget would tackle in the knowledge that the SNP can offer alternative proposals which have been mapped out and costed in detail and which I commend to the Chancellor. To meet Scottish needs, our proposals would include a massive programme of public works and industrial investment to create 290,000 new jobs in five years. We would propose expenditure of £200 million on house modernisation and insulation, an increase in basic pensions to £60 per week for a single person and £90 per week for a married couple, bringing us into line with European standards and well above the pittance currently offered in the United Kingdom. We would propose a cold climate allowance of £7 per week throughout the winter and a 10 per cent. increase in social security benefits rather than the cuts offered by the Government. We would inject £350 million extra resources into the National Health Service in Scotland. We would propose controls on takeovers of Scottish companies. We would set up a Scottish oil fund for industrial research and investment, a Scottish export unit to boost sales of goods and services, and extended powers and budgets for the Scottish Development Agency and the Highlands and Islands Development Board.

Those are just a few of the measures necessary for Scotland and they could easily be afforded within a Scottish Budget. Our economists calculate that a Scottish Treasury would have a pre-Budget surplus for 1988-89 of £2·2 billion. The total gross cost of our Budget package would be £2·7 billion. As the net cost would be substantially lower due to increased tax receipts and fewer benefit payments as a result of reduced unemployment, the Scottish Treasury would be left with a modest surplus. We look in vain for such positive proposals for Scotland in the Chancellor's Budget, which fails to provide any such policies and completely fails the Scottish people.

8.48 pm

Mr. David Shaw (Dover): I welcome the Budget because throughout the 1970s—the start of my working career—I witnessed an economy which went from stop-start to start-stop. The 1970s began with economic growth, but ended in decline. Towards the end of the 1970s, world opinion of us was at an all-time low. Far worse than that, however, was the attitude of the Labour Government towards the Health Service in 1976. The National Health Service suffered badly under Labour, but last November my right hon. Friend the Chancellor announced that £1·1 billion more would be put into it next year.

Many things are wrong with the National Health Service. There are no satisfactory performance indicators by which to monitor its efficiency. Numbers of administration staff are still rising; on figures that I have seen, it appears that there are more administrators in the National Health Service than in the health service of the United States. I welcome the Government's review, therefore. The Government's approach has to do with value for money, not blank cheques.

My right hon. Friend the Chancellor gave us all good news about the economy in his Budget speech. He said, among other things, that manufacturing exports were up by 8·5 per cent. and that unit labour costs hardly rose last year, which shows that there is more efficiency and success in the economy.

Mr. Battle *rose*——

Mr. Shaw: I shall not give way. There are others wishing to speak.

The figures that were announced today should no longer be known as the unemployment figures but as the employment and job vacancy figures. In February alone, 86,000 more jobs were created. There are now 260,000 registered vacancies, which—it is well known—are only a third of total vacancies.

I was delighted with my right hon. Friend's other announcements of success. He said that we had had six years of sustained economic growth, achieved through tax cuts. We have had six years of sustained increases in public expenditure and of real increases in National Health Service funding. That could only come about through managing the economy successfully. However, I suggest to the Minister that the Government have had one economic failure — they have not yet convinced the Opposition that there is no such thing as a free lunch.

Mr. Corbyn: The hon. Gentleman has them all the time.

Mr. Shaw: The Budget was about increasing personal responsibility and putting people's incomes under their own control. It was also about home and share ownership. I am delighted that there are now 9 million shareholders in the country, a number which the Government proposals should increase. The benefits of privatisation are not only to widen ownership but to increase the profits being earned by the privatised companies to levels higher than they earned in the public sector. As a result of those profits, more taxes are paid to the Exchequer than when the companies were in the public sector. The privatised companies are also better at providing consumer services than they ever were in the public sector.

Budgets are about income and how much the Government take away in taxation. I welcome the proposals on the taxation treatment of wives. For more than 200 years that treatment has been unfair. For much of that time the tax on marriage has been excessive. When I got married, I was charged more by the Inland Revenue on my marriage than my wife's wedding ring cost.

There are lower taxes for everyone in the Budget. Some will ask, "Why not more lower taxes?" About 750,000 people have been removed from tax altogether and some us might ask, "Why not a million?" The staff nurse who has had a 2·5 per cent. net pay increase as a result of tax deductions is a case in point. Some will ask why she should not be given a 3 per cent. reduction. I want more tax reductions.

As for the famous business man that almost every Labour spokesman has mentioned, one must ask why the Opposition hate success. Why do Opposition Members hate the people who create jobs and who earn money overseas and bring it back to this country? Why do they hate successful business men who manage companies here and abroad and who bring profits and dividends to this country? The Opposition hate, and will always speak against, success. We should not lose sight of the massive contribution that the higher rate taxpayers have made to the country under the Government. When in government, the Labour party tried to squeeze them until the pips squeaked, but they raised only £800 million from the higher rate taxpayers. Under this Government, higher rate taxpayers pay £3,800 million a year which, even after the reduction of £1 billion, will still be about three times as much as Labour managed to get from them by the end of their years in office. I believe that next year the higher rate taxpayers will still be paying as much as this year because, with the tax cuts, they will be earning more, going in for fewer tax avoidance schemes, putting less money into pension plans and more into creating jobs and new businesses.

We are going to remove many of the technical requirements that have been holding some share option schemes back, but they have not exactly held back share ownership in this country: 1,500,000 people are now in such schemes. We now have a true capital-owning democracy. I am pleased to say that some of those 1·5 million people are in my constituency. Many secretaries, typists and shop floor workers there are part of share option schemes and have done well out of them.

I was also delighted by the abolition of yet another tax —capital duty. I have been involved for some time in my business career with helping to raise equity finance for companies and businesses, and capital duty was a considerable expense that hit those companies' receipts right at the start of their new expansion phases. It came in just as the equity finance was being raised, and has proved extremely disadvantageous over the years.

I wish to draw attention to the business expansion scheme, in which I worked for some time raising money for very small businesses. It has been a success, not as a means of helping the rich to avoid taxes as Opposition Members say—according to one report, more than 20 per cent. of the people who invest in the business expansion scheme pay tax at the standard rate—but in helping 2,200 small businesses, many of them having raised less than £100,000.

However, there has been one thing wrong with the business expansion scheme. Indeed, four years ago I brought this to the attention of my right hon. Friend, who was then a Treasury Minister and is now the Secretary of State for Social Services. In a paper which is no doubt

gathering dust in the Treasury, but which perhaps might have been brought out recently, I pointed out that we should cap the business expansion scheme. I am delighted that the Government are now to do so at £500,000 for any one company.

However, I draw the attention of my hon. Friend the Economic Secretary to the Treasury to articles in today's newspapers and to representations that have been made to me that that policy, as announced, could be unfair. There are several prospectuses out at the moment for the purpose of raising money under the business expansion scheme. The case of one small company has been brought to my attention. Although only about £600,000 is being raised to help expand the business and to create more jobs, that company may lose the whole of the money subscribed for shares because it may not be able to close the issue. That company has had to spend between £70,000 and £100,000 in legal and advisory fees, which will be lost if the issue cannot be closed. The problem of costs is caused by the Financial Services Act 1986, which is correct and proper in protecting shareholders but which has made more expensive the legal and professional advice that is required for the issue of prospectuses. I hope that my hon. Friend will be able to consider that, if the date of the issue of a prospectus is after Budget day, then that date could be the closing date for investment under the business expansion scheme being limited to £500,000 or so. I would advise him that some relief is needed on this point.

I realise that time is getting on and conclude by saying that I welcome the Budget and the tax changes that have been made. This Budget is about increasing the number of jobs in our economy and the prosperity of individuals and businesses. I believe that the nation will be a lot better off with the many years of sustained economic growth that lie ahead of us because of this Budget.

9 pm

Mr. Robert N. Wareing (Liverpool, West Derby): The hon. Member for Dover (Mr. Shaw) has just repeated many of the myths that we have heard since the beginning of this afternoon's debate. When I listened to the Chancellor of the Duchy who opened the debate, I was troubled not so much by what he said about the so-called buoyancy of the British economy, but by whether he actually believed it. If he is only saying those things, he is a fool, but if he really believes that the British economy is doing as well as he argues, he is more than a fool—he is a dangerous man and we shall have to take cognisance of that fact.

The tax cuts that have been made in the Budget are not simply the way in which the rich will be fed from the tables of the needy, but the way in which the consumer boom will receive a boost. In the context of the British economy at present, that consumer boom means an increase in this country's trade deficit.

It was interesting to hear the hon. Member for Dover talk about the percentage increase in exports. However, he never mentioned the percentage increase in imports, which is the true guide to whether the economy is moving in the right direction. Therefore, let us look not at what the Labour party says about exports and imports, but at the Treasury's forecast. The Treasury forecasts an increase of 3·5 per cent. in exports next year, but it also forecasts a 7 per cent. rise next year in imports. Again, according to the Treasury, that will lead to a manufacturing trade deficit of £8·5 billion next year.

What would be the deficit in our balance of payments next year if we did not have North sea oil? There has not been a single mention in any of the Tory speeches this afternoon—or indeed yesterday—about North sea oil. When Conservative Members talk about the then Government running to the International Monetary Fund in 1976, they should ask where this Government would be running if they had not inherited the bonanza of North sea oil. Britain is the only oil-rich country in the European Economic Community.

This afternoon the Minister talked about the top rates of income tax and gloried in the fact that, in giving largesse to the richest people in this country, the top rates have been reduced to 40 per cent. He is happy about that and tried to snipe at the Labour party by saying that Labour Governments in New Zealand and Australia have relatively low rates of taxation. However, he has forgotten that in capitalist countries such as Japan the top rate of income tax is 60 per cent. In both Holland and Belgium the top rates are 72 per cent. In Germany the top rate is 56 per cent.—nearly as high as it was in this country before the Government came along with their giveaway Budget to the rich. In France, the figure is 58 per cent. and in Sweden, which has a Labour Government, it is 77 per cent. The Government might say that the figure in the United States is as low as 33 per cent., but they forget that United States federal Government taxation is supplemented by taxes from the state and local authorities. The Minister had the gall to refer to workers paying themselves too much too quickly, yet he is a member of a Government who are giving large sums of unearned income to many rich people, as my hon. Friend the Member for Livingston (Mr. Cook) illustrated earlier.

In his Budget speech, the Chancellor of the Exchequer said:

> "During the 1960s and the 1970s, Britain's growth rate was the lowest of all the major European economies. During the 1980s, our growth rate has been the highest of all the major European economies."—[*Official Report*, 15 March 1988; Vol. 129, c. 995.]

The true test of whether a country is building an economy for the future is whether it is modernising its equipment, building factories and providing the most up-to-date equipment in those factories. On 2 March, I asked the Chancellor of the Duchy of Lancaster about Britain's standing in comparison with OECD countries in respect of the proportion of gross domestic product spent on fixed investment. He gave me a comparison between this country and OECD countries. In Australia, Austria, Canada, Denmark, Finland, France, West Germany, Iceland, Ireland, Italy, Japan, Luxembourg, the Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Turkey and the United States—that is 20 out of the 24 OECD countries—fixed capital investment in relation to GDP is greater than in the United Kingdom. The Government have nothing to be proud of there.

That proportion is also reflected in the fact that the United Kingdom spends the lowest percentage of GDP on health of all EEC countries, with the exception of Greece, Spain and Portugal. The Government claim that there has been a 30 per cent. real increase in health spending since 1979, but that takes no account of the fact that pay and price levels have risen faster in the Health Service than in the economy as a whole. It takes no account of the need

[Mr. Robert N. Wareing]

for NHS resources to grow in real terms each year to keep track of the rising number of elderly people and advances in medical technology.

Even the former Minister for Health, the right hon. Member for Brentford and Isleworth (Sir B. Hayhoe), has said that NHS funding needs to rise by at least 2 per cent. every year to keep up with prices. That has occurred only once since 1979, in 1981-82. The Government insist on keeping expenditure low in the essential services. The Minister said that Labour Governments would have contributed to local authority expenditure as if there were no tomorrow, suggesting that local authority expenditure was of no importance. Without investment in our infrastructure — roads, schools, the Health Service, the lighting of our streets and the provision of homes — there is no modern civilised economy. Those who think that public expenditure is a waste should look to the private contractors who feed off the contracts of local authorities. Ask them how they have suffered from the cuts in local authority expenditure.

This is a rich man's Budget. It was Benjamin Disraeli who once said that the Conservative party is the party of the rich. He also said, as Conservative Members in their speeches have attempted to confirm tonight, that the Conservative party is an organised hypocrisy.

9.10 pm

Mr. Ian Taylor (Esher): I am delighted to catch your eye, Madam Deputy Speaker, and I promise that I shall take no more time than a long wink.

The Budget is to be welcomed. I have sat through many Labour Members' speeches. They seem to forget that for many years the great economic objective of many of us was to see a balanced Budget which at the same time released resources to individuals to spend as they would wish.

This is a balanced Budget which gives us tax reform and simplification, for which many of us have been searching for many years. It removes the worst excesses of tax as a weapon of so-called enforced egalitarianism.

No longer can it be regarded as immoral to have unearned income from capital or savings as opposed to the so-called superiority of earned income. Many people who are dismissed as being rich by Labour Members are ordinary working people who have scrimped and saved to achieve an unearned income, only to find that the Labour party points a finger at them as if they had descended into some deep immorality.

The Labour party's thinking on that issue has stultified since the 1970s. It is the policy of envy to call rich anybody who has worked hard and thriftily.

The Conservative party has given people an opportunity. It is we who have enabled them to buy their council houses and to buy shares so that there are now as many shareholders as there are members of trade unions.

The Budget has kept the level of taxation as a stable percentage of the gross domestic product but made radical shifts in the rates that are payable. It has taken 750,000 people out of tax altogether. That is not something of which we need be at all ashamed.

There are one or two anomalies in the Budget which I should like my right hon. and hon. Friends on the Treasury Bench to consider, including the fact that there now seems to be a bias against incorporation. If one adds up the national insurance paid by employers and employees, it comes to 19·45 per cent., payable by companies which are owned by their directors. The self-employed pay only a 6·3 per cent. rate. I do not have time to amplify the implications this evening, but I hope that it will be looked into.

In broad terms, the Budget gives us all an opportunity to look forward to a sustainable growth in the economy, the creation of jobs and a thriving Britain.

9.13 pm

Mr. Chris Smith (Islington, South and Finsbury): Our debates yesterday and today have revealed the Budget to be fundamentally uncaring, divisive, inegalitarian and based on an utterly misplaced sense of priorities.

My hon. Friends the Members for Oxford, East (Mr. Smith), for Liverpool, Walton (Mr. Heffer), for Leeds, West (Mr. Battle), for St. Helens, South (Mr. Bermingham) and for Liverpool, West Derby (Mr. Wareing) have made a powerful case for the uncaring nature of the Budget that the Chancellor introduced on Tuesday.

Conservative Members have stressed the prudence with which the Chancellor has approached his task. "Prudence" has been a favourite word this week. It was used frequently by the Chancellor. It was used again yesterday by the Chief Secretary and it was used by the Financial Secretary to the Treasury. Doubtless it will be used by the Economic Secretary when he replies to the debate.

How should we rate the Chancellor for prudence? What would a prudent Chancellor, faced with the economic circumstances of this country, have done in a prudent Budget? He would have looked, first, at the worsening balance of payments. The Government predict a deficit of £4 billion on our balance of payments next year. The scale and trend of the deficit ought to be worrying the Government, because the trend is in the wrong direction.

The Chancellor, in considering the deficit, should have decided to make his Budget choices in ways best designed to encourage and stimulate exports, not to suck in imports; yet he has done precisely the opposite. The Budget has been designed to fuel personal consumption of durables, which is the highest import content of economic activity.

The Chancellor should have looked at interest rates. He should have given a much clearer signal than he gave today to the markets, first, about the need for a stable but competitive exchange rate, which at the moment is desperately uncompetitive; and, secondly, about a substantial reduction in interest rates, because we have one of the highest real interest rates, in real terms, in the developed world. The Chancellor today has gone some way towards restoring his credibility and a better policy direction, but it is too late and the reduction is not sufficient. We must have lower interest rates and a more stable and competitive exchange rate to improve the competitive edge for business and trade.

If the Chancellor were being prudent, he would have considered the value of United Kingdom-owned assets abroad. The Government have given the game away at page 22, paragraph 3.29, of the Red Book:

> "The value of the UK's stock of net overseas assets is provisionally estimated to have been about £90 billion at the end of 1987, some £20 billion down on end-1986."

The reduction in value is due to the exchange rate with the dollar and to the fall in the equities market last October. The Chancellor ought to have thought carefully

about avoiding actions which would lead inevitably to the accumulation of further assets abroad. The combination of available liquid resources for the rich and an overvalued pound is guaranteed to do precisely that.

The Chancellor should have looked also at the disturbing level of growth in personal consumer credit and he would have noticed that from 1979 to 1986 mortgage borrowing rose as a proportion of GDP from 3·2 per cent. to 7·1 per cent., and personal credit other than mortgages rose from 7·3 per cent. of GDP to 13·5 per cent. of GDP. If the right hon. Member for Shropshire, North (Mr. Biffen) is worried about the economy overheating in the south and south-east, he should look carefully at the figures for personal debt and personal savings. Personal savings are at their lowest since 1959, which is indicative of the current real state of the British economy. Instead of a Budget for personal spending, largely by the rich, a prudent Chancellor would have gone for a Budget spending money on investment. He did not do that, so I fear that the Chancellor has not done terribly well by the prudency test.

What other tests should we apply to test the Chancellor? Let us be charitable to him, to start with, and consider him in his new guise as an environmentalist. He has done one or two sensible things in the Budget for the environment. For example, the differential way in which he has approached lead-free petrol is much to be welcomed. We strongly applaud that. But what steps are the Government taking to make it worth while for the manufacture or conversion of vehicles which take lead-free petrol?

The Chancellor has also taken one or two sensible steps in regard to the taxation regime for commercial forestry. We welcome the removal of tax relief on planting and maintenance. I note that he has also removed taxation on sale, but, of course, hardly anyone paid tax on sale anyway, because it was easy to avoid. The introduction of grants for small-scale planting, especially of broadleaves and deciduous trees, is also to be welcomed, and the guidelines issued for England and Wales by the Forestry Commission are indeed worth while.

However, we are entitled to ask further questions. First, what is the Scottish Office up to? The Scottish Office has yet to issue the same sensible guidelines for Scotland that the Forestry Commission has issued for England and Wales. In Scotland, the principal environmental concern about forestry planting being damaging to the environment is at its height. We are also entitled to ask about the 100,000 hectares of land which currently have forestry approval, but which have not yet been planted. That land includes four environmentally sensitive sites totalling 2,000 hectares in the flow country in the far north of Scotland. We do not have the details of the Chancellor's changes, so we do not know whether his changes will still permit those areas to be planted under the previous taxation regime, as that would be environmentally damaging.

We are also entitled to ask why the Government have not taken the most environmentally sensible step in relation to forestry, which is to bring maintenance within the planning system. Perhaps "Mr. Lawson the environmentalist" deserves one and a half or two cheers.

What then of "Mr. Lawson the feminist"? The Chancellor, in his Budget provisions, has made much of the relationship between a husband and wife. In particular, he brought in, from the introduction which he gave them, what sounded to be extremely valuable proposals. The principle of independent taxation for a husband and wife and the end of aggregation and the disgracefully demeaning process whereby a wife's income automatically counts as her husband's income is very much to be welcomed. If the Chancellor's scheme as proposed in the Budget actually did all that, we would be applauding it to the echo, but of course his scheme does not really do that at all.

The present system operates the married man's allowance which is worth something like 0·6 the ordinary personal allowance. If the wife goes out to work, there is the earned income allowance to be added to that, so that 2·6 times the personal allowance is made available to the husband.

Under the Chancellor's new scheme the husband will have one personal allowance, the wife will have one personal allowance, and there will be a floating married couple's allowance worth 0·6 of a single allowance. That married couple's allowance will go, in the first instance, to the man. The press handout from the Inland Revenue gives the game away. It says:

> "The married couple's allowance will go in the first instance to the husband, so he will see no reduction in his tax allowances as a result of the change to the new system. But if he does not have enough income to make full use of the allowance he will be able to transfer any unused portion to his wife."

The transfer of that allowance to the wife will take place only if the husband's income is insufficient to make full use of the allowance and only if the husband decides to transfer it. I do not call that independence for married women.

Of course, some people will gain by the changes that are proposed to the married man's allowance, especially about three quarters of a million pensioner couples with savings. However, their gain will come not because of the new independent principle that the Chancellor claims he is instilling into the system, but because of the change in the wife's earned income allowance into an earned or unearned income allowance. It is not the principle of independence that produces the financial gain, but the change in the nature of the allowance that the Government are introducing.

Of course, a substantial number of people in higher income brackets will gain from the new extra allowance that will effectively be given for capital gains or investment income. So "Lawson the feminist" does not come out terribly well from the Budget.

We should look at the other things that the Chancellor is doing. For example, the changes in maintenance will, in our view, almost certainly lead to lower maintenance provision being made by the courts. The Chancellor has failed to take the three principal decisions that he could have taken which would have transformed the economic and taxation status of women. The first decision would have been a substantial improvement in child benefit—not just removing the refusal to uprate fully in line with inflation but to go further. Child benefit is far and away the best targeted means of improving the ability of women to bring up children. The second decision would have been proper taxation relief for workplace nurseries. The third decision would have been to persuade his colleagues to remove the poll tax. On precisely the same date as the Chancellor's much trumpeted taxation independence for

[Mr. Chris Smith]

a man and his wife takes effect, the man and his wife will become jointly and severally liable for the payment of the poll tax.

What about "Nigel Lawson the battler against perks and loopholes"? There are one or two bits of tightening up in the Budget which are to be welcomed. However, it is hardly a great package of reforms. Of course, some additional anomalies are being included in the Budget. For example, we have only to look at the pre-1982 provisions on capital gains tax. Some Conservative Members—for example, the hon. Member for Southampton, Test (Mr. Hill)—made considerable play of the small shopkeeper who is likely to benefit from the proposals. Who will really benefit from the changes in the capital gains tax regime?

It is no accident that while the Chancellor was making that announcement on Tuesday the value of property companies on the stock market was going up dramatically, and it has continued to go up since. Warburg's analysis of the Budget, for example, says:

"The change in the base date . . . for both companies and individuals will have an enormous impact on contingent tax liabilities. For many older established property investment companies, the change in the base date together with the benefits of indexation since then will virtually eliminate the tax liability."

If I were a Chancellor aiming at targeting £290 million of tax relief I would not particularly target Peachey Property, Town Centre and Chesterfield to benefit.

One of the most outrageous decisions in the Budget is the extension of the business expansion scheme into the private rented sector. It is bad enough that the Chancellor has left the business expansion scheme more or less intact, with one or two minor changes at the margin, but here a massive and highly lucrative new loophole has been created. Under the present terms of what the Chancellor is proposing there is no guarantee that the property that is to be let by the newly established companies will have tenants. They need only have property available for letting. I hope that when we get the detailed rules there will be a provision that the property must be let to tenants.

Conservative Members have said that there is security in the fact that they are going to be let on assured tenancies, but assured tenancies have open-ended rent provisions. In addition, according to schedule 2 to the Housing Bill, there are 12 ways in which a landlord can get rid of a tenant under an assured tenancy, and the tax relief that will be available under the business expansion scheme will be not only on the initial investment but on the capital gain after five years.

The financial pages of the *Evening Standard* are perhaps not the normal place that one would look for evidence to back up a case mounted by the Labour party, but in yesterday's edition there is a quotation from accountants Grant Thornton, who say that such residential property could become Britain's number one tax shelter. The article concludes by saying:

"Rachman, one suspects, would not have been slow to take advantage of the scheme if it had been around in the 1960s."

That is the real nature of the business expansion scheme change that the Chancellor introduced on Tuesday.

So, "Lawson the prudent Chancellor, Lawson the environmentalist, Lawson the feminist and Lawson the plugger of loopholes" does not get a very high rating on any of those tests.

What of "Lawson the fair-minded maker of choices and priorities"? On this count, above all, the Budget stands roundly condemned. Any Budget is about making choices: where to raise money, where to return money, where, indeed, to spend money. It becomes increasingly clear, if we look at the figures in this Budget—£2,195 million on top-rate taxpayers, £40 million on the business expansion scheme extension, £10 million on capital gains tax retirement relief, £290 million on the ending of the early capital gains tax liabilities, and £200 million on inheritance tax—that those are the decisions on priorities that the Chancellor has made in this Budget, and those decisions have been made just three weeks before major changes in social security and housing benefit will savagely hit the poorest people in our society.

What are the Government saving by those measures on housing benefit and on social security? If one counts the savings and costs of the transitional arrangements, the Government are saving about £480 million on their changes in social security which are due in three weeks' time. The cost of their 1982 decision on capital gains tax and their inheritance tax decision, taken alone, could have paid for those savings in social security, which will hit the poorest in our society. Nothing could more eloquently highlight the Government's sense of priorities.

This Budget does nothing for the Health Service and it does nothing to bring about a truly progressive tax system. That would have been a really radical reform by the Chancellor. The Budget merely pretends an interest in the needs and wishes of women. It creates massive new loopholes for tax evasion and makes the wrong decisions about the macro-economic effects of public and personal sector spending. It leaves industry competing internationally with its hands tied behind its back. Above all, the Budget redistributes resources fundamentally from the poor to the rich. As such, it is a wrong-headed, socially divisive and fundamentally unfair Budget. Given what the Chancellor was saying on Radio 2 earlier today, I sincerely hope that it is his last Budget.

9.36 pm

The Economic Secretary to the Treasury (Mr. Peter Lilley): I congratulate the hon. Member for Islington, South and Finsbury (Mr. Smith) on his contribution to the debate, which was characteristically lucid, eloquent and constructive. Regrettably, few contributions from the Opposition these days have those features, so I welcome his speech all the more. I will not damage the hon. Gentleman's career any further, however, by saying that I agreed with everything that he said, although I agreed with some of it.

I often agree with much that the hon. Gentleman says. For example, I am a regular reader of his column in *Tribune*. I agreed with much of what he wrote in his October column, where he said:

"There is now widespread agreement, through most parts of the Labour movement, that one of the principal reasons for our election defeat in June was our failure to convince many of our potential supporters that we had it right on economic policy."

He was right. Unfortunately, after two and a half days of debate, the Labour party is no nearer convincing its supporters, or the House, that it has got it right on economic policy. The party has not succeeded because no one on the Opposition Front Bench who has addressed the House in the past two and half days has endeavoured to

spell out an alternative strategy to that laid down in my right hon. Friend's Budget. They have told us what they dislike, but not what they like.

I have three very simple questions for the hon. Gentleman. One of them picks up a matter that he went on to discuss in the *Tribune* article. He said:

"We lost support in the final week of the campaign over taxation and especially on the married man's tax allowance issue."

I want to know from the hon. Gentleman, or from his right hon. and hon. Friends, what they are going to do about the married couple's allowance, as it will be soon. Will they abolish it, as they said they would during the election campaign? "No answer" came the stern reply.

Perhaps the hon. Gentleman will answer a second question, which has been raised by several Opposition Members. Will Labour abolish the upper earnings limit on national insurance contributions? Hon. Gentlemen have criticised my right hon. Friend the Chancellor for not doing so.

Mr. Chris Smith: The Economic Secretary clearly has not been listening to the debate in the past days. We have made it very clear that the existence of a ceiling on national insurance contributions is profoundly regressive in the tax system, and we want to see a properly progressive tax system that does not leave that anomaly in place.

Mr. Lilley: It is very useful to have that on the record. It would move in the opposite direction to that taken by my hon. Friend in his Budget. Marginal rates of taxation were reduced across the board. He will be increasing the marginal rates of tax and contributions which people face across a broad spectrum of incomes.

A third question, to which I will also welcome an answer, is this. Will they oppose the reduction in the basic rate of income tax on Monday? They will have to make up their minds on Monday night when the chance will come to choose. We have heard his decision from one of my right hon. Friends, the Member for Shropshire, North (Mr. Biffen). Will they also have the courage to join him? We would like to know. Once again, "No answer," came the stern reply.

Mr. Whitney: Would my hon. Friend allow me to join him in pressing the Labour party on this? We had an interesting contribution from, I think, the hon. Member for Livingston (Mr. Cook), who complained that 25 per cent. is a high rate of entry to tax. That statement appears to be in some contrast to the Labour party's objection to reducing the tax, when at one point Opposition Members seemed to advocate that 25 per cent. was too high. I hope that my hon. Friend will join me in welcoming this converstion of the Front Bench of the Labour party.

Mr. Lilley: My hon. Friend is quite right. It is a shame that we have not been able to flush them out on this issue. If they believe in open government, do they not believe in open opposition as well?

Mr. Robin Cook: I am afraid that the hon. Gentleman—I cannot remember whether he was here at the time—has apparently forgotten that the very first Budget that his Government brought in abolished the reduced rate band, a reduced rate band which was then 8p less than the current standard rate. If one wishes to reduce the starting rate of taxation, one begins with the reduced rate band.

Mr. Lilley: Since we are all now on what was Labour's reduced rate band, that does not really carry us much further. Would Labour Members reduce the rest of us to the reduced rate band if they had their way on Monday night? That is what we would like to know.

My right hon. Friend's Budget has many facets—fairness to married women, recognition and removal of penalties on marriage, simplification, the removal of perks—but a major aspect is the range of measures designed to improve the working of the supply side of the economy. As the theme of today's debate is industry, I shall try to concentrate on these supply side measures, but, first of all, I want to respond to a number of comments made by my right hon. and hon. Friends and by Opposition Members.

I turn first to the contribution of my right hon. Friend the Member for Shropshire, North who made, as he always does, a punchy, witty and excessively modest contribution. He was modest in one respect, in that he said that he had never had a day's lesson in economics.

I think that my right hon. Friend may have forgotten summoning me round, when he was Chief Secretary to the Treasury, and asking me to explain and elucidate the monetary situation at the time, which was causing him concern, as it apparently does now. I remember the occasion vividly. He sat there behind an otherwise empty desk, containing one book, which faced me rather than himself, a biography of Enoch Powell. When I asked him why it was there, he said that it was to show his officials where his intellectual loyalties lay—where, of course, they still lie.

But I wonder whether his master, from whom I take many of my own views, would agree with his proposed decision today, because I then pointed out to him—I think that he agreed with me—that, although the money supply figures were showing considerable expansion, one should, as he always does, use common sense and examine the situation as it is. Clearly it was wrong to say that we were being profligate monetarily at a time when unemployment was far too high, when the exchange rate was visibly very strong, and when interest rates had been raised to considerable levels.

I would ask my right hon. Friend to consider today whether it can really be said that there is a serious danger of overheating from this Budget, which, for the first time for 20 years or so, gives us a substantial surplus; when we have interest rates which, in real terms, are significantly positive and obviously bearing down on inflation; and when there is, regrettably, still a high measure of spare capacity and unemployment in the labour market.

Surely, with a strong exchange rate, with a surplus and with the capacity and resilience that the economy has shown, we do not need a yet larger surplus, as my right hon. Friend implicitly proposes. Or am I mistaken in thinking that, in voting against, as he has suggested he may—and I hope that he will reconsider it—a cut in the basic rate of income tax, he wants to add that money to the public sector borrowing requirement, the repayment of debt? If not, and if it were merely to be spent by the Government, that must be at least as, if not more, inflationary in its consequences. *[Interruption.]* If the hon. Members who are making sedentary contributions wish to make more reasoned contributions in an upright position, I shall give way.

Mr. Nigel Spearing (Newham, South): I am grateful to the Minister for that invitation, because he may be able to give us a lesson, as well as his right hon. Friend the Member for Shropshire, North (Mr. Biffen).

[Mr. Nigel Spearing]

If the money was spent on, say, the Health Service, would that necessarily be inflationary?

Mr. Lilley: It would be just as inflationary as leaving the money in people's pockets and allowing them to spend it themselves—no more, and no less.

The hon. Member for Londonderry, East (Mr. Ross) welcomed the Budget from the point of view of Northern Ireland. I am sure that, on St. Patrick's day, and after yesterday's tragedy, all of us wish success for any measure that may bring renewed peace and prosperity to Northern Ireland. The hon. Gentleman is absolutely right that the lower tax rates will render that Province more attractive to international business, as well as giving a domestic stimulus to the economy.

My hon. Friend the Member for Bournemouth, West (Mr. Butterfill) has campaigned effectively and assiduously on behalf of a proposal which he believes would help the elderly to benefit in their retirement from schemes enabling them to raise income from their residential homes. My hon. Friend has received a detailed reply from my right hon. Friend the Financial Secretary. Let me add that such schemes are possible under the present law. He proposes extending extra tax relief not so much to the existing occupants as to their heirs, who would get double relief.

The proposals as my hon. Friend has suggested them would be of little or no value to those living in houses of modest value—£50,000 or less. They become a serious proposition only if the houses are worth £100,000 or more. There, the case for making such a concession is much less strong, on social grounds. Although we shall respond to the suggestion in greater detail, I do not know whether we shall be able to change our view.

My hon. Friend was followed by the hon. Member for Oxford, East (Mr. Smith). I look forward to going to his constituency tomorrow, and visiting the Radcliffe hospital. I noticed that, unlike many of his hon. Friends who have berated Conservative Members for using national statistics about the Health Service and have responded with anecdotes, the hon. Member for Oxford, East stuck to the statistics. He told us no anecdotes about his local Health Service. I suppose that that is because his local newspaper—which I just happen to have with me—featured the headline

"Cash tonics for health service".

Mr. Andrew Smith *rose*—

Mr. Lilley: The hon. Gentleman had his chance to talk about his local Health Service, and refused to do so.

The hon. Gentleman was followed by my hon. Friend the Member for Cambridgeshire, South-West (Sir A. Grant), who represents the other great university town, which I visited rather longer ago. My hon. Friend paid a generous tribute to my right hon. Friend the Chancellor. I thought that he was excessively modest, because he too is always eminently worth listening to. I found his report from Japan about the incentives being given to importers very interesting.

It may be no surprise to my hon. Friend, although it will be to many Opposition Members, that exports from this country to Japan have increased by some 30 per cent. over the past year—from a base that was not high enough, but a 30 per cent. growth rate is surely proof that competitiveness is to the advantage of British firms, and that they are exploiting it.

The hon. Member for Liverpool, Walton (Mr. Heffer) is not present, so I shall not reply to what he had to tell us.

My hon. Friend the Member for Richmond and Barnes (Mr. Hanley) was enthusiastic about the Budget, because he believed that it would put one category of people out of work: the tax consultants. I share his view that those gentlemen could turn their brains to more productive use after the Budget is implemented.

The hon. Member for Angus, East (Mr. Welsh) said that his part of the country needed investment. He will be pleased by the figures in the Red Book, which show that manufacturing investment in the coming year is expected to grow by 11·5 per cent. He will also be pleased at the proposals on the oil industry announced in the Budget. Measures were announced that affect the southern part of the North sea, but there was also one that did not receive so much publicity. It is about the disposal of oil licences throughout the North sea.

When I spoke last year in the Finance Bill debate, I said that we would look to see whether there were ways in which we could prevent capital gains tax from blocking rearrangements of licence interests, farm-ins and farm-outs and swaps of licences. After helpful discussions with the industry, we succeeded in doing so, and have come up with a proposal that we think will enable a proper market interest in offshore oil licences to take place. It will enable those who are best equipped and best financed, who have the best ideas and are most eager to explore and develop blocks, to farm them without a fiscal penalty. I hope that the hon. Gentleman and his hon. Friend who also spoke about the oil industry will welcome that.

My hon. Friends the Members for Dover (Mr. Shaw) and for Esher (Mr. Taylor) spoke about the business expansion scheme. They were anxious about schemes that are caught by shares being issued after Budget day. The new limit that we propose is a maximum of £500,000 per company. The press release published by the Inland Revenue on Budget day explained that this limit would apply only to shares issued after Budget day. This follows the normal practice for implementing changes to the business expansion scheme.

It has been put to us that the £500,000 limit could bear harshly on companies that issued a prospectus before Budget day but did not issue shares before the end of that day. We decided to make a small relaxation in the scheme to help such companies. Provided that a company has issued a prospectus before Budget day and issues the shares before the end of the present tax year, there will be a higher limit. This will be £1 million instead of £500,000. This doubling of the limit should help most companies in this position to raise more than their minimum targets set in the prospectus. It will prevent an excessive amount of money from being channelled artificially into the last of these larger schemes. I am sure that this change will be widely welcomed.

I make it clear that, if we think it necessary, we shall in future make changes to the BES scheme to apply to shares issued on Budget day as well as afterwards. This is in accordance with our general policy, where there would otherwise be scope for forestalling by doing business very quickly on Budget night.

This debate is about industry, which means that we are talking about the supply side of the British economy. There is no doubt that the supply side of the economy has been transformed over the past eight years. After coming bottom in the growth league of major European countries in the 1960s and 1970s, we have come top in the 1980s. Last year, we enjoyed more rapid growth than any other major industrialised country, including Japan.

In terms of competitiveness, we are on top of the world league, both in manufacturing industry and growth. As a result, the volume of British manufactured exports is up by over a quarter since 1978. Last year, manufactured exports rose by 8·5 per cent. *[Interruption.]* The Opposition will find a dark cloud in any silver lining. The reflationary fallacy has underlain much of the Opposition's thinking. They used to believe that the prime determinant of economic growth was the level of demand. They believed that demand could be manipulated only by increasing Government borrowing. They thought that, if economic growth was sluggish, it was merely a symptom of deficient demand. I am speaking of the bad old days when the Opposition learned their economics and they have learned nothing since.

That view was expressed by 364 economists seven years ago this month, in a famous letter to the Chancellor. The experience of the last seven years has proved them wrong, because they said that growth could not occur unless there was increased Government borrowing to stimulate demand. In the last six years, the economy has grown even though we have been reducing Government borrowing. This past year has put the kybosh on Opposition views. We have witnessed the most rapid growth in the British economy for 15 years, in a year when Government finances have finally moved from borrowing to repayment of debt.

The measures in the Budget that contribute to the supply side improvement of the economy include a whole range of matters, but one of the most important of them is clearly tax reform and tax reduction. It is impossible to distinguish the impact of past changes from the many other supply side changes that have contributed to the improvement of the economy. However, there is no doubt that the changes that we have made have proved that, on the whole, lower taxes tend to be followed by increased revenues.

For example, in 1984 my right hon. Friend the Chancellor announced a reform of corporation tax involving cutting the rate from 52 per cent. to 35 per cent. Since then, far from declining, the yield of corporation tax has more than doubled. Stamp duty on shares has been quartered and that on houses has been halved, yet their yield in the year now ending is estimated at £2·4 billion, as against £1 billion in 1984. The introduction of indexation and exempt allowances in 1982 reduced the effective rate of tax on capital gains, yet since that time the yield from capital gains tax has risen by more than two thirds in real terms.

There is every reason to suppose, in the light of that experience and in the light of the experience repeated several times by my right hon. and hon. Friends, that the cuts in the top rates of tax to the more bearable and acceptable level of 40 per cent. will be followed by an increase in tax revenues, as was the cut from 83 per cent. and 98 per cent. to 60 per cent. We can expect a renewed reinforcement of supply side measures that have reinvigorated the economy.

I want to announce one supply side measure that does not depend on taxation. Competitive and efficient markets rely on the free flow of information. Following the announcement in last year's Budget debate, a consultative exercise was carried out during 1987 on a number of propositions involving the disclosure of information about importers. The main proposal was that Customs and Excise should disclose by sale the names and addresses of importers listed against the commodity codes under which the products they import are classified. A majority of the comments were in favour of the proposals.

Following an interdepartmental review of the results of the consultative exercise, I announced in a written reply earlier today that the Government have decided to proceed with the proposal. A new provision in the Finance Bill will enable Customs and Excise to extract information from statutory declarations made by importers or their agents on import entries. Customs will provide marketing agents each month with the names and addresses of importers listed against each of the nine-digit commodity codes as published in the integrated tariff of the United Kingdom. There are 11,500 different codes in all. The provision of the information should help all firms to identify markets, so helping to improve the effectiveness of their marketing, market research and product development to the benefit of industry and consumer alike.

The charge to the marketing agents will be set at a level to cover customs' costs and the marketing agents will be free to publish the information in a form and at a price attractive to their customers. We hope to implement the arrangements from January 1989, subject to the satisfactory conclusion of contractual arrangements with the marketing agents and implementing the necessary changes to computer systems. The arrangements will be kept under review. Customs will continue the current arrangements known as suppressions, under which customs may, for example, combine information for two or more commodity codes when importers can show that the publication of a more detailed breakdown would enable more confidential information about their business activities to be identified, directly or by deduction. I hope that the House will agree that that should prove a useful measure.

I have illustrated the fact that this is a supply side Budget. And it is a Budget that will powerfully reinforce the measures that have revitalised our economy over the past eight years. That vitality is already bringing us prosperity, generating jobs and restoring national pride. Eighteen months ago exactly, the hon. Member for Dunfermline, East (Mr. Brown), now Labour's shadow Chief Secretary, told *The Guardian*:

"The Government simply cannot reduce unemployment by present economic policies."

Since then, unemployment has fallen by nearly three quarters of a million. That is our answer to Opposition Members.

Our policies are working. The people of this country know that they are working. We were re-elected in June to defend and extend the policies of success. That is what this Budget does, and I commend it to the House.

Debate adjourned. *[Mr. Maclean.]*

Debate to be resumed upon Monday next.

Opren (Settlement)

Motion made, and Question proposed, That this House do now adjourn. *[Mr. Maclean.]*

10 pm

Mr. Jack Ashley (Stoke-on-Trent, South): This debate is about Britain's greatest drug disaster. It is about the scandal of a huge United States pharmaceutical company coming to Britain and boasting of Opren, a new wonder drug to treat arthritis — with tragic results. It left a terrible trail of human destruction — adverse reactions were officially reported for 3,963 people, of whom 83 died. The true extent of human suffering is undoubtedly far higher. More than 7,000 people sought help from the Opren action group.

The agony, disfigurements and deaths are akin to a battlefield. They have been cynically and systematically played down by the company, yet some of them are horrific. They include rashes which blister and bleed, ulceration and haemorrhages of the stomach, bladder incontinence, liver jaundice, kidney damage, acute eye sensitivity, detached finger nails and toe nails, and skin photosensitivity. The widow of one man who died wrote:

"The drug caused his hair to fall out, his kidneys became infected, dried his toe nails and finger nails on both hands and feet, burst two toes on the left foot which never stopped discharging till his death . . . he couldn't even bear the weight of a sheet on his feet. It is only those of us who have witnessed the sufferings from this drug who can tell of the agonies it produces on the human body".

To the 1,300 British people who are claiming compensation for Opren suffering, the company has offered a derisory £2·75 million — an average of £1,800 per person. This breathtaking contempt for victims, insulting attitude and brass-necked insolence can be understood only by appreciating the background of the company and its development of the drug. I hope that every Member of the House of Commons and House of Lords — and every Minister — will take careful note of the following facts.

The company is distorting the truth. Honest reporting of adverse reactions is essential for drug safety, but Eli Lilly failed to report 26 United Kingdom deaths from Opren to the United States drug watchdog, the Food and Drug Administration, when it was seeking the American licence. It was lucky to get away with a fine of $25,000 for this serious offence.

The clincial trials, conducted before marketing, were hopelessly inadequate according to some experts. They were too small, conducted for too short a period, the participants were given too low a dose, and there were too few old people. The company also failed to act immediately when the potential dangers of the drug for old people were pointed out. It offered jobs — salary unspecified — to experts whose work revealing the dangers of Opren for old people had been ignored. Eli Lilly knew that their testimony would be damaging in court, as indeed it was. One of those experts, Dr. Hamdy, said in the television programme "World in Action" that even after he warned of the dangers for old people the company continued to recommend the original dosage. He said in "Panorama" that they refused to change because it was "commercially non-viable".

Putting profits before lives, inadequate research, cheating the record, misleading the people — this is the unacceptable face of the pharmaceutical industry, one which is damaging the good name of responsible and reputable firms and makes a mockery of Ministers who run a mile to avoid involvement.

British victims approached the company for compensation when the full and horrible effects of this drug were known. They were aware of ICI's fair-minded response after the Eraldin disaster, when that company set up a proper compensation scheme. They found out that Eli Lilly had paid £27 million to 103 United States victims. They were hoping for a fair deal, but they were disastrously disappointed. The derisory offer of some £2·275 million to 1,350 British sufferers shocked them, especially when compared with the United States payment. Many of them had not appreciated that we have an archaic legal system which imposes crippling shackles on any drug-damaged litigant who is not a millionaire.

The company exploited this system to the full. It imposed unbelievably harsh conditions on disabled people, many of them too old, bewildered and poor to fight. It bludgeoned them into submission — using the euphemism "acceptable" settlements — by the threat of court battles which the individuals could not afford but which this wealthy multinational could. The imposed settlement bound these disabled people with strict legal conditions, gagged them for life, and denied their solicitors freedom to act for other sufferers.

The reasons why the company got away with this were partly our antiquated legal system, but mainly the financial power of a selfish and rapacious company. It has behaved like a cruel tiger, toying with helpless people, knowing that they lacked the health and the money to fight. It has created an enormous well of frustration and bitterness in Britain by adding this financial insult to the original injury.

Fortunately, the victims had their champions. The main one has been the admirable Kathleen Grasham, whose mother died from Opren in tragic circumstances. She has been a skilful and persistent leader of the action group for more than five years. David Mason has added his considerable weight, intelligence and energy to the battle. I do not share the political views of the *Daily Mail,* but it has fought a vigorous, well-directed and sustained campaign on behalf of the victims. I pay my tribute to these campaigners for their distinguised efforts.

The question I want to put to the House tonight is: where do we go from here? This is the third parliamentary debate on Opren which I have initiated. I have been pressing the issue with debates, parliamentary questions and deputations to Ministers for more than five years. "Panorama" and "World in Action" have done splendid programmes. There has been vast press coverage. The damage to Eli Lilly is incalculable, especially from the television programmes. Yet when over 100 Members of this House, and the House of Lords, last week put a reasoned and moderate proposal to the United States chairman urging the setting up of a trust fund, it was turned down flat.

That contemptuous dismissal of a reasonable settlement, which would have avoided further legal wrangling, does not mean that Eli Lilly has won. The fight will certainly continue. New cases are being prepared, new initiatives are being launched, and the company must expect a renewed onslaught.

Even at this moment, the Department of Health and Social Security is investigating allegations against Eli Lilly of non-reporting of serious adverse reactions made by the

telvision programme "World in Action". I might add, in parenthesis, that when the Under-Secretary of State for Health gave me this news, she said that she could give me no undertaking to let me know the outcome. If she thinks she can keep this kind of thing secret, and treat the House of Commons with contempt, she had better think again.

An international boycott of Eli Lilly's products has already been launched by Ralph Nader. The British Government have declined to act on this, but, in view of the company's rejection of the suggested trust fund, I would ask the Government to consider what helpful action they can take. They cannot simply wash their hands of the whole affair while British citizens are being discriminated against, especially as Opren was distributed by the NHS. I do not believe that they should sanction the provision of non-essential Eli Lilly drugs, knowing that if any new disaster should occur the British victims would almost certainly face the same harrowing ordeal as the Opren victims. Surely, other things being equal, an ICI drug is better than a Lilly one.

I know that, as a representative of the licensing authority, the Minister will claim to be part of the legal action. Nevertheless, Ministers wear many hats and there is no reason why Ministers should not act.

The Association of the British Phamaceutical Industry should also take a hand in this tragedy. It is being seriously damaged by the affair and ought to step in with some constructive suggestions.

Community health councils should put Opren on their agendas, and work with the Opren action group. There is always the risk of adverse reactions with every drug, and it is surely unwise to add the danger of inadequate compensation from using a Lilly drug if others are available.

Trade unions should also consider the very serious disadvantage to their members of using Eli Lilly drugs, and should ask for alternatives when available. In particular, those trade unions working in Lilly companies, which include Dista Products, should consider what action they can take.

The sooner Eli Lilly recognises that this issue will not go away, the better for all concerned. Drug accidents can happen to anyone while millions of prescriptions are given every year. The top priority is to avoid them, but, when they happen, people in Britain expect fair play. They will not tolerate unscrupulous disregard for people suffering so terribly as a result of Opren. As their collective concern and anger grow, so the prospects of fairness will improve. It is in the interests of the company, no less than of the victims, that even at this late hour a fair and honourable settlement is reached and a trust fund set up. The next step lies with the company, and, after that, with all of us.

10.13 pm

Mr. Michael McNair-Wilson (Newbury) *rose*—

Mr. Deputy Speaker (Sir Paul Dean): Does the hon. Gentleman have the agreement of the right hon. Gentleman and the Minister to intervene?

Mr. McNair-Wilson: I have not asked, Mr. Deputy Speaker, but I hope that I might be allowed one minute.

Mr. Deputy Speaker: Mr. Michael McNair-Wilson.

Mr. McNair-Wilson: First, I congratulate and support the right hon. Member for Stoke-on-Trent, South (Mr. Ashley) on the speech that he has just made and on bringing to the attention of the House the important and deeply tragic situation facing Opren sufferers.

Secondly, I should like to ask my hon. Friend one question relating to the principle that the right hon. Gentleman has enunciated. It is a fact that many people become the victims of drug-related medical accidents, especially in the early years of a drug's introduction. I suggest that it is time that the Department of Health and Social Security brought the major drug companies together to create an effective, equitable and properly managed compensation scheme.

10.14 pm

The Parliamentary Under-Secretary of State for Health and Social Security (Mrs. Edwina Currie): May I begin by extending to the right hon. Member for Stoke-on-Trent, South (Mr. Ashley) the usual courtesies on his success in the ballot. I am sure that he would agree that neither he nor I would ever treat this House, nor indeed each other, with contempt.

I also listened to the comments of my hon. Friend the Member for Newbury (Mr. McNair-Wilson). I refer him to a written question from the right hon. Member for Stoke-on-Trent, South to which my right hon. Friend the Minister for Health replied. The right hon. Gentleman asked

"the Secretary of State for Social Services if he will initiate discussions with the Association of British Pharmaceutical Industries regarding the establishment of a no-fault drug compensation scheme."

My right hon. Friend replied by saying:

"It must be for the pharmaceutical industry to decide whether it wishes to set up its own no-fault drug compensation scheme" — [*Official Report*, 8 March 1988; Vol. 129, c. *172*.]

However, I have no doubt that the industry will have taken note of my hon. Friend's remarks.

This debate concerns the non-steroidal anti-inflammation drug benoxaprofen, Opren, and the settlement recently negotiated between the manufacturers of the drug Eli Lilly and the plaintiffs concerned in the current litigation. It follows, as the right hon. Gentleman said, an earlier Adjournment debate on Opren just eight months ago on 20 July 1987, to which I replied.

On that occasion, I outlined for the House a brief history of the drug to help place the subject of that particular debate in perspective. The history that I related then is clearly still relevant to today's debate but, in view of the comparatively short period since we last debated Opren, I will not prolong matters unnecessarily by repeating the bulk of what I said then. I will, however, repeat that both the Licensing Authority — that is, the United Kingdom Health Ministers — and the Committee on Safety of Medicines are co-defendants in the action with the manufacturers of the drug. In the light of all the evidence held and the advice of the Government lawyers and leading counsel, all claims of negligence against the Government defendants are and have been denied categorically. I said on that occasion that Ministers felt considerable sympathy for those who feel that they have suffered and for their relatives and I am content to repeat that now. The right hon. Gentleman and my hon. Friend the Member for Newbury will know that I mean it.

As I said towards the end of the previous debate on this subject, the right hon. Gentleman places me in a difficult position in answering this debate. My up-to-date legal

[Mrs. Edwina Currie]

advice is that it is still inappropriate for Ministers as co-defendants in this case to debate any of the issues involved, including the privately agreed settlement. Although in many cases the plaintiffs have, I understand, accepted the offer made by Lilly, there still remain cases before the courts in which members of the Licensing Authority—that is, Ministers—and the CSM are defendants.

The previous debate was conducted in the early hours of a Tuesday morning in July 1987 and the *Hansard* report of it was published on the morning of Wednesday 22 July. On that day, Mr. Justice Hirst gave a strong public warning about the propriety of a publicity campaign and called for due restraint. The right hon. Gentleman will know exactly what the judge said on that occasion as it was widely reported and I see no reaason to repeat it here. However, on 9 December 1987, the judge was able to announce details of a proposed settlement between Lilly and the plaintiffs. During that judgment he said:

"It may be that certain individuals will be disappointed with the way the proposals affect their own claim. In coming to a conclusion, they will all I am sure, with the benefit of legal advice, balance their prospects of success in pursuing a claim outside the settlement proposals against the risks involved in proceeding individually if unsuccessful at the end of the day.

Fairness and justice demand that each individual one of these plaintiffs should have the opportunity to consider the offer calmly on its merits, without being subjected to outside pressure of any kind, whether through national publicity or from private groups or individuals.

Last July I had occasion to give a warning as to the propriety of a campaign which was then afoot. Happily that campaign immediately died down, and this I am sure contributed to the successful progress of the settlement negotiations. I wish to stress that the case is still sub-judice, and so my July warning still applies. The success of negotiations of this kind greatly depends on continued confidentiality."

Subsequently, on 3 February 1988, Mr. Justice Hirst stated that approximately 1,104 Opren plaintiffs at that date had accepted the offer unconditionally; approximately 125 had accepted subject to arbitration, only a handful of those being non-qualifying plaintiffs; 43 had refused the offer; and approximately 72 had still not replied. There has been no official announcement since in court, but I understand that all but a handful have now replied. I also understand that arbitration is not yet complete.

I must stress that the settlement is the result of private negotiations between representatives of the plaintiffs concerned and the manufacturers of the drug. The Government defendants have not been involved in any way in those private discussions, nor in the negotiations on the terms of the settlement.

My right hon. Friend the Minister for Health met the right hon. Member for Stoke-on-Trent, South and a small group whom he led on 15 February 1988. Subsequently, my right hon. Friend the Minister for Health wrote to the right hon. Member for Stoke-on-Trent, South on 18 February and pointed out once again that it would be

"wholly inappropriate"

for the Government

"to intervene in the settlement freely negotiated by solicitors representing the Plaintiffs."

I fully recognise the right hon. Gentleman's concern, and that of other hon. Members, but it remains wholly inappropriate for the Government to intervene.

The right hon. Gentleman has the right to call the debate and, Mr. Deputy Speaker, on two occasions recently, you have agreed that the subject should be debated. As always, the right hon. Gentleman has expressed his views with vigour and sincerity. As a former Minister, he knows exactly in what difficulty he places me in attempting to answer him tonight. I hope that he will understand and accept the points that I have made.

Let me finish by quoting once more from Mr. Justice Hirst's statement of 19 December. Perhaps this will also be a sufficient response to the point made by my hon. Friend the Member for Newbury. The judge said:

"once the Opren litigation is finally disposed of, those who have worked so hard on it will have, I feel sure, a great contribution to make in the future in finding solutions to the problems which have come to light in the handling and financing of litigation of this kind and on this scale under our present legal system".

On that basis, I wish to conclude my remarks.

10.22 pm

Mr. Ashley: I am glad to have the opportunity to say a few further words. I have raised some important issues in the debate and the Minister, according to the notes that I have received, has made little effort to answer some of the profoundly important points that I have made—profoundly important to severely disabled people damaged by this ruthless company. It is wrong that she should come here and read a brief without making one essential point when thousands of British people are suffering. That was a disgraceful response to the debate.

I put to the Minister a clear and specific point that I raised which she either did not hear or follow. If she wants to listen, I repeat it. Can the Minister confirm that she wrote a letter to me on 1 February 1988 in which she said:

"Officials are currently investigating the allegations made in the recent 'World in Action' programme against Eli Lilly and will take account of documents sent with your letter. Once the investigation is complete the facts will be considered and, if warranted, appropriate action will be taken. I can give no undertakings to let you know the outcome".

I contend that is deeply insulting to the House of Commons. For a Minister to conduct an investigation into a matter of profound importance to hon. Members and then to tell the Member of Parliament who raised it that the House of Commons will not be told the outcome of those investigations is deeply insulting.

This is not a secret society; this is a democracy. The Minister is not playing fair with the victims of Opren by keeping secret this information. I will give her five minutes to respond to those points. The debate does not finish until 10.30 pm, so she has five minutes if she wants. I could speak for an hour, but I rushed my speech to give the Minister an opportunity to reply. The hon. Member for Newbury (Mr. McNair-Wilson) wanted to intervene, but I gabbled my speech so that we could get a decent answer. But what did we get? We got absolute rubbish from the Minister.

The problem is very grave and people are suffering appallingly. They need someone to fight for them. They should not have to rely on a voluntary group, a few Members of Parliament and a few campaigners to fight for their rights from the Government. The Government ought to step in and fight Eli Lilly, and say: "Be as fair to British citizens as you have been to American citizens."

Why is there a vast discrepancy between the treatment of one lot of victims and another? It is outrageous that the British Government should turn away and do nothing, while the American Government made damn sure that their people were looked after. No wonder we are

becoming a second-rate country, with Ministers such as this one. The Minister now has five minutes to respond. Let us hear her answer.

Question put and agreed to.

Adjourned accordingly at twenty-five minutes past Ten o' clock.

House of Commons

Friday 18 March 1988

The House met at half-past Nine o'clock

PRAYERS

[MR. SPEAKER *in the Chair*]

PETITION

Prison Officers (Houses)

9.34 am

Mr. Roger Moate (Faversham): I should like to present to the House a petition from my constituent Mr. G. Badley, whose address is Her Majesty's Prison, Standford hill, Kent, where he is a prison officer, on behalf of a number of other members of Her Majesty's prison service from my constituency, especially the Isle of Sheppey.

Those prison officers, out of their wages, took steps to provide their own accommodation — they are home owners. They feel a sense of discrimination against them because they are now working alongside other officers who live in official quarters. Although they all receive the same pay and awards, the other officers are now being given incentives and opportunities by the prison department to buy their own homes at substantial discounts.

My constituents feel a sense of discrimination and wish to present a petition to the House:

"Wherefore your Petitioners pray that your Honourable House encourage the Home Secretary to provide all Prison Officers with equality in monetary rewards and remunerations as is consistent with natural justice.

And your Petitioners, as in duty bound, will ever pray etc."

To lie upon the Table.

Competition Policy

9.36 am

Mr. Michael Fallon (Darlington): I beg to move,

That this House recognises the part which competition policy plays in fostering choice, reducing prices and stimulating wealth creation.

I welcome the opportunity for a debate on competition policy. Straight away, I welcome the interest shown by my hon. Friends and especially by my hon. Friend the Under-Secretary of State for Corporate Affairs. I thank him not only for attending this debate, but also for ensuring that it is supplied with a plethora of documents. We not only have before us the White Paper; he has also managed to rush out documents on mergers policy and on restrictive trade practices in good time for our debate.

Those documents underline the Government's commitment to competition policy. That commitment was enshrined at the beginning of our period of office in the Competition Act 1980. I am especially glad to see that commitment flagged up in the lights as the first objective of our new, bold Department of Trade and Industry. That Department has said:

"We seek to produce a more competitive market by encouraging competition and tackling restrictive practices, cartels and monopolies."

Today we shall consider that pledge and measure the performance of my hon. Friend the Minister against it. We shall do so because competition is a national interest as well as being in the national interest. Competition provides choice, reduces prices, raises standards, stimulates wealth creation and enterprise, and therefore, fundamentally, creates jobs.

In nearly nine years of Conservative Government, we have made considerable progress towards a more competitive economy. A whole range of controls on prices, dividends, income and exchange of capital have been swept away. The DTI has been transformed from being the home of subsidy and sponsorship into its new role of stimulating enterprise and innovation. I especially welcome the White Paper's emphasis on the importance of open markets. The right to compete and the right of the consumer to benefit from that competition depend, in the last resort, on markets that are open to all customers and all practitioners, be they business men, traders or members of professions.

Let us consider whether markets are sufficiently open to the consumer. Is there really enough competition and choice for the customer in our daily lives? When I leave the House this afternoon, I shall drive north up the A1. The Consumers Association has told me that it has classified 28 places between London and Scotch Corner as family roadside restaurants. Of those, 16 are Little Chefs and eight are Happy Eaters. You may not be aware, Mr. Speaker, that both Little Chefs and Happy Eaters are owned by Trusthouse Forte. A single company owns and operates 24 of the 28 roadside restaurants available to a family driving north between London and Scotch Corner. I exclude pubs and hotels from that analysis. Is that really a sufficiently competitive framework? Is there enough choice and variety in price and quality for the consumer?

There are other examples. Increasingly, our high streets are dominated by four or five large conglomerates. British Shoe Corporation Holdings plc operates nine different footwear chains and controls 25 per cent. of the market. How many people realise that Woolworth, Comet, B and

[Mr. Michael Fallon]

Q and Superdrug are all the same company? How many people are aware that Dixons and Currys, which theoretically compete against each other in the electrical goods market, are in fact the same company?

Some three quarters of our public houses are not free; they are tied. Half of them are operated by just five brewers. The January edition of *Which?* found that the average price of lager in the public houses operated by the big five brewers varied by only 5p. The brewers control access of new entrants to the market place and they largely dominate the financing of those enterprises. There was an inquiry into that monopoly by the Monopolies and Mergers Commission more than 20 years ago, and another is being conducted at the moment.

Another example of this practice involves domestic expenditure on books. There is still a form of retail price maintenance in the form of a net book agreement which holds up prices and makes it more difficult for smaller bookshops to enter the bookselling business and to discount where they consider that to be in their interests. I have no doubt that, without the net book agreement, book prices would not be as high as they are. However, publishers will tell us, as they told the *Financial Times* a couple of weeks ago, that the net book agreement

"promotes an orderly and healthy trade."

The publishers would say that. However, they must tell us why book buying is one of the only items of consumer expenditure that has been relatively static throughout the 1980s, when every other item of consumer spending has increased in volume. A whole range of articles and consumer goods and services must be examined.

The growth of concentration in our high streets and the so-called march of the multiple stores may not be adverse developments. Over a period, the effects may be self-correcting. There will always be a place for the smaller store and the independent retailer who may take advantage of public disillusionment with the larger chain. Today I will try to argue that the growth in concentration in our high streets requires constant vigilance and effective machinery to control abuse. That illustrates the need for independent and objective agencies such as the Office of Fair Trading and the Monopolies Commission.

Is our machinery sufficiently effective? Are the Government doing enough in these areas where they have influence on the market-place? I first want to consider the effectiveness of the machinery. Does it take too long for potentially adverse, anti-competitive behaviour to be investigated? Are the inquiries undertaken by our independent agencies sufficiently specific or regular? Is it right to consider the brewers once every 20 years, given the huge changes that have taken place in that market? Are the powers available used fully? I hope that my hon. Friend the Under-Secretary of State for Corporate Affairs will answer some specific questions.

As I understand it, the Monopolies and Mergers Commission has powers to order divestment in areas where it believes that there is too much concentration. I do not recall those powers ever being used. Will my hon. Friend the Minister confirm that those powers still exist, and tell us whether they should be used more effectively?

We welcome the proposals in the Government's mergers document to speed up the various inquiries procedures and introduce a new system of voluntary pre-notification. That practice, which must be sensible, is quite common in many of our western industrial competitors.

The other key issue in the Government's mergers document relates to issues of public interest other than competition which our agencies should take into account. The paragraphs in the document covering those points deserve careful scrutiny by the House. Those issues are listed in chapter 2 as the effect on local employment, the effect on regional development, the level of research and development spent in a particular industrial sector, and the desirability or otherwise of foreign takeover.

Although those effects are listed, and although one of those effects may be adverse when it is considered, that does not necessarily mean that the decision is not best left to the market. As the White Paper explains, the effects may be purely localised and temporary. Even if a decision is not best left to the market, it does not follow that politicians are any better than the markets at assessing the full implications of those local, regional, research and development and international effects. I especially welcome the declaration in the mergers document that the Government are likely to intervene only in very exceptional cases.

I believe that the Government should have given two further commitments. They should have spelt out more clearly that, where they accept a role in mergers policy, they must take full responsibility for that. We cannot leave our independent agencies such as the OFT and the MMC to second-guess the public, political or national interest. It must be right that the independent agencies should keep rigidly and rigorously to the definition of competition that they are enjoined to explore and leave it to Ministers, where they wish to interfere, override or overrule, to justify that interference in the very exceptional cases by explaining to the House and to the public why they are interfering.

With regard to foreign takeovers, I would have liked to see a clearer statement of the Government's commitment to an open trading system. We must be in no doubt that if we continue, as we have done in recent years, to invent reasons why foreign companies cannot take over British ones, sooner or later other countries will invent reasons why our companies cannot take over or take a share in theirs. The freedom of companies from overseas to take an interest in companies here is the freedom to invest in our country and it is reciprocated by the freedom of our companies to invest abroad. The open trading system is premised on that.

Let us examine to what extent markets are already partitioned by Governments. I have already spoken about whether markets are sufficiently open to consumers and about what the Government can do to ensure that access is as open as possible. What about the Government's direct or indirect sponsorship of so many restrictive practices, cartelised agreements and trading arrangements?

A number of things in consumer life appear to be restricted — for example, credit cards. An inquiry is under way by the Monopolies and Mergers Commission into whether there is enough competition between Visa and Access, or between the bank cheque cards in which Barclaycard has such a large share. So we come back to the extent to which Government policy favours a semi-cartelised arrangement between our major clearing banks.

Then there is the lack of competition leading to relatively high prices of textiles and clothing — the Government underpin the multi-fibre arrangement negotiated on behalf of the Community. And why cannot a television viewer plan his TV viewing more than a day or so ahead without buying the *Radio Times* or *TV Times*, which enjoy a duopoly of publishing schedules? That duopoly in the broadcasting system is operated and enshrined by the Government, but we are planning to liberalise it.

I have already mentioned roadside catering, which relates to Government policy on licensing motorway service areas. It is not surprising that only half a dozen major companies are involved, given that sites remain in the ownership of the Government and can be rented only on 50-year leases.

I must not be too critical. As I said at the beginning, much has been achieved in establishing a more competitive economy by this Government. The privatisation programme has put an end to many former nationalised state monopolies. There is now competition in long-distance coach transport and between British Telecom and Mercury in telecommunications, and we are promised more of the same in the future. If I were not attached to the Department of Energy, I could do a better job of praising that Department's proposals for injecting real competition into electricity generation.

However, we have a considerable way to go. I want to take my hon. Friend the Minister on a tour of some of his neighbouring Departments. The DTI White Paper makes it clear that that Department has a role in promoting competition across all Whitehall Departments. Under my hon. Friend's Department, wages councils mean that small retailers must accept wage levels largely settled by the big multiples in the wages councils negotiating machinery. In the same Department's area of responsibility, the dock labour scheme prevents scheme ports in the north — in areas of high unemployment — from competing on equal terms with non-scheme ports in the south.

The Department of Transport still oversees a whole panoply of price controls and licenses in air transport, which is a ludicrously partitioned market in which the business man must pay high prices for the freedom to travel when he wants, and our constituents, going on holiday to the Mediterranean, must fly on a certain day and return on the same day a fortnight or three weeks later.

Some progress has been made in liberalising the air-fare structures in Europe. One of my favourite competition quotations dates from April 1986, when a British Airways spokesman, was reported "taken aback" when Air France reintroduced meals in tourist class on the London to Paris route. He said:

> "These things are usually discussed bilaterally to prevent one of us labouring under a competitive disadvantage."

We have moved on from that. British Airways is now a private company, as is the British Airports Authority. We must not underestimate the achievements of the "nouveau liberalisme" in France and its success in privatisation.

The Ministry of Agriculture, Fisheries and Food still supervises a largely wartime ethos of production controls, marketing boards, levies and quotas, and dictates what the consumer will pay in the shops, while, in the name of Europe, barring our constituents from choosing European produce. Why was it left to the Consumers' Association, rather than a Ministry of Food, to fight for five years for our right to choose pasteurised milk or unpasteurised cream from other member states of the Community?

The Department of Health and Social Security still maintains price regulation in pharmaceutical products. I had a letter yesterday from a company in Cornwall that is being taken to the High Court by Richardson Vick, which believes the company should be charging prices 30 per cent. higher for nasal sprays and inhalants. Is the purpose of the pharmaceutical price regulation scheme to prevent companies that wish to do so from cutting prices for consumers in the regions?

Finally, and I hope not too painfully, I wish to take my hon. Friend back to his Department to have a look across the wall that still seems to divide trade from industry — there is a case for fusion if ever there was one — and consider what arrangemeents, in the name of free trade, we still maintain against our own consumers. Let us consider, first, the arrangements for textiles and clothing — the multi-fibre arrangement, which was extended yet again in 1986. It was originally called a short-term arrangement when it was introduced in 1961, more than a quarter of a century ago, and it was clearly shown by the Silberston report to have kept prices for consumers higher than they need otherwise have been and to have done little to prevent the restructuring that would inevitably have taken place in that industry.

I want my hon. Friend to examine voluntary export restraints. How many are there? When I examined the sector three or four years ago, there seemed to be at least 10 unofficial agreements, blessed by the Government, but negotiated between importers and exporters to regulate the quantity of imports that the consumer might wish to enjoy. Such agreements, because they regulate the quantity, also regulate the price the consumers end up paying. They have been well described as invisible taxes.

How many voluntary export restraints does my hon. Friend know to be in existence in his Department, and what is being done to remove them? That is vital, because in our enthusiasm for the single European internal market, we must not forget the huge external market in world trade that we are committed to maintain under the general agreement on tariffs and trade. One can fully appreciate the importance of that agreement only when one considers the mess that we are in in the commodities that are outside it. One such area is agriculture, where we have yet even to control the subsidies that we devote to it let alone assess the damage that our system is doing to other agricultures and economies in less prosperous parts of the world.

The Uruguay round deserves a place in this debate and I look forward to my hon. Friend telling me what progress we are making in extending the terms of the general agreement on tariffs and trade to agriculture and services. I look forward to his reaffirmation of the commitment to a free and fair world trading system. It is axiomatic of our commitment to open markets that those markets must be open to all who seek to operate in them on an equal and fair basis. We welcome the steps being taken by the Government against abuse of the markets in the important areas of company law and financial services. The more we are committed to a free and fair market the greater is the obligation on us to police those markets and apply very tough penalties to those who abuse their access to them.

We must ensure that markets are open to all people who wish to play their part in them. That is why we particularly welcome the Green Paper on restrictive practices that was

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published last week by my hon. Friend. I see that it is the result of yet another review by Mr. Liesner, who seems to have been responsible for more reviews than Tom Lehrer. Nevertheless, we are indebted to Mr. Liesner. Last week an article about the Green Paper appeared in the *Sunday Times* and I have been deluged by letters from people highlighting the restrictive practices in the professions—letters about such things as a diploma from the Institute of Housing, people unable to get an Equity card or an Association of Cinematograph, Television and Allied Technicians card, and about some of the practices operated in the more well-known professions.

My hon. Friend has taken a bold and tough approach in declaring illegal all these restrictive practices unless their effects can be shown to be in the interests of competition. Of course he could have chosen the even bolder route advocated by Professor Hayek in "Law, Legislation and Liberty", that it might be easier and simpler to allow all restrictive practices to remain lawful, but simply to make them unenforceable in law, thus allowing them to wither away. The list of restrictive practices in annex D of this document is truly remarkable and certainly stunned me. I had no idea that so many restrictive practices still apply. I did not appreciate how many of these agreements relate to our professions.

No doubt restrictive practices in the professions have their defenders; we can see on the two Front Benches the two-counsel rule still operating. We need to be sure that those restrictive practices operate in the public interest. Of course there is a balance to be struck. Nobody facing an operation by a surgeon or seeking a survey for a potential house purchase would want his surgeon or surveyor to be anything other than properly qualified, but there are three important riders to that.

First, we must ensure that those qualifications do not unnecessarily restrict entry to a profession, particularly where entry is in the hands of a monopolistic qualifications body. Acting is not in the list in annex D, but perhaps it should be entered just below barristers. One cannot get an Equity card unless one works in the theatre and a person cannot work in the theatre unless he has an Equity card, and 95 per cent. of all vacancies in the acting profession specify membership of Equity.

Worse than that, the supply of Equity cards remains in the hands of Equity alone, which produces no figures about the extent to which it dishes them out to relatives and friends. That may account for the tired old faces and family retainers that we see on television. It blocks new talent. To appreciate that, one has only to look at the grip help by the ACTT, Equity and the National Union of Journalists on all parts of our television network.

Secondly, we must ensure when we look at restrictive practices in the professions that the qualifications demanded — important, of course, in the case of surgeons and surveyors — are not unnecessarily high. Good examples are some of the professions supplementary to medicine. We are told that in the Health Service there is an acute shortage of people such as chiropodists and occupational therapists. Under the Professions Supplementary to Medicine Act 1960, only state-trained chiropodists can officially work in the Health Service. There is a shortage of them in the Health Service, and there are waiting lists for treatment.

Mr. Doug Hoyle (Warrington, North): Is the hon. Gentleman seriously suggesting that we should put people's health at risk by taking on people who have taken correspondence courses? Does he not appreciate all the damage that is being done by untrained chiropodists, many of whose patients have to go to hospital to have the damage undone? Is he advocating that kind of thing?

Mr. Fallon: The hon. Gentleman must justify those allegations, but it is a fact that in the private sector the British Chiropody Association has trained many hundreds of fully qualified chiropodists. They are not allowed to treat NHS patients but, of course, many such patients waiting for treatment in the state sector go to them to by-pass the waiting lists.

The third important qualification on restrictive practices in the professions is that they should not involve the misuse of public money. Waiting time by solicitors adds to the legal aid bill. The restrictions on numbers of consultancy posts adds to expenditure and difficulties in running an efficient Health Service. There is much to be done about restrictive practices, and I look forward to my hon. Friend moving from his Green Paper and coming forward with legislation so that each of those practices can be tested and justified or scrapped as necessary.

Some of my hon. Friends want to participate in the debate. I hope that I have said enough to show that Conservative Members at least believe competition to be of the utmost importance to our economy. My hon. Friends in the Department of Trade and Industry are right to premise their competition on markets that are open to all consumers and practitioners.

There is no better text on which I can close than that provided by Arthur Shenfield in his Wincott memorial lecture some years ago, when he said:

> "Freedom to compete is the flywheel of the free economy, the very expression of its spirit, and both a cause and a result of its successful operation".

10.9 am

Mr. Malcolm Bruce (Gordon): I was interested, but not surprised, to see the motion on the Order Paper in the name of the hon. Member for Darlington (Mr. Fallon), but, having listened to him, I am intrigued by the selective nature of the examples that he used. I do not disagree with the thrust of the points that he raised, but I am intrigued by the points that he chose to avoid. As I develop my comments, the reason why he avoided those points will become apparent.

The main concern about competition policy has been the growth in recent years of large conglomerates which seek to dominate sectors of the market. On a number of occasions, that has brought Ministers to the House in circumstances which have been, at the very least, controversial. The Government's proposals for merger policy show a lack of urgency about curbing monopoly and promoting competition policy.

It is well known that before he goes to bed every night, the hon. Member for Darlington peruses the works of Adam Smith. It is perhaps worth paraphrasing Adam Smith, who wrote in an era when large economic concentrations were very rare, if not non-existent and said that, where two or three business men are gathered together, they are probably planning a cartel.

The idea that appears to emanate from the Government is that the markets are, by instinct and definition, free and

that it is improper to suggest that the free operation of the market could lead to concentration of power, designed to protect operators in the market from its very effects.

The Parliamentary Under-Secretary of State for Corporate Affairs (Mr. Francis Maude): I hesitate to intervene so soon in the hon. Gentleman's speech, but he is entirely wrong. It is precisely because we accept that the free working of open markets can lead to concentrations of economic power that we stated, in our Green Paper on mergers policy, that that is our principal consideration when deciding whether to refer a proposed merger to the Monopolies and Mergers Commission for full investigation.

Of course concentrations of economic power can arise in a free market. That is why we need merger control procedures. The creation of cartels furthers people's interests. That is why there is restrictive trade practice law and why we have embarked on the most radical reform for the past 30 years.

Mr. Bruce: I realise that I am using a cliché when I say to the Minister that fine words butter no parsnips. He may be sincere in his intentions, but the Government's record does not stand up. If he tells us that everything will be different from now on, we will be pleasantly surprised.

Dr. John Reid (Motherwell, North): Will the hon. Gentleman give way?

Mr. Bruce: I should like to get on, as I have only just started my argument.

The report on mergers policy appears to suggest that the best people to judge whether a merger should take place are the potential investors. Those investors will be interested in supporting a merger that is likely to secure monopoly power which will help to boost profitability. The annex to the document regarding post-merger performance analyses post-merger profitability. We need an analysis of what happens to consumer interest after merger. Such information will be much more revealing about the need to change the Government's thrust.

The Minister will know that those are not simply my views or those of my party. The *Financial Times* made the valid point that the Government appear to be more concerned with the speed with which references to the MMC are handled than with whether one receives the right answer. The *Financial Times* said:

"Speed is important, but the risk is that it will be achieved at the expense of quality in merger decision making."

After all, quality is important. The article proceeded to question the competence of the MMC and stated:

"There remains a question mark over this body's reliance on part-time, non-expert members."

The article also stated that the merger policy document did not refer to merger policy in the context of the European Community. The Community will be a single market within only four years. That point should have been taken into account when considering the British Airways takeover of British Caledonian.

Despite the fine words of the Minister and hon. Member for Darlington, the Government's record to date on competition policy is woefully inadequate. The Government have presided over a greater expansion of monopoly power than any Government in history.

The conspicuous omissions from the speech of the hon. Member for Darlington relate to the Government's privatisation policy. The Government have driven a coach and horses through any credible competition policy. British Telecom was privatised as a single monopoly unit. The idea that one sets up a regulator who manages a second competitor at his discretion is hardly the essence of free-working competitive markets.

Both the hon. Gentleman and the Government know that, and it helps to explain why the volume of complaints about British Telecom has increased in almost exact proportion to its profits. It is disgraceful that the management and efficiency of the operation have not substantially changed. Profitability has increased, but service has deteriorated and competition does not thrive.

Mr. John Marshall (Hendon, South) *rose*—

Mr. Bruce: The situation in this country is quite different from the situation in the United States, which I do not necessarily praise, but with which the Government draw a parallel, where there is real competition, diversity and choice. There is a real market in telecommunications, although not a perfect one.

Mr. Marshall: Does the hon. Gentleman agree that there is some competition between British Telecom and Mercury? Does he further agree that a nationalised Cable and Wireless would never have been licensed to compete with a nationalised British Telecom? Does he agree that competition is a function of privatisation and would never have occurred without it?

Mr. Bruce: I do not accept that that is definitively true. I accept that that is how competition has functioned under the present Government, but, if we analyse the share of the market and the choice available to people in most services, we see that that competition adds up to only a small duopoly and exists only in certain areas and sectors. It is a long way short of the kind of competition described by the hon. Member for Darlington.

British Telecom is perhaps the worst example, but those of us who worked on the Gas Bill and have followed the operation of British Gas since then notice that there is a monopoly of gas supply in the United Kingdom. Nothing has changed, although British Gas has been referred to the MMC, which we hope might ultimately reveal the extent to which it is using restrictive practices, by, for example, charging a 25 per cent. premium for gas to be used for combined heat and power. That is a constraint on the market and works against the efficiency and competitiveness of British industry and against the common sense of a balanced energy policy and efficient use of energy resources.

We now await the privatisation of electricity. The Secretary of State for Energy says that there will be a free market for coal-fired electricity, but a fixed market for other forms of electricity, notably nuclear power. That is a total manipulation of the market, rather than allowing genuine free choice and competition between different forms of supply. We are talking not about small corner-shop operations but about the massive components of the national economy, where the Government's competition policy has failed abysmally. Their policy may sound wonderful in theory, but it is distasteful in practice.

That brings me to the recent debacle which continues to rumble on—the British Airways takeover of British Caledonian. That raises a number of important questions. One wonders how the Government could concede that the takeover of Britain's second largest airline by Britain's

[Mr. Bruce]

largest airline was not anti-competitive. It was anti-competitive. A real mistake was made, and I regret the fact that at the time I did not oppose it forcefully. When the original privatisation of British Airways took place, routes should have been redistributed much more equally so as to give British Caledonian the opportunity to survive as an independent, second-force airline. Instead, there was the debacle of last year that led to its weakened position and to the takeover by British Airways.

When the takeover was referred as an agreed bid to the Monopolies and Mergers Commission, the MMC chose to negotiate with British Airways a quite different bid from the one that had been agreed with British Caledonian. It was done without consulting British Caledonian, which was shocked and stunned when the MMC report was published, recommending a bid remarkably different from the one that had been agreed at the outset.

Subsequently, British Caledonian took steps to find out whether it could get out of the agreed bid by bringing in alternative interests, notably Scandinavian Airlines Services. Many people feel that that bid could have gone ahead and could have been viable but for the fact that the Government, in their position of power, made it clear that they would oppose and frustrate it to the point where SAS felt obliged to withdraw. We shall never perhaps get to the bottom of it, but it leaves a particularly nasty taste in the mouth, especially since SAS is a European Community airline. It used exactly the same arguments as British Airways used about the need for international co-operation and mergers in order to operate in the international market place.

The final and interesting outcome of all that was that it took the European Community to do the job that the Monopolies and Mergers Commission should have done in the first place. In those circumstances, it is odd that the British Government should allow a mechanism to be applied whereby United Kingdom and European Community consumers have to be protected by an external agency because of the failure of their own mechanism to deal with the problem in the first place. Many of us are therefore entitled to question the Government's real commitment to competition policy.

Another aspect that has to be taken into account is the imbalance that there can be between large corporations and small corporations or companies, of which they are often the main customers. That argument has been rehearsed in this House many times, and I do not wish to dwell on it at length. However, it is well known that large companies exploit their dominance in the market place in a number of ways. They are slow payers to small businesses whose financial resources are weaker. If they wish, they can operate in the market place to see off a competitor.

Mergers are often dominated not by a desire for rationalisation or greater efficiency but by a desire to protect the bidder either from another bid, in order to build themselves up to a size where they canot be bought, or to ensure a strength in the market place which prevents others from entering it and which gives them a more comfortable and a quieter life.

That often happens when a small, regionally based company is being taken over by a natonal or an international conglomerate. There is evidence that companies that are being taken over are often more efficient than the company that is taking them over. They just happen to be smaller. In some cases they are very important to their own community, region or market place. It is regrettable that the Government's review of merger and competition policy does not take adequate account of that fact.

Although it is not directly relevant to this debate, the Pilkington episode is fairly instructive. A company that was rooted in a community in the north-west of England for which it was the town — "St. Helen's is Pilkington and Pilkington is St. Helen's" — was dramatically undervalued by the City of London because it was thought to be a provincially based organisation that did not merit the City's attention.

The outcome was satisfactory because the City of London, when it turned its attention to Pilkington, realised that it was the kind of group that ought to be more fully valued. The consequence was that the takeover bid was withdrawn. However, that episode shows that the motives of the bidder are usually to get something on the cheap, which is against both competition and regional interests.

Mr. Maude: Does the hon. Gentleman accept that in fostering the relationship that there must be between manufacturing companies and financial investors, the onus is on manufacturing companies to ensure a good flow of information so that investors know what is going on in the company? Does the hon. Gentleman accept that, as a result of the bid which was made for Pilkington and the splendid action that it fought in fighting off that bid, Pilkington emerged as a far stronger company? The hon. Gentleman referred to the evidence in one of the annexes to our Green Paper that showed that the performance of post-merger companies has not always lived up to the claims of the bidders. Did he also see the evidence that the threat of a takeover has frequently acted as a terrific spur to improved performance afterwards?

Mr. Bruce: I accept the Minister's points, in particular his first point about Pilkington's need to inform and the way that it reacted. However, I qualify my acceptance by saying that the City could do a great deal more to find out what is going on outside London and the south-east.

I am not arguing that there should be rigidity, which would prevent mergers and takeovers. I acknowledge that there are genuine economies of scale and genuine cases where mergers are desirable. The Government presume, however, that mergers are inherently desirable. The resistance to that presumption is not strong enough. We should be much more critical of the motives that lie behind mergers and takeovers. We should expose the competition issue much more forcefully than has been the case in the past. I fear that we have capitulated too often and too quickly, and that in so doing we have undermined both the regional and the competition interests.

Mr. Hoyle: Is it not true that Pilkington was getting on with the real job of selling glass? It was the world leader in the production of flat glass. It was putting its profits back into research and development so that it could remain a world leader, instead of appealing to the City sharks.

Mr. Bruce: That is a valid and important point. A company that pursues a particular policy can find that it is being raided by a creditor that simply wants to get at its

cash or find an opportunity to asset strip. We have to provide a mechanism that will protect companies from such predatory approaches.

The presumption ought to be that while economies of scale can be justified, they are often oversold and over-valued. I repeat that the Government appear to be far too ready to agree that a deal is good because shareholders do well out of it. Of course shareholders will do well out of a concentration of economic power, or from the plundering of a company by another company, which can lead to the distribution of assets. But that is not the point. The Government's job is not to protect shareholders' interests; it is to protect consumers' interests and also regional interests.

The hon. Member for Darlington has wisely concentrated on aspects of competition policy in which he sees imperfections because of his own free-wheeling, free-market approach. Equally wisely, he has ignored the massive concentrations of economic power that have been built up under this Government in ways that have reduced competition and consumer choice. He and I could perhaps make common cause if he were to turn his attention to the Government's failure to ensure that the monopolies that they have privatised are genuinely open to proper transparency of accounts, proper choice and—dare I say it?—to even a great deal more regional strength rather than central, national strength. That would benefit the region that he represents and the region that I represent in a way that has not yet happened.

I take the view that competition policy is important and that the Government ought to wake up to the fact that they do not have a policy that really inspires confidence.

10.29 am

Mr. Michael Grylls (Surrey, North-West): My hon. Friend the Member for Darlington (Mr. Fallon) has done the House and the country a service in choosing this subject for debate. I cannot remember when it was last debated in the House. Indeed, I cannot remember it being debated in the House at all, which should shame us all, but better late than never. My hon. Friend produced a very good tour d'horizon of the width of competion policy——

Mr. Hoyle: Would it not have been better if the hon. Member for Surrey, North-West (Mr. Grylls) had been present a litle earlier to hear all that his hon. Friend said, rather than part of it?

Mr. Grylls: I have been here for the whole of my hon. Friend's speech, except for a brief moment when I disappeared from the Chamber for reasons that I shall leave entirely to his imagination. I have been present since the beginning of the debate. I would not have missed any of my hon. Friend's speech. That was not a very worthwhile intervention. It was not up to the usual standard of the hon. Member for Warrington, North (Mr. Hoyle), who is normally a very good debater in the House.

In 1983, the European year of small and medium-sized enterprises, a survey was undertaken of the climate in which such firms operated throughout the EEC. The chairman of the judging committee was an American called Mr. Vernon Weaver, formerly head of the American small business administration. I remember that, in his final judgment, he said, "The one thing that you people in Europe need is a really tough competition policy. In my view, you have not got it." During the past year — indeed, the past few months — we have seen a strong competition policy arise in the EEC, through the efforts of Commissioner Peter Sutherland in Brussels and a greater use of articles 85 and 86 of the treaty. We all welcome that.

The proper development of competition policy is an essential part of the working of the free enterprise system, and the capitalist system in general. Without it, the system is like a football match with no rules or referee. We must be careful to avoid overconcentration, which, in my judgment, we have seen in this country over the past 20 or 30 years. Even in the past year, it has begun to be realised that we must not proceed further in that direction.

The Government's initiative in setting up, under the former Secretary of State for Trade and Industry — now the Secretary of State for Transport — the Liesner review of competition policy is greatly to be welcomed. It is a very thorough review, and I have given oral and written evidence to it. Two papers have been produced — a Blue Paper and a Green Paper, although I do not think that there is any great significance in that.

We all feel very passionately that we need to avoid overconcentration, and to re-examine — not, perhaps, in too partisan a way — our policies on how to deal directly with mergers and monopolies. We want as free a market as possible. The hon. Member for Gordon (Mr. Bruce) made an onslaught on shareholders, but they do, after all, own the business. The hon. Gentleman is right to point out that the consumer interest and, from time to time, the national interest are involved, but surely we should remember the people who put their money into the business.

The hon. Member for Gordon may be surprised to learn that I lean to some extent in his direction in being very concerned about the spate of merger mania that has been a facet not only of recent history — although there have been big dramas and criminal proceedings recently — but of industrial life for the past two decades.

It is also essential to the proper working of the free enterprise system that there should be fair play in the market place, with no restrictive practices. As my hon. Friend the Member for Darlington pointed out, it is crucial to preserve access to the market. We talk of unemployment, and say that we desperately need the creation of new firms, new wealth and new jobs. But, if we want that — and we are pleased at the progress that has been made — we must have access to the market. It is no good allowing so much concentration. It is no good allowing anti-competitive practices to go relatively undercontrolled, and then to expect people to risk their money in the market place. Proper access is crucial to maintain innovation and general competitiveness in the enterprise system.

Those who are to the Left of me — and there are many of them — perceive a paradox. They ask, "Why do you intervene? You believe in a free market." We must accept that there is indeed a paradox. There must be a degree of control if we are to have a fair market place in which the free enterprise system can work. A free and fair market is not necessarily a paradox, but if it is I accept it — not that it really matters whether I accept it; it is much more important that all the industrialised countries accept it, along with the need for strong competition polices.

The most successful economies are those of the United States, Germany and Japan. Perhaps, at first, Germany

[Mr. Grylls]

and Japan acted for political reasons, having lost the war, and perhaps having become involved in it at least partly through the overconcentration in their industrial economies. When the war ended, they vowed never to allow that to happen again. It has always fascinated me that General MacArthur broke the industrial empires in Japan. They were too good, he said; they had to be broken down again. Now, those empires have begun to grow, in a huge sea of competitive small and medium-sized businesses. The Japanese are very conscious of the need not to allow overconcentration, and the same applies in West Germany, for similar historical reasons.

We should not worry about that paradox. We should accept it, and work with it.

Mr. Hoyle: Is the hon. Gentleman really saying that Japan is a free competitive society that allows goods to flow in freely, and faces competition from the rest of the world?

Mr. Grylls: No, I am talking about the internal Japanese market. The Japanese have been very determined to maintain a highly competitive market. I am not talking about overseas trade or imports into Japan, which, after all, is a sizeable economy of 120 million people—almost a continental-sized economy in its own right. But, within that economy, there is a determination to maintain competition. Part of the success of the big companies results from their going out and obtaining the most competitive tenders from their subcontractors. That is a fact of Japanese life. I do not wish to become involved in a discussion of whether there is open access to Japanese markets; that is an entirely different subject.

I welcome the Government's Green Paper on restrictive trade practices. It has generally been accepted that the system with which we have lived — the power of the Director General of Fair Trading — has been entirely inadequate. I am not a lawyer. Let us consider what happens in simple non-legalistic terms. Let us suppose that a large firm does something anti-competitive and damages a small firm. The small firm, if it is brave enough, reports it to the director general, who hauls in the large firm—this is a bit of a parody, but it is not far from the truth — wraps it over the knuckles and says, "You are a naughty boy. Do not do it again. You are damaging another company." The large firm promptly goes off and does the same thing again, and, this time, the smaller business might end up being destroyed.

That is not good enough. The powers are inadequate, and I welcome the suggestion in the Green Paper — which I hope will come to fruition—that private actions for exemplary damages should be allowed in such cases, and that class actions should also be allowed. Through such means, we shall hoist the signal that our anti-restrictive practices legislation will have real teeth. I do not wish to get involved in the professions because that is a different argument. However, for business it is crucial that there should be real teeth in our anti-restrictive practice legislation.

In the Green Paper we have moved ourselves much closer, quite rightly and naturally, to the legal position undertaken by the EEC in its competition policy. There was a famous case the other day of a firm in Gloucester, called Engineering and Chemical Supplies, which accused a firm in Belgium, called AKZO, of predatory pricing. The Gloucester firm took the Belgian firm to the Commission. It cost nothing and the firm did not have to pay expensive lawyers or risk breaking up its business because of legal costs. The matter was simply reported to the Commission, which undertook a dawn raid. That may alarm some of my colleagues who do not much like the idea of dawn raids. However, if wrongdoing takes place, sometimes that is the only way of obtaining evidence. The dawn raid on AKZO resulted in it being fined £6·5 million. That is not a rap over the knuckles. It is embarrassing for that firm to have to explain to its board of directors that it has been behaving in an anti-competitive way and that it has suffered a fine of that size.

If we can get some real teeth in our restrictive trade practices, we shall have moved a long way. The Government have been brave in doing that. It has long been a neglected area. As I said earlier, it is essential that that should go hand in glove with the expansion and increase in the enterprise climate.

I want to speak about the merger control policy announced in the Blue Paper. There is a lot of good stuff in it, but it could be strengthened in order to protect the small and medium-sized businesses rather more effectively. The merger control policy set out in the Blue Paper could be improved in four main respects in order to give greater recognition to the rights and interests of the small firm and it is vital that we should do that.

First, under section 84(1) of the Fair Trading Act 1973 the Monopolies and Mergers Commission, in determining the public interest, may consider a series of matters, in addition to competition. That list could be expanded to include other items. It could include the maintenance of a strong small and medium-sized enterprise sector so that that factor has to be taken into consideration. I believe that it was last year when we had the possibility of Plessey being taken over by GEC. That would have been the mega merger of all mega mergers. However, happily, that did not happen. When that merger was proposed the Small Business Bureau commissioned independent research to see the effect that that merger would have had on the independent suppliers to Plessey. The result would have been that about 180 small and medium-sized firms would have been severely damaged or even put out of business.

That sort of research had never been undertaken before. In other words, nobody had ever said, "A wants to join up with B and that may be fine. It may not be damaging to competition, but how would it damage other people?". As my hon. Friend the Minister knows, in the United States that is built into the law. It is one of the considerations—it may not be the overriding consideration—that has to be taken into account.

Alternatively, since the Department of Trade and Industry has said that public interest issues other than competition will be used sparingly in judging mergers, we might perhaps try to articulate the small business element in the assessment of the potential effect of a merger on competition. Perhaps we could stress the need to mention the position of small businesses in, for example, ease of entry to markets, advantages over competitors and the market position of buyers and suppliers in the relevant market.

The other route, which perhaps my hon. Friend the Minister will consider, is slightly new and different for this country. We could perhaps adopt the right of a private

action following the United States Clayton Act model. That Act provides for treble damages for private parties, including competitors, suppliers or customers

"injured in his business or property by reason of anything forbidden in the anti-trust law."

it also allows a private party to take out an injunction against

"threatened loss or damages by violation of the anti-trust laws."

I recognise that that would mean moving into a legalistic sphere. However, it offers the possibility of damages being claimed and of people being properly protected through the courts.

Another approach that I ask my hon. Friend the Minister to consider would be to accept the procedure of the proposed merger policy and simply press for a more explicit recognition of the rights of small and medium-sized firms to be considered as third parties. For example, the Blue Paper mentions the clearance of pre-notified proposed mergers. The interests of smaller firms could be considered under that. Secondly, the interests of small firms could be dealt with under the decision by the Secretary of State to impose binding undertakings in lieu of a Monopolies and Mergers Commission reference. Finally, the reference of proposed mergers to the MMC could include a reference to the needs of smaller businesses and any possible threat facing them.

In all three cases the Department of Trade and Industry has accepted the need to notify and consult interested parties, but we could have a more explicit recognition of the interests of small and medium-sized firms built into legislation. It would not be so revolutionary seen against what happens in other countries. In a sense, it would be a big step forward and a recognition of the fact that the wealth and jobs being created today are coming primarily from the independent smaller business sector and the expansion of medium-sized firms rather than from large firms. It would be a recognition of that in an important part of the law.

When we come to legislate under the monopolies and mergers changes in the Blue Paper, I hope that the Government will consider my suggestions in an entirely constructive way so that we can strengthen the working of our merger and monopolies laws, which I believe do not need major overhaul. The small additions mentioned in the Blue Paper and perhaps some of my comments would make things better.

I welcome the Government's dual approach: the changes in mergers policy and the excellent Green Paper on restrictive trade practices. If we bring about the changes, it will, as I said earlier, be the right step forward in obtaining a better competition policy, which is essential to the framework of a proper working of the enterprise culture, which I hope that we all desperately want to see succeed.

10.48 am

Mr. Frank Haynes (Ashfield): I was born in March 1926. That is a long while ago—62 years. From the day of my birth until now I have always believed that competition is the hallmark of the British people.

I listened carefully to the hon. Member for Darlington (Mr. Fallon), and I should like to take up one point. He said that he would be travelling back to Darlington this afternoon along the A1. He talked about the Little Chefs that he sees while travelling on the A1, and he talked about competition among restaurants. I suggest that he should be careful about competition between road hogs on the A1. That is competition but it is the wrong type of competition. I want to deal with the question of fair and unfair competition.

I can give many examples of competition being the hallmark of the British people. I could mention Doncaster Rovers. You, Mr. Deputy Speaker, will agree that they are a marvellous football team. They are two from the bottom of the third division. With real competition, they will stay in the third division, and not go down to the fourth division. That is competition, the hallmark of the British people and of British football.

Mr. Hoyle: Let us hear about Darlington.

Mr. Haynes: I shall not mention Darlington. I shall mention Nottingham Forest. Brian Clough is a real competitor. He has won everything except the FA cup, and he will win that this year. That is real competition. The Welsh will be on the grass tomorrow to win the triple crown. That is real competition. The British people are good at competition. There is no doubt about that.

Every hon. Member had to compete to get into this place, and the whole nation takes part in that competition. The hon. Member for Darlington was lucky in the ballot. I compliment him on the subject of the debate and I listened to him very carefully. The British cricket team, who are in New Zealand, have done marvellously over the years. Again, that is competition. When the competition to enter this place is finished, hon. Members have to compete to catch your eye, Mr. Deputy Speaker, to speak.

I shall move on to some of the subjects that we should be discussing in regard to competition that involves the British people. Under this Administration, millions of people have been put out of work. Competition is really getting in the way, because, in many cases, it is unfair. It is unfair in the industry in which I worked for 35 years before I came to the House. I know my onions where the mining industry is concerned. I shall come to that later, as I believe that there is totally unfair competition in that industry.

I do not think that many Conservative Members know what work is all about. They do not know about getting a job to be able to work and contribute to the success of the nation. Free worldwide trade has been mentioned. There are a number of factories in my constituency which produce hosiery and knitwear. Since 1979 that industry has been absolutely clobbered. The Government have allowed cheap imports to drop on our shores at the expense of our industries and have done very little about it.

I shall give the Minister for Trade his due. He has been to Europe and he has tried very hard. He has had some success, but he certainly has not had the success to which the British hosiery and knitwear trade is entitled.

Mergers have been mentioned, and the Minister was drawn to the Dispatch Box on the subject by the criticism from Opposition Members. When we talk about mergers, we are talking about big businesses getting together and creating massive organisations. My constituency has experienced that. It contains little businesses. The Prime Minister preaches at the Dispatch Box about helping small businesses, because that is where the jobs are. Big organisations are trying to move into my constituency.

[Mr. Haynes]

They are big, massive stores and they contribute to Conservative party funds, so I understand what is going on on the other side of the Chamber.

In my constituency the little businesses suffer. A massive company wants to plant one massive food store in my constituency, and there is an application for another, at the expense of the small businesses that have existed for many years. They are family businesses that have been passed from father to son. Now those small businesses that have been built up over many years are being crucified by the Government's merger policies which are creating massive monsters at the expense of ordinary people in the community.

It is all about money. The Government are money mad and they do not think about the living standards of ordinary folk and the importance of having a job in the first place. I had to get that off my chest in regard to big business.

There is more competition in the Department of Health and Social Security, which was mentioned by the hon. Member for Darlington. There is competition by people to get into the offices and get up to the counter to discover whether they will get any benefit because they have no work. That is competition for ordinary folk down on the ground floor. Sometimes people spend the whole morning in that office trying to get the benefit to which they are entitled. That is the unfair competition that I was talking about.

There is also unfair competition in the employment office. I remember when Lord Prior, as the Secretary of State for Employment, announced from the Dispatch Box the closure of employment offices where people could get jobs. He closed down many of those centres, and youngsters leaving school had to travel across my constituency to the employment office that was open. It was expensive for them to get there, unless they walked and wore out their shoe leather. I know what it is like to have holes in my shoes. I know what life and work are about, and I know the difficulties experienced by ordinary families. When I was a kid, my shoes were worn out and cardboard was put in them because we could not afford a new pair. People in poverty will return to those days unless the Government examine some of the policies that they are implementing.

Since 1979, Civil Service Ministers have come to the Dispatch Box bragging about reductions in the numbers of civil servants. But what happens in the community? Those civil servants serve the people. No wonder there are blooming great queues waiting at the counters for their benefit, because there has been a serious reduction in the numbers of civil servants.

I have a particular interest in it. The Government are not helping it. They are allowing the Americans, the Indians and the French to create unfair competition against Britain. So what has happened? We have lost star after star. Britain has produced the finest actors in the world.

Mr. Robert G. Hughes (Harrow, West): I know that the hon. Gentleman takes a close interest in the film industry. Has he read the press speculation about the effect on the film industry of the welcome tax reductions in the Budget?

Mr. Hoyle: None of those people has said that he wants those cuts anyway.

Mr. Haynes: I understand what my hon. Friend the Member for Warrington, North (Mr. Hoyle) says, but I understand also what the hon. Member for Harrow, West (Mr. Hughes) says. He seems to think that the actors will return in droves. There will be an odd one. I have noticed that Michael Caine has said that he is coming back, but he should never have gone in the first place.

Mr. Malcolm Bruce: He has already come back.

Mr. Haynes: He comes back now and again. Far too many of those people have gone and this has happened for some time. We have lost those marvellous British actors to other countries through unfair competition.

There is another side to the story—the theatre. "The Phantom of the Opera" is showing in New York. It is a tremendous success, with British actors. It is British all the way through from start to finish. That is fair competition. The show is there to be seen by the whole of America. However, because of our Government's policy, there is unfairness towards our film industry.

The hon. Member for Darlington mentioned transport. He nips up and down the A1 in a car. Little does he realise that there are thousands of people in my constituency and others who depend on public services. Because of deregulation of the bus services, people no longer have a bus service. Deregulation has brought in the spivs. Many of those spivs now have to be told to take their buses off the roads because the vehicles are unsafe. The Government have created unfair competition. The result is that some people do not have the service which they used to have and to which they are entitled.

I shall refer to the mining industry but shall not speak for a long time.

The Parliamentary Secretary to the Ministry of Agriculture, Fisheries and Food (Mr. Donald Thompson): Hear, hear.

Mr. Haynes: If the Minister is disappointed, I can extend my comments. Is he encouraging me? The hon. Gentleman obviously likes what he is hearing. He should have a word with No. 10 so that some of these policies are changed in the interests of all the people and not operated just for a certain section.

The hon. Member for Harrow, West mentioned the Budget. It is in the interests of the rich and not those people in poverty in my constituency who have been struggling for a long time and who will struggle even more because of the Government's policies and especially their Budget.

There is no comparison between the mining industry and a factory shop floor. Things can change as the minutes and hours go by. A soft floor or bad roof in the mine can affect production at the coal face. Frequently, production stops. There is another result of the Government's policy of cuts. I remember the day when something went wrong underground and a spare part was needed. These parts used to be kept in the stores on the pit top but, because of the squeeze, the workers now have to go to another pit or to the area base to get them. While this is happening, there is no production at the coal face.

In many years gone by the shaft was used to get the coal out of the pit. There used to be two decks on the chair and three tubs on the bottom and three on the top, with three quarters of a tonne of coal in each. Over the years, we in Nottinghamshire have been the pioneers in the mining

industry. We regularly met round the table to talk about how we could make progress here, there and all over the pit. One suggestion was that we should do away with having to load mine cars and should put them on the chair to be sent up the pit to the tippler, who would tip them over and send them back down the pit. The man on the job knows a bit more than the fellow who sits in this place or the fellow who sits in Hobart house or in the area office of British Coal. The bloke on the pit point knows what is needed.

Since MacGregor came, the consultations and negotiations have ended. There is no longer negotiation and consultation at pit level. Industrial relations have been destroyed. There used to be discussion resulting in changes in the interests of the industry. Output per man shift climbed like billy-o while I worked at the pit, but that has all changed because of the Government's policy.

Mr. John Marshall: The hon. Gentleman talks about productivity in the pits. Does he accept that since the miners' strike there has been a dramatic growth in productivity throughout the industry?

Mr. Haynes: There has always been growth in productivity in the mining industry. The hon. Gentleman has not looked at the history of the mining industry. I stand here as part of its history. Productivity has increased for years and it will increase even more in future.

Mr. Don Dixon (Jarrow): The hon. Member for Hendon, South (Mr. Marshall) has never even seen a pair of overalls.

Mr. Haynes: That is right. He has never had a tool in his hand——

Mr. Hoyle: I would not bet on it.

Mr. Haynes: I thought that the hon. Member for Hendon, South (Mr. Marshall) would enjoy that one.

Mr. Hoyle: I do not think that the hon. Member for Hendon, South will get up again.

Mr. Haynes: I do not think he will, either.

Progress has been made. Because of the new system, in addition to doing away with the mine cars, the cage has been converted to what we call a skip, which holds 14·5 tonnes of coal. That is a lot more than could be carried in six tubs.

Mr. Dixon: What is a skip?

Mr. Haynes: The chair is used to carry men and materials needed in the pit. The operator need only open the chair's floor and tip the coal out. The coal now travels from the coal face on conveyor belts all the way to the pit bottom into the skip, from which it is poured into the chair and then taken up the shaft. That is progress. It has helped to increase output per man shift. That progress will continue because we get the bright ideas from the laddies who work at the pit point on the coal face and in the distribution sector.

I am not saying that we do not have problems. There is one in particular. When we started to use conveyor belts, it meant that there was one main conveyor belt onto which all the coal faces tipped coal. If that conveyor belt went wrong, the whole pit went wrong because all the eggs were in one basket. We must get over that problem. We must carry with us the men who are doing the job in the pit. As one who worked in the pits for many years, I believe that those men do a marvellous job in the interests of our economy, but there is something I am coming to the unfair part—that those lads back in the pit do not like

My ex-mining colleagues and I will raise at every opportunity the question of unfair competition from America and Australia—*[Interruption.]* I do not know why the hon. Member for Hendon, South is laughing; this is a serious matter. For a day or two we have been talking about the problems in South Africa and the way the South Africans carry on. The South Africans run their pits by slave labour. How can we compete against that? That is totally unfair competition. The South Africans pay those who work in the pits next to nothing. The big white bosses hold big whips over the workers' backs. When I was a lad at the pit I had a whip held over my back. I have experienced everything.

Mr. Hoyle: Now you are a Whip yourself.

Mr. Haynes: I enjoyed that. We get some smart interventions on this side of the House; they are a bit dowdy on the Conservative Benches.

I was making a point about unfair competition. All that has got to change. Up in the coalfields we have all that coal beneath our feet. It is there, and it can be got, and it can be got cheaply, provided that the men who work it are given a fair chance. We shall have to come back to this subject at a later stage.

I realise that the coal will not last for ever——

Mr. Hoyle: I am listening with great interest because I know of my hon. Friend's expertise in the mining industry. Does he intend to deal also with the unfairness mentioned by the hon. Member for Gordon (Mr. Bruce) arising from the privatisation of electricity? The Government are talking about free competition for coal but not for nuclear power.

Mr. Haynes: Yes, I shall come to that later, but at the moment I am dealing with the unfair competition from America and France, but particularly from South Africa and Australia. I have mentioned the use of slave labour in South Africa. I am sure that the hon. Member for Darlington will agree that we cannot compete with that.

The Department of Energy appears regularly to say that we should be going for opencast coal. I live in a mining village. We have a pit just down the road called Annesley. We also have opencast mining just down the road; surface mining has taken place there for a long time. I bet Conservative Members do not live near opencast mines. It is murder; it really is. Some people have had to suffer the effects for 30 to 40 years and they have had a bellyfull. The youngsters of today are saying, "We are having no more of it."

British Coal wants to extend the surface mining nearer and nearer to people's properties, but those people have had enough of the dust and noise and everything else and they do not want anymore. I do not think that the Minister realises what he is actually saying when he suggests there should be more opencast mining. It is easy on paper to say, "We can increase coal output by extending surface coal working." But we must consider the suffering that it has caused for many, many years. We talk about pneumoconiosis in the pits, but some people have got pneumoconiosis by working near opencast mines when they should be breathing God's clean air.

The Under-Secretary of State for Health and Social Security makes me sick with some of the comments that

[Mr. Haynes]

she comes out with. She tells people what they should eat and she tells them that they should not smoke. I would argue for freedom of the individual to decide those things. Then she goes to the Tea Room to eat bacon and flipping beans. I ask you, Mr. Deputy Speaker. That is not fair at all; it is totally unfair. The hon. Lady is always yawping outside in front of the television cameras. If she spent more time looking at hospitals and the services that are not being provided instead of being stuck in front of a TV camera, we might get a better Health Service. But I am wandering from the debate, I am sorry, Mr. Deputy Speaker, but that is how I feel when I listen to the comments of Ministers who do not understand the problems of ordinary individuals.

I shall deal with the points made by my hon. Friend the Member for Warrington, North about unfair competition in the electricity industry. The Government have a majority of 101. On the very same day that they were bragging about the money that they have poured into people's pockets in the Budget we heard it announced that electricity prices were to increase by 10·7 per cent. in the south-east. That will leave people in debt, never mind putting more money in their pockets. That money will go, and more with it, because of the massive increase in electricity prices.

We should not have unfair competition from the nuclear industry. We must watch the nuclear industry very carefully. I am very concerned about what is happening. Conservative Members say, "You don't have to worry about safety. Everything's OK. There will be no problem." Then Chernobyl drops on our head and we are all affected by it—even thousands of miles away. We need only one mistake at one power station and every one of us is affected by it. It is no good the Government preaching to us that everything is OK. They used to tell us that in the pits, but things still went wrong; we saw bodies carried out and people lost limbs. Something has to happen before anyone moves. We must get away from that attitude and we must ensure that everything is really OK in the interests of the people. We should take a stern look at the nuclear industry. It creates unfair competition, and it does not give us a real chance. It is on that point that I finish.

11.17 am

Mr. Ian Taylor (Esher): I am delighted to follow the hon. Member for Ashfield (Mr. Haynes), who gave us a riveting display on a variety of issues. I am a great admirer of his knowledge of the coal industry, but I had not realised that he knew so much about Equity and the problems of the film industry, although it is clear from what we saw today that he has had some training as an actor. His knowledge of sporting events is clearly profound, and I am grateful for his advice on what I should put my money on in several of the competitions still to be played. But when he reached competition policy, the hon. Gentleman scored a long series of own goals. I hope that he will play for all the opponents of Doncaster before the end of the season if he wishes the club to stay in the third division.

I am delighted to be able to follow the lead given by my hon. Friend the Member for Darlington (Mr. Fallon) who gave a comprehensive review of the moves forward in competition policy. I apologise in advance for the fact that I shall not be present when my hon. Friend winds up the debate because I have to speak at a conference in Ashford in Kent at lunchtime. It is sponsored by the Hansard Society—that is probably appropriate—and Eurotunnel, which is relevant to some of the remarks that I shall make.

First, however, I congratulate my hon. Friend. I have always admired the way in which he courageously speaks up for competition against too many Government handouts. He sits for a northern seat and his success in being re-elected convincingly at the last election shows that many people in the north respond favourably to opportunities and incentives given by proper competition and economic development rather than the constant threat of the distortion of the market by over-generous state handouts.

Mr. Hoyle: Does the hon. Gentleman think that Nissan would have located in the north-east without generous Government handouts?

Mr. Taylor: That encouragement for Nissan to locate there is causing embarrassment to several British car companies because of Nissan's levels of productivity. Nissan's presence will encourage other companies in the British car industry to perform better.

My hon. Friend the Member for Darlington has a connection with the Department of Energy. I should like to congratulate him and my right hon. Friend the Secretary of State for Energy on the courageous view that they took of the privatisation of the electricity industry. Contrary to Labour Members, I regard it as being something for which the British consumer will be thankful. It shows that we have learnt the lessons of some of the mistakes that we made in the privatisation of British Telecom.

There is no doubt that Britain responds to and needs competition. Competition leads to massive benefits for the economy and the consumer. There are the further benefits of industry being able to lower its prices, thus benefiting other industries and the consumer.

The comments of the hon. Member for Ashfield prompt me to remark that one of the saddest aspects of the continuing battle between the South of Scotland electricity board and British Coal is that the concentration has been on the possibility that certain jobs might be lost in the industry — despite the fact that the coal that it is producing is not of a competitive quality—rather than the benefits of the creation of many more new jobs in Scotland if there were to be a reduction in the price of electricity to other industries. Conservative Members are prepared to think positively in the interests of people in the regions and Scotland. I hope that common sense will prevail and that the SSEB will be able to carry through its proposals and bring down prices, to the benefit of Scottish companies.

One of the objectives of competition policy is the protection of the consumer. In principle, that is the only reason why Governments should intervene. Protection of the consumer is a justifiable case for Government action. In that context, I warmly welcome the two recent Government papers on merger policy and the review of restrictive trade practices policy; they make very important contributions to the debate.

The review of restrictive practices policy, which is a comprehensive document, touches on the matter with which I want to deal—the implications of competition and restrictive practices within the European Community.

The proposals in the document, in moving towards an effects-based form of legislation, are falling more into line with the EC's proposals.

It is important to remember why such harmonisation is important. Page 7 of the paper says:

"For example, an agreement between two or more UK parties may affect trade between Member States because it makes it more difficult for competing manufacturers from other Member States to sell into the UK market. Furthermore, the need for UK companies to take account of EC competition law has grown as business has become increasingly international."

I would be the first to admit, and agree with the Government, that EC law does not constitute a complete instrument for effective and comprehensive control of restrictive practices in the United Kingdom. We therefore need complementary United Kingdom legislation.

What is vital, however, is that, in this and other vital sectors, we ensure the development of the European Community so that we can influence the proposed framework of laws and take domestic action to ensure that British industry is assisted or at least not disadvantaged.

In effect, by 1992, the European Community will be the new domestic market. Concepts that have existed to date have assumed that the British Isles was the domestic market, but that will no longer be the case. Commissioner Peter Sutherland of the European Commission has been instrumental in drawing that issue to the attention of a wider public audience.

Proposals are being brought forward that are of immense importance. In summary, nearly all mergers, takeovers or joint ventures that have a combined annual turnover of £690 million — about 1 billion ecu — must automatically notify a Commission merger control unit before going ahead with a deal. That figure refers to world rather than Community sales of companies. It applies to anyone acquiring operations within the EEC, even if the bidder is not European. So long as the deal has an impact inside the European Community, it is potentially covered — a concept that also exists in other parts of Community competition policy.

The exceptions to that rule are where the company being taken over has annual sales of less than 50 million ecu or where more than three quarters of the merged group's turnover is in only one member state. This clause was slipped in to counteract fears that the Commission was trying to override powers of national takeover authorities.

Financial services companies will have different criteria, and banks and financial institutions are covered if their combined assets are more than 10 billion ecu. Insurance companies are caught when their joint premium income is more than 1 billion ecu.

The European Commission estimates that, overall, between 100 and 150 deals will have to be notified annually, of which it would change or block perhaps two or three. As William Dawkins of the *Financial Times* has said, if this continues, most of the larger British companies will have to pay increasing regard to how and on what terms the European Commission should intervene.

The internal market comprises 320 million people. That provides industry with a target of 80 million more customers than the United States, and it is three times the size of the market in Japan. It gives an idea of the scope and potential that is possible as long as we ensure that rules to protect the consumer in that market are logical and effective.

It is reckoned that up to one tenth of the joint GDP of the European Community is wasted because of lack of proper internal market regulations. There have been many obstacles to competition, and until 1987 there were 70 different customs forms and up to 35 were required at some border posts. Imagine the difficulties for anyone even bothering to trade if they did not have to, when faced with such bureaucratic nonsense. At least, on 1 January 1988, those many documents were replaced by a two-page single administrative document, which is a much simpler document and which will assist communications within the European Community. In 1992, there should be no forms at all.

Some of the implications of the internal market will be dramatic. We perhaps need to prepare ourselves by thinking them through. My hon. Friend the Member for Darlington mentioned the professions. The professions, who almost invented the words "restrictive practices", will need to think carefully about how they will react to the probable changes in European Community legislation.

In theory, it will be possible for anyone to contract with an accounting company in any of the other 11 member countries or to ask for quotations from an insurance company in, say, Madrid or Rome rather than London. That will call into question more rapidly than anything else the need for equalised qualifications in the 12 countries for entry into the professions and what the internal rules and standards should be. The effect will be dramatic, especially in the means of entry to a profession and the extent to which the professions — the legal profession is the most obvious example — still maintain separate areas of activity.

Another area that will be transformed by the internal market is transport. That aspect is vital to the effective supply of services to consumers. At present, it is estimated that transport costs account for 7 per cent. of the cost of goods traded internally in the Common Market. I congratulate the Government on the leading role that they have played in reducing the cartel in the air transport industry for the benefit of the many people who travel for business or pleasure within the European Community.

In the past few days, however, I have been saddened at the news that the European Community Transport Ministers have failed to make progress in liberalising the road haulage industry, apparently because of West German objections. I was delighted to hear that the British Government had refused to agree the proposals on the table because they did not go far enough. That shows the extent to which we have become leaders in Community thinking and likely to influence the speed and direction of its development.

Another aspect of the way in which the internal market will open a range of opportunities to the consumer, as well as potential difficulties for companies if they do not react quickly, is the fact that a product legally sold in one country will be entitled to be sold in all 12 countries without the need for further testing. There may be dangers in that, and we must be on our guard, but we have time to ensure that sufficient safeguards are built in. Companies must bear in mind that we are likely to be advancing in that way, and they must take the correct measures to ensure that they are capable of competing in those circumstances.

Before 1992, there will be a rush to effect takeovers within the Community. The British press tends to highlight British bids for American companies — it seems to be

[Mr. Taylor]

regarded as the natural order that the Anglo-Saxon world should stick together, and that aspect tends to be regarded as the most important — but I predict that slowly, or perhaps even dramatically, attention will shift to takeovers within the Community.

At the moment, there is an interesting takeover battle in which the Italian Carlo De Benedetti is trying to take over the Société Générale de Belgique to turn it into an effective European financial institution. The United Kingdom newspaper industry is attempting to take over French newspapers such as *Les Echos*. Dixon's has made a bid for a large Spanish electrical retailer chain so as to establish a good position ready for the opening of the internal market.

Other countries will seek to buy into this country. At present, Britain is basking in glory. When I lived in Paris in 1975-76, it was almost embarrassing to be British. The hon. Member for Sedgefield (Mr. Blair) smiles — his memories of the Labour Government are probably as embarrassing as mine. When I discussed matters with French politicians, they expressed sympathy for me because, although I was living in Paris, I was still paying taxes in Britain and the British disease was leading this country to rack and ruin.

All that has changed. Today, we are at the top of the growth tables and the French Government, despite a Socialist President, are rapidly pursuing all the sensible economic policies which the British Government have shown to be effective since 1979. Privatisation policies in France are modelled on the British example, and French merchant bankers come to London to see how it is done. French economic policy is very much modelled on the Thatcher revolution.

The situation was very different when the French Socialists first came to power in 1980. They began with a burst of Wilsonism and vast public expenditure, with the usual results.

Mr. Robert N. Wareing (Liverpool, West Derby): The hon. Gentleman seems unaware of the French constitutional situation. In the past two or three years, the French Government has been in the hands of Chirac — a devotee of Thatcherism — so it is not a Socialist Government. The hon. Gentleman should be aware of that principle of cohabitation, although it is likely to end with the French presidential election in May.

Mr. Taylor: I am grateful to the hon. Gentleman for confirming what I have said. When the French Government came to power in 1980 there was not only a Socialist President — Mr. Mitterrand is still a Socialist President — but a Socialist Prime Minister, who led the country to near rack and ruin by following exactly the policies that the British Labour Government followed between 1976 and 1979.

Mr. Chris Butler (Warrington, South): History is not my best subject, but did not the French Socialist Government have to turn back on their tracks and begin denationalisation before Chirac came to power?

Mr. Taylor *rose*

Mr. Deputy Speaker (Mr. Harold Walker): Order. We are getting further and further away from the motion before the House. Perhaps we could direct the debate a little more towards the terms of the motion.

Mr. Taylor: I am always grateful for your guidance, Mr. Deputy Speaker. I shall leave the final points of French political life in the safe hands of a non-Socialist Prime Minister pursuing policies which I am sure will be as successful in France as they have been in this country.

The main thrust of my case is that competition policy must be seen in a European context. The legislative proposals and papers put forward by the Department of Trade and Industry make a welcome reference to this. There are bound to be difficulties, as there always are when different countries and cultures come together, and there will be a settling down period.

When I spoke to the managing director of a Franco-British car company the other day, he commented that, after the takeover of his company, a senior manager had come over here because he was worried about a local difficulty in Scotland. The French could not understand why the problem had not been solved immediately by sending in the priest. That is not the usual British way to solve a factory dispute in Scotland, although from what I have seen of the Ford situation in Dundee the priest may be the unions' last resort after the mess they have made of the opportunity to create new jobs in that area.

It is sad indeed that this country still has people who, like the leaders of those unions, do not understand that companies such as Ford no longer need to have plants in areas such as Dundee but can move anywhere in the European Community. That is a lesson that we must all learn. Competition opens up great opportunities, but if we refuse to respond to the incentives that it provides we will be caused an immense amount of heartache. That is what the people of Dundee will suffer unless the unions come to their senses.

To assist the development of competition, we must prepare for the internal market. Recently, the chairman of the CBI Europe committee, Mr. John Raisman, made some valid points about what British companies should do to prepare for 1992, and they deserve a wider audience. He suggests that companies should review and consider the following:

> "First how their business is organised in Europe, including the staffing and location of their corporate Headquarters;
>
> Second their distribution and transportation arrangements;
>
> Third the number, size and location of their manufacturing plants, warehouses and depots;
>
> Fourth the scope for standardising their product range and its implications for production, design, packaging, sales promotion and advertising;
>
> Fifth their marketing networks and sales offices;
>
> Sixth their R & D and capital investment programmes, bearing in mind the opportunities for European collaboration;
>
> Seventh their provisions for information technology, where at least some rationalisation and simplification should be possible;
>
> Eighth the scope for joint ventures, mergers, acquisitions and cross border alliances"

I have already referred to such scope in this debate.

> "Finally they must review the recruitment, training and development of staff, with particular emphasis on language ability."

British industry still has room for improvement. The Red Book has shown that productivity is growing fast, but our productivity rate is still one third lower than that of our principal competitors. Private sector spending on R

and D and training is still too low. There are also regional imbalances in the attitude of many companies towards the opportunities provided by the European Community.

The Government have made dramatic strides in the way in which they have rethought their attitude to competition. Their proposals contained in the documents on mergers and restrictive practices are extremely welcome. British industry is awakening to the opportunities provided. Consumers are becoming much more vociferous about what they consider to be their rights and opportunities.

In 1992 we will have a market of 320 million people —it will be our domestic market. We would be unwise if we did not grasp the opportunity presented to us to ensure that the development of the Community market is sympathetic to British attitudes and legislation, and that British companies triumph.

11.42 am

Mr. Tony Blair (Sedgefield): First, I should like to congratulate the hon. Member for Darlington (Mr. Fallon) for choosing competition policy as a subject for debate. The hon. Member for Darlington is somewhat unusual in that, whereas many Conservative Members wear the garb of Thatcherism as a temporary expedient, he believes in it.

I believe that the hon. Gentleman's speech demonstrated the essential weakness of the Thatcher philosophy. He informed the House, in terms that I fully endorse, that many of our high street stores are dominated by large conglomerates. He spoke of the electrical goods industry and how companies such as Dixons and Currys dominate that market. He spoke about tied pubs and the small variations in the price of, for example, lager. He spoke of the large industrial conglomerates operating in large sections of the market and about the books industry and how the price of books has remained static for the past few years. The hon. Gentleman illustrated, by a range of examples, how big business dominates the market and how competition is often squeezed out as a result. However, it is the free market that he endorses and, in some respects, worships, that has led to the abuse of power and monopoly.

The hon. Gentleman must accept the central argument that it is only if Government are prepared to intervene on behalf of the broader community that we can act to ensure that the market responds to the interests of the people. Their interests and the interests of the market are not always the same—a free market is not necessarily a fair one.

I summarise my argument under four headings. First, a deregulated market is not the same as a competitive one. A tough regulatory regime lies at the heart of a competitive market that responds to the interests of consumer. Secondly, we do not assume, unlike the Government, that the interests of the private sector and the interests of the public always and naturally coincide. That is especially so with regard to monopolies and mergers. In that respect, we believe that there should be a broader view of what constitutes the public interest. That should take account of the competitive effects of potential mergers, but also take account of wider considerations.

Thirdly, a competition policy must be buttressed by effective rights granted to consumers. As my hon. Friend the Member for Ashfield (Mr. Haynes) has said, there are many ways of making industry responsive to the consumer rather than simply relying on a competition policy. A panoply of consumer rights are required when one considers the large, private sector monopolies that have been created by the Government, for example British Gas and British Telecom or when consumers are adversely affected by the restrictive practices of particular trades.

Fourthly, the Office of Fair Trading, or whatever new regulatory body is introduced by the Government, must, if it is to perform its new role of seeking out restrictive practices, have adequate staff and resources to accomplish that task. It should be free to take an active role to seek out anti-competitive practices rather than simply reacting to complaints made to it.

Over the past few years mergers have occurred in a greater volume than at any time since the war. In 1983 spending on mergers was some £2·7 billion a year; in 1984 it rose to £5·9 billion; and in 1987 almost £15 billion was spent on merger activity. That merger phenomenon has occurred especially in this country, although it has been repeated in the United States.

Present Government policy is to refer mergers primarily on competitive grounds. That doctrine was established first by the right hon. Member for Chingford (Mr. Tebbit) and endorsed in the recent White Paper published by the DTI. In fact, under 5 per cent. of qualifying mergers are referred to the Monopolies and Mergers Commission.

Recently the Government published their paper on mergers policy. I believe that there is an interesting contrast between that paper and the paper on restrictive trade practices, though the author, Mr. Leisner, was the same. Although the restrictive trades practices paper is written with genuine fervour and sincerity, it strikes me that the mergers policy paper is more an illustration of Government ideology than a rigorous analysis of the problems of mergers.

As a spur to competition the mergers policy paper is quite pathetic. Indeed, I was surprised that the hon. Member for Darlington did not pick up on that more forcibly, but he did hint at it. It is not that the document's proposals are not necessarily bad if they are correctly administered—and that is an important point. However, what are the proposals? They include an attempt to reduce the delays in procedures through the Office of Fair Trading and the Monopolies and Mergers Commission and that attempt is perfectly understandable and good —the pre-notification procedure and the OFT's ability to secure undertakings as opposed to a full reference to the MMC. Those aims are not necessarily bad. However, we must notice that their effect is not to hinder mergers or acquisitions or to protect competition, but to facilitate mergers.

The only proposals that the merger policy document offers are those which make mergers easier. They do not obstruct mergers. That is not always necessarily bad and some mergers are obviously necessary. However, it is interesting that a document stimulated by a concern that merger activity was having adverse effects on the economy should result in a document which takes as its principle the Government dogma that the free market should be allowed to facilitate mergers in an easier way.

Mr. Maude: The hon. Gentleman makes the mistaken assumption that all mergers are bad for competition. That is patently not the case. He believes that if we are concerned about competition we should inhibit all merger activity. We are aiming through the proposals to focus merger control activity on cases where competition is the

[Mr. Maude]

major issue. We believe that that is the right approach. The idea that all merger activity is somehow malign is manifestly absurd.

Mr. Blair: With very great respect, I thought that I had prefaced my comments by saying precisely the opposite to that. I accept fully that not all mergers are bad. Of course some mergers are perfectly rational in industrial terms and some serve the wider interests of the economy. However, the converse is obviously not true that all mergers are always good for the economy. Therefore, if we accept that — which I assume that we do — it is bizarre that a mergers policy document should produce proposals whose only impact is to facilitate mergers rather than to obstruct them.

The central weaknesses of the mergers document are best illustrated in the paragraphs to which the hon. Member for Darlington referred. The particular paragraph relates to public interest issues other than competition. We believe that competition is an important aspect of mergers policy, but wider account should be taken of public interest than exists in present policy. The pargraph states:

"Many of those submitting views to the review have mentioned a range of issues, other than those concerning competition, which they believe would justify intervention by the Government. Some of the issues most commonly mentioned are the effects on employment, on regional economic development, and on research and development spending by companies; the consequences of high leverage bids; and foreign takeovers (including reciprocity)."

The next part is interesting as it reveals the Government's view. Throughout this document, as opposed to others, the Government's view is constantly tendered. I wonder whether that hides a rather greater scepticism about Government ideology on the author's part than is manifest by Ministers. The document continues:

"The Government's view is that none of the matters mentioned above"—

employment, regional policy and so on—

"is one where the public interest typically diverges from the interest of private sector decision-makers, although it is recognised that in exceptional cases it may do so. Normally, therefore, the decision should be left to the market."

That is quite bizarre. It is nonsense to claim that private sector decision-makers, when deciding whether to merge or to acquire another company, take account of employment, regional economic development or some broader notion of research and development spending by companies. I do not blame them for not taking account of that. A company's purpose is to obey the interests of its shareholders and to take commercial decisions in the normal way. The Government must take account of employment, regional policy and broader questions of industrial policy. It is ridiculous to assume that in a merger acquisition the private sector will operate in the interests of the wider economy on matters such as employment and regional policy. I am not saying that they will not sometimes coincide. However, it would be wrong to suggest that private companies go about their business worried about the effects on regional policy.

There can be no better example of that than the recent bid by Barker and Dobson for the Dee Corporation. Ultimately that bid was warded off. Barker and Dobson made a bid for the Dee Corporation with a high leverage bid. However, people would have been affected thoughout the country and particularly in the north, Scotland and Yorkshire where there are high areas of unemployment. People there were very worried that the sale of Gateway Superstores—a part of the deal—would result in the loss of jobs. It is absurd to assume that such a bid will take account of regional or social policy issues and to assume that the interests of the work force are necessarily those of the acquiring company. One of the weaknesses of our merger and acquisition policy is that we give plenty of say to the shareholders but none to the work force, who surely have as much interest as the shareholders in what happens. Ultimately they produce the wealth that the shareholders can distribute.

Mr. Ian Taylor: A thought has struck me in this connection. Given that the shareholders rejected the bid from Barker and Dobson, they must have taken into account the interests of the workers and the regional distribution of the Dee Corporation's activities.

Mr. Blair: I do not think that that follows, although the hon. Gentleman may be right. I think the shareholders were taking into account the dodgy nature of the way in which the bid was mounted and financed.

The only point I am seeking to make is not that firms never take account of social, economic or employment issues—of course they do—but that one cannot run a merger policy on the basis that private sector interests and broader public interests in employment and social issues will be the same. They will not; they will often conflict. So I am arguing for a broader doctrine of public interest that takes account of factors wider than mere competition.

A good case could be made for a broader public interest definition for high leverage bids. I have corresponded with the Minister about the Barker and Dobson bid for the Dee Corporation, and the way in which it was financed. When an acquisition is financed by a system of loans that requires selling off a large part of the assets of the company being acquired, as a means of paying back the loan to acquire the company, serious questions about the broader public interest are raised. The necessity of selling off parts of the business to repay the loan has nothing to do with the broader public interest; it has to do with the need to pay off the loan that was raised to acquire the company. This is an area in which the public interest needs to be defined more broadly than in terms of simple competition.

I turn now to one of the most interesting parts of the Government document, which justifies my criticism of it. It is clear that the effect of acquisitions and mergers on the new companies that are the products of such moves is at best of doubtful benefit, and at worst damaging or deleterious. The CBI report of last year on "The City and Industry", in many ways an inadequate document, says of this topic:

"while acquisitions may have created wealth for shareholders they are clearly not a prerequisite for industrial success, since contested takeover bids are virtually unknown in West Germany and Japan."

Even more interestingly, annex E of the White Paper, which the hon. Member for Gordon (Mr. Bruce) mentioned, comes to the extraordinary conclusion that post-merger performance rarely lives up to the promises made by the acquiring company at the time of merger. Far from private sector mergers having a beneficial impact on companies — never mind the broader economy — the impact is, if anything, the other way round. Annex E states:

"Evidence on post-merger performance . . . supports the earlier findings of disappointing or inconclusive performance.

Indeed, the consistency of the results of the various studies and the wide range of approaches used tends to reduce the force of the methodological limitations and to increase the robustness of the findings."

If ever a case were needed for maintaining that a broader concept of public interest was required, here it is: the Government report says that post-merger performance does not live up to the promises made at the time of merger.

Mr. Malcolm Bruce: Does the hon. Gentleman agree that evidence also points to the regrettable fact that mergers seem to have no mechanism for being unravelled or resolved when they fail to live up to expectations or worse, such as in the case of Guinness or, conceivably, British Airways, where promises were made to shareholders and were then sharply and fundamentally broken? Do we not need powers that will sort out things like that?

Mr. Blair: That is correct, and I intended to raise that matter later in my speech.

It is extremely difficult to say that one should have a very narrow concept of public interest that virtually equates to competition when looking at merger policy. The conclusions that seem to flow from an analysis of present merger policy are first, that it is right to include a broader public interest concept in mergers. We shall not lose efficiency by doing so. Indeed, there may be a gain. I support what the hon. Member for Surrey, North-West (Mr. Grylls) said about small and medium firms.

Secondly, when there is a hostile bid, there is a case for saying that the acquiring company should show positive benefits before the merger is allowed to proceed. That seems to flow from the fact that post-merger performance has been extremely disappointing. Thirdly, there should be some right or say for information, advice or assistance so that employees who find themselves treated like chattels in a merger or acquisition, and who have no powers or rights in the situation, can be protected.

Fourthly, there should be much stricter control of nominee companies and an earlier declaration of the stakes, which would be not at 5 per cent. but at more like 2 per cent. Finally, there is a good case for the Office of Fair Trading publishing, in the case of large mergers and acquisitions, some sort of post-merger analysis of exactly how much that merger or acquisition has led to competitive benefits. As an adjunct to that, it may well be an idea when some of these large mergers or acquisitions take place for some of the major companies such as Hanson or BTR Industries to publish separate accounts for the subsidiaries that they have acquired. We might then be able to see exactly what has happened in such companies after acquisition or merger.

On the strength of this paper on merger policy the Government are lementably failing to live up to their own rhetoric about competition.

I admit that a different situation obtains when one looks at the review of restrictive trade practices policy in the Green Paper. Strangely, once again that was written under the chairmanship of Mr. Liesner. That paper seems to run in a different direction from the other one. Whereas the other one appears to rely excessively on Government dogma about the private sector, this one recognises that a regime of tough regulation is required to enforce competition. That was borne out by the 1979 review of the last Labour Government which lay on the shelf for many years before the Government got round to updating it.

I endorse many of the proposals in the paper. I endorse the move from a legal form-based test of whether a practice is in restraint of trade to an effects-based test. That seems right. I also welcome the general prohibition on anti-competition agreements rather than the present requirement of registration and the stronger powers of enforcement in the new Office of Fair Trading. I also welcome the fact that if the proposals in the Green Paper are carried through, third parties can sue. I assume that that means consumers as well as competitors.

I should like to put a few questions to the Minister about the Green Paper, and my first question is about exemptions. Will the proposed legislation cover all professions and sectors so that each profession or sector has to argue each exemption on its merits, or will there still be exemptions for entire sectors? Will that continue to be permitted or will the profession or sector have to argue each case afresh? There is no reason whatever for any professional sector or service to be outside the remit of the restrictive practices law.

Secondly, the Green Paper takes as its starting point article 85 of the treaty of Rome. That has the great advantage of regarding as a trade restraint both agreements and concerted practices, which is not the case under the present legislation. When interpreting and defining concerted practices, shall we follow the wide definition used by the European Court and the European Commission, which will catch those matters which fall short of agreement, but which operate on a nod and wink? For example, I have always been suspicious of some of the activities of large petrol companies and of the way in which they raise prices together. When such a practice occurs over a number of years, there may not be agreement to collude, but, none the less, the effect of the practice is anti-competitive. Will the new definition be as broad in its ambit as the European Court has defined article 85?

Thirdly, under the Government's proposals, the Office of Fair Trading will have a radically enhanced role as a regulatory body. I am told that, at the press conference for the launch of the Green Paper, it was stated that no extra resources or personnel would be given to the Office of Fair Trading. There is no way that that office can take upon itself the increased burdens of an effects-based system, under which it will be entitled and obliged to take a much more active role without having the proper teeth and resources to carry it out. It would be foolish and a false economy, if they were not provided.

Fourthly, I should like to ask the Minister about class actions. Many people have been appalled by the recent Opren drug case, in which many people suffered great damage, and the amount of compensation handed out, but that is only one facet of a range of difficulties facing consumers. Often, individual consumers lose only £500 or £1,000, yet, overall, many millions of pounds may be lost. If consumers have to sue individually, they are placed in extreme difficulty. The Opposition support the ability of consumers to take class actions to enforce their rights as a group against companies that have engaged in restrictive practices to the detriment of consumers.

Finally, I wish to comment on the European internal market. This morning the Department of Trade and Industry launched its campaign for the internal market and the Minister kindly provided me with a copy of his Department's press release. There is a great difference between that and the pre-publicity provided by the Government and embassies abroad in preparation for this

[Mr. Blair]

morning's press conference. Hon. Members will recall that a feature of the Government's inner-city campaign was the breakfasts with business people around the country. Originally, the campaign launched this morning was to be fuelled by what the Government calls

"19 high-powered breakfasts around Britain."

The British embassy in Brussels put out a press release which I have rightly described as eccentric in its terms. The headline states:

"Breakfast launch—Britain in Europe's single market".

It continues by saying that

"the most tasty stage of the campaign will begin on 18 April with a breakfast."

At last, the breakfast motif appears to be on the wane, as this morning's press release did not mention breakfast. It has been retitled as a conference. I do not know whether the business men who go from one breakfast to another under the Department of Enterprise's scheme will not now be fed, but I am glad to see that the Government are treating the internal market a little more seriously in embassies overseas.

The internal market poses questions of very great importance in relation to competition policy in Europe. During the last few years there has been an accelerating wave of mergers and acquisitions. In the last two years there have been 68 Euro-mergers, including $7 billion worth of Euro takeovers last year. British acquisitions on the continent are higher now than British acquisitions in America, and this year they are about 40 per cent. up on last year. A tough regulatory regime will be required by the European Community if we are to guard the public interest against this wave of mergers.

Another major danger of the internal market is that it could be dominated by big business interests, to the detriment of smaller and medium-sized firms. The internal market will introduce a range of changes to our trading system. We have not even begun to face up to the risks as well as to what people call the opportunities of the internal market that will be provided over the next few years.

The big European conglomerates have already formed themselves into a European round table of the 25 major industrial giants, including several of our own. They are monitoring every change that goes through the EEC. Many companies and financial institutions — for example, Barclays bank—have their own special unit to monitor the changes that will result from the internal market. They will be very well placed not merely to accommodate the internal market but to dominate it, unless our Government have a proper industrial policy to ensure that British industry is adequately geared up to face the competition. It will take much more than breakfasts and brochures to ensure that Britain is able to compete in the internal market.

This Government are caught between their hands-off, non-interventionist and "free means deregulated" ideology and the reality that without an active, interventionist Government the free market — so-called—often leads to monopoly and to lack of competition, which is adverse to the broader interests of the economy. We have to look only at what has happened to British Telecom and British Gas, and at BP pursuing Britoil and British Airways pursuing British Caledonian, to realise that simply to put such organisations into the private sector does not make them competitive or free, or make that freedom work in the interests of the broader economy. Only by a mixture of a tough regulatory regime and rights for consumers shall we be able to protect the public against the abuse of power and the economy against stagnation and inefficiency. But that task is infinitely better suited to the Labour party than it is to this Government.

12.12 pm

The Parliamentary Under-Secretary of State for Corporate Affairs (Mr. Francis Maude): In the time-honoured fashion, I congratulate my hon. Friend the Member for Darlington (Mr. Fallon) on being the first in the ballot for private Members' motions. I congratulate him also on his great wisdom in choosing competition policy as the subject of this debate. My hon. Friend the Member for Surrey, North-West (Mr. Grylls) made the point that it is some time since we have had such a debate. Some say that it has been far to long. I am grateful for this timely opportunity to air the issue. I am only sorry that, although a number of my hon. Friends have been present and keen to take part in the debate, the Opposition Benches, despite the Labour party's professed interest in competition policy, have not been over-populated.

Mr. Blair: I must correct the Minister. There have been several Members on the Opposition Benches. Furthermore, the Conservative Back Benches are hardly over-populated.

Mr. Maude: My mathematics may be inaccurate, but I have counted only one Labour Back Bencher. As the hon. Gentleman knows, Whips are not Back Benchers.

Be that as it may, interest in this debate has been considerably greater on this side of the House. It represents an underlying political reality: that the Government understand about competitive markets and are interested in them. Throughout the debate, the Labour party, and the hon. Member for Gordon (Mr. Bruce), have sought to criticise, on competition grounds, certain aspects of our policy. In fact they are not criticising on the competition grounds at all. They are criticising on other grounds.

I apologise for my absence for half an hour in the middle of the morning. As the hon. Member for Sedgefield (Mr. Blair) rightly says, I was away helping to launch the Department's campaign on the single European market.

The Labour party is in danger of becoming obsessed with breakfasts. I think that it says a little about the modern Labour party that its members simply do not understand that business men today lead extremely busy lives. The one time of day when it is possible to get them together to put a message across is breakfast time. I am sorry if that offends the hon. Member for Sedgefield. I do not wish to deny him his fun; he does not have a lot of fun as a member of the Labour party at the moment, and I do not begrudge it him, as long as he does not suggest that what we are doing in our campaign is anything but extremely serious.

The hon. Gentleman is right to say that the competitive impact of the single European market is enormous. The effect on business if business is competitive will be beneficial, but the effect on uncompetitive businesses — not only in Britain but throughout the Community — will be harmful. I believe that we are absolutely right, in the interests of promoting competition, to take the step of alerting businesses the length and breadth of the country

to the implications of the single European market, and I was grateful to my hon. Friend the Member for Esher (Mr. Taylor), who devoted a good deal of his speech to its importance.

My hon. Friend the Member for Darlington, in the course of his enlivening and thought-provoking speech, took us on a tour of Whitehall. He rightly reminded us of the extent to which uncompetitive practices remain, and of how much needs to be done. I do not think that he needs to be persuaded of our desire and will to tackle anti-competitive practices. I must remind him, however, that if he had tried to take us on that tour of Whitehall 10 years ago, we would not have got very far, because of the thicket of regulation and control in which years of corporatism and collectivism had enmeshed us.

The dramatic growth of the British economy over the past seven years, described by the Japanese ambassador recently as the British economic miracle, bears witness to the liberating, enlivening and invigorating effect of removing regulations and controls, and promoting competition. Talk of the British economic miracle has replaced talk of the British sickness, and what a healthy sign that is. All of us find the hon. Gentleman's tour of Whitehall much less embrangled with regulations and controls than it was, but there is still more to be done.

My hon. Friend talked a little about the multi-fibre arrangement. He will know that the arrangement was renewed in 1986, and that that renewal provided for further liberalisation. We supported it as the best deal available. The GATT contracting parties had committed themselves to examining how textiles and clothing could be returned to strengthened GATT rules.

As we specifically stated in our January White Paper, we see open international markets as essential, and will work through the Community to reinforce the GATT system. Our objectives in the Uruguay round include—I quote from the White Paper—

"a lasting solution to the problems of excessive protection and subsidies in agriculture"

—and

"the liberalisation of services."

My hon. Friend also talked about voluntary restraint agreements. He made the error—if I may respectfully point it out to him—of talking about voluntary restraint agreements within my Department. I have to tell him that there are none; the voluntary restraint agreements exist between industries. We take the view that voluntary restraint agreements are for industries to consider for themselves. We keep an eye on what is going on, and I can tell my hon. Friend that Government pressure has resulted in the termination of no fewer than a dozen such arrangements. I hope that he regards that as a promising development.

Mr. Fallon: First, I withdraw any allegation that my hon. Friend's Department is responsible for, or has been fostering, such agreements. However, he has now told the House, which I do not think any of his predecessors have, that his Department keeps an eye on what is going on, and, indeed, that there is some sort of list and that some have been removed. It would be helpful to those of us who follow trade matters if some sort of list could be published in the *Official Report*.

Secondly, will my hon. Friend respond to my suggestion that there should be more of a balance sheet approach to each individual restraint?

Mr. Maude: My hon. Friend's second suggestion is absolutely right. It is essential to take the balance sheet approach and see what the benefits or otherwise might be. On his first suggestion, if he tables a question to me, no doubt I shall consider how to answer it.

In any arrangement of that sort, there is always a difficulty that the interests of producers are focused and well articulated, but the interests of consumers, who may sometimes suffer as a result, are not being articulated. None of us have consumers coming along to our constituency surgeries saying, "Why should I have to pay 10 per cent. more for my clothes as a result of the multi-fibre arrangement?" That does not happen. However, if there is any suggestion of removing that arrangement, people from the local textile manufacturers certainly come to one's surgery.

Mr. Hoyle: Quite right too.

Mr. Maude: I do not even have to go to my surgery to hear that; I can hear it from across the Chamber now.

It is difficult to take a balance sheet approach such as that suggested by my hon. Friend the Member for Darlington, simply because producer interests are highly articulated and well focused, but consumer interests are, by their very nature, diffuse.

Mr. Hoyle: Does the Minister not realise that the producer is also a consumer and that utterly to destroy the British textile industry, which would be the net result of abandoning the multi-fibre arrangement, would mean that many people would be out of work and could not be consumers at all?

Mr. Maude: That is precisely the type of point that weighs on the minds of Governments when they consider arrangements. I am simply making the general point that the voice of the consumer is not always clearly articulated. That is why we are grateful for the work done by bodies such as the National Consumer Council and the Consumers Association. They articulate precisely the sort of concerns to which I am referring.

My hon. Friend the Member for Darlington referred to the net book agreement. I was grateful to him for doing so. The presumption we are making is that agreements that have been considered under existing legislation will be subject to the new restrictive trade practices legislation, although there may need to be transitional arrangements. Agreements will need to be considered against the new criteria for exemption, and if they do not meet those criteria they will become prohibited. However, we will need to think about the position of agreements such as the net book agreement, which are also subject to resale prices legislation.

In his tour of Whitehall, my hon. Friend the Member for Darlington referred to wages councils and the dock labour scheme. I know that he has a long-standing interest in the dock labour scheme and I do not think that I can usefully add to what my hon. Friend the Under-Secretary of State for Employment told him in a debate earlier this month.

On wages councils, my hon. Friend will know that two years ago the Wages Act 1986 made some important changes which reduced the coverage of wages councils, took all workers under the age of 21 out of the scope of the councils and limited their role to the fixing of one hourly rate and one overtime rate. Again, I hope that my hon. Friend finds that an encouraging sign.

[Mr. Maude]

As I have said, debating competition policy now is timely. The Government have just published two papers, one on mergers policy and one on restrictive trade practices policy. I should like to look at what lies behind that, but first I shall say something about competition policy more generally, about the other elements of competition law and the other ways in which the Government can and do promote competition.

I shall start by saying why competition policy is so important. My hon. Friend the Member for Darlington clearly sums up the reasons for that in his motion. It refers to the part which competition policy plays in fostering choice, reducing prices and stimulating wealth creation. Choice for consumers means that firms do not have a captive market, but must work to make sales by offering goods and services which their customers want, and by developing new goods and services.

Firms have to compete on price, which means that they must be as efficient as possible and pass on the benefits of that efficiency if they are to survive. That increases the production of wealth, by ensuring that resources are allocated and used most efficiently, while the capital markets ensure that under-used resources are reallocated through the process of takeover and merger.

It is in free and open markets that competition flourishes. That is why one of the DTI's key objectives is

"To produce a more competitive market by encouraging competition and tackling restrictive practices, cartels and monopolies".

There are two ways in which this can be done. In those where the Government have direct control, we ensure that, wherever possible, the market is opened up to competition, despite what has been said by the hon. Member for Gordon and others.

For example, we have introduced competition into the telecommunications market, which was previously a statutory monopoly. Mercury has been licensed as a competitor to British Telecom, and two new competing cellular radio systems have been licensed. That has meant that from only 20,000 mobile telephones in the United Kingdom in 1981, the market has grown to more than 260,000, and that is a very good sign.

The telecommunications equipment market has also been liberalised, so that, instead of having to rent a telephone from British Telecom customers can go out and buy one over the counter.

Reference has also been made to British Gas. As is well understood, British Gas is a natural monopoly. In those circumstances, it needs to be, and is subjected to, a rigorous system of regulation. I should like to point out to those who say that such a monopoly automatically leads to worse services and more complaints that the Gas Consumer Council, in its recent report, made it clear that the number of complaints has fallen since privatisation.

In transport, coach and bus service licensing have been abolished, allowing the growth of new services at lower cost.

We have worked to liberalise air transport, not only domestically, but in Europe. Again, that has lowered costs and improved services.

Market principles have increasingly been applied to public procurement, with greater use of competitive tendering for construction projects; and we are proposing that local authorities should be required to put a range of services out to competitive tender. As Opposition Members claim to be interested in competition policy and to believe in the benefits of competition, it is extraordinary that those provisions for competitive tendering for local government services have been fought so savagely.

Those are just a few examples of the way in which the promotion of competition is central to the Government's approach. However, in most cases, the best way to bring about free competition is for Government to keep out of the way. That is why an important part of my Department's work and my responsibilities is to reduce the burdens which Government regulation places on business.

If markets are to be kept open, Government must be prepared to intervene where the market is, for one reason or another, not functioning properly. Many business men recognise the need to remain fit and competitive, and to respond to competition positively by producing better products at lower prices.

However, at the same time there is always the temptation to look for the easy way out by seeking to stifle competition or to exploit the lack of it. That is not a new phenomenon. The hon. Member for Gordon paraphrased a quotation from Adam Smith. I would not say that Adam Smith is my usual bedtime reading, but a dose of Adam Smith every now and again does no one any harm. Over 200 years ago, Adam Smith said:

"people of the same trade seldom meet together even for merriment and diversion, but the conversation ends in the conspiracy against the public or in some contrivance to raise prices."

The Government must therefore be prepared to act as the grit in the oyster and to open markets to competition and ensure that they stay open. That is the purpose of competition law.

There are three main elements to our competition law. First, there is the law on restrictive trade practices, dealing with cartels or agreements between firms limiting competition. Secondly, there is control on mergers between firms. Thirdly, there are the powers to deal with monopolies or other anti-competitive practices. The first two have been subject to a review. The results of which we have just published.

The need to subject cartels to scrutiny against public interest criteria has long been recognised. The legislation which started with the Restrictive Trade Practices Act 1956, and led to the Restrictive Trade Practices Act 1976, did this by requiring the registration of agreements containing restrictions relating to the supply of goods and, later, services.

Those agreements were then referred to the Restrictive Practices Court and had to be defended as being in the public interest, or they were struck down. In this way, a great number of agreements were brought to an end, and the legislation was very successful in tackling the overt cartels that were a major feature of British industry after the last world war.

The Act is less well adapted to tackling covert cartels, because of the inadequacy of the investigatory powers and the lack of effective penalties. Furthermore, by concentrating on the form of agreements — I was grateful for the support of the hon. Member for Sedgefield — it enables some anti-competitive agreements to escape by skilful drafting while imposing the burden of registration on many hundreds of insignificant agreements.

I should like to deal with the third of the questions that the hon. Member for Sedgefield raised when he talked about the resources of the Office of Fair Trading. Managing the present system, with its onerous burden of registration of agreements, is already resource-intensive at the Office of Fair Trading, so resources will be released from that rather tiresome part of the present system and will be freed for use in the more pro-active form of activity which will supplant it.

Even where significant agreements are registered, it can take many years for them to be brought to court or for the restrictions to be voluntarily abandoned and, in the meantime, those agreements can be operated with impunity. We therefore propose a different approach to prohibit agreements that have anti-competitive effects.

By concentrating on the effects of agreements in this way, the form of the legislation will be brought into line with its purpose, which is to keep market's competitive. This should ensure that innocuous agreements will fall outside the scope of the legislation, while genuinely anti-competitive agreements—whatever form they take—are caught.

The new authority that will administer the legislation will be based on the existing Office of Fair Trading. It will also have stronger powers of investigation, including powers of entry and search. I do not expect provision of those powers of entry and search to be uncontroversial. There will be those who say that this is an intrusion into liberty, and they will have an argument to make, but we believe that it is justified. If we are effectively to tackle cartels — covert and overt — we need to have those powers.

There will be heavy fines—up to 10 per cent. of a firm's turnover—for breach of the prohibition. As a further deterrent, there will also be a right of private action for those who have suffered loss as a result of agreements. There will be powers to grant exemptions from the prohibition, against criteria which will be spelled out in the legislation.

This approach, as has been pointed out, is in line with that in the relevant European Community Law, article 85 of the treaty of Rome. We have done this because it is a tried and tested approach, and one which exists in other countries as well as in the Community.

The parallel with EC law should help United Kingdom firms by avoiding the need to deal with two sets of laws operating on quite different principles, and is fully in line with the impending completion of the single European market. The approach will reduce the regulatory burden on business by taking many insignificant agreements outside the scope of the legislation.

Much attention has been focused on the effect of the legislation on the professions. In the media, some have presented it as being no more than an attack on the privileges of the professions. That is a misleading view. I am interested to hear that my hon. Friend the Member for Darlington has received many responses from members of the public about the effect of anti-competitive practices in the professions, and I am sure that that will continue.

As a barrister married to an architect, I feel keenly that the effect on the professions is important. The hon. Member for Sedgefield, another member of the bar, has been selfless in promoting the cause. To concentrate on the effects on the professions, however, is to exaggerate the significance of the proposals for the professions and to risks obscuring their importance for all other sectors of the economy. The hon. Member for Sedgefield asked me specifically whether professions would be able to seek further blanket exemptions. The answer is no. Each profession would need to justify each individual practice and gain an exemption for that practice. We shall see an end to blanket exemptions whereby the whole of one profession can do anything it likes without having any of its practices subjected to competition scrutiny.

There are a great many exemptions from the existing Restrictive Trade Practices Act. What we have said is that none of the exemptions will be automatically carried over into the new year. It is right that, when one introduces a new law that works on very different principles from the old one, one should reconsider whether the way in which the legislation bites, or fails to bite, on particular sectors is still appropriate. The professions will be treated in exactly the same way as other sectors.

It is true that when services were first brought within the scope of the legislation in 1976, there was concern that the professions would find it difficult to carry on their traditional functions if they were not exempt, but attitudes have changed since then. It is now generally accepted that, while professionals are expected to have particularly high standards of expertise, conduct and integrity, they are in business like anybody else, and there is no inconsistency between the two propositions.

That is borne out by the many changes in professional restrictions since 1976, which also belie the notion that the Government have hitherto been afraid to tackle the professions. Ask solicitors who have lost their monopoly of conveyancing and who have ended restrictions on advertising and charges; opticians, who lost their monopoly of supplying spectacles; or all the other professions whose charging or advertising rules have been relaxed—accountants, vets and dentists.

Many of those changes came about following reports by the Monopolies and Mergers Commission or the Director General of Fair Trading. The process is continuing. Only last month, the director general referred to the MMC the advertising restrictions of consulting engineers and osteopaths. Many professionals would also tell us that the changes have not lead to a great decline in professional standards, as many predicted they would. Instead, they have resulted in lower charges and a better service for clients.

That makes it entirely natural that the professions should be subject to the same regime as other commercial activities, and means that, in practice, professions may not have all that much to fear, as some of the worst restrictions have already gone. If they can defend the remaining restrictions against the criteria in the legislation, that is all well and good. If they cannot, it is no longer clear why they should be a special case.

The changes that we propose to the system of merger control are less far reaching, and that has provoked some discussion this morning. That is because we think that the basic legislation and policy governing references to the Monopolies and Mergers Commission are about right and have worked rather well.

The main, though not exclusive, consideration in deciding whether to refer mergers to the MMC will continue to be their potential effect on competition; that is in line with our view that markets are best left to function freely. That includes the market for shares in companies, which ensures that assets are acquired by those

[Mr. Maude]

who will use them most productively, and provides, through the threat of takeover, a spur to efficient and enterprising management.

A number of points have been raised about the issue of merger control, which I acknowledge causes interest, and sometimes anxiety, among hon. Members and people outside. The hon. Member for Sedgefield referred to leverage bids, specifically the Barker and Dobson bid for the Dee Corporation. Quite fairly, he said that, in the outcome, the bid was rejected by the shareholders, who were concerned about the performance of the company before merger and what its performance might be after merger. The best control on leverage bids is shareholders taking a sensible decision on what they think the prospects are for those assets before and after merger.

The hon. Member for Sedgefield made much of employment considerations and the regional dimension. His view—I am glad that he dealt with this matter at length, because it highlighted the fundamental difference between the Labour and Conservative parties—is that employment and the generation of economic growth in regions can be enhanced and protected only by Government. We believe that employment is best promoted by businesses being competitive and being able to provide goods or services that customers want. A relatively open system that enables mergers to take place without undue fetters, and provides the spur of threat of takeover, promotes competitive businesses. That is good for competition, employment and the regions.

Mr. Blair: To correct the Minister—he is in an absolutist mood this morning—I said not that the Government are the only guarantee of social or regional policy but that one cannot assume—as the Government do—explicitly that the interests of the private sector always coincide with the broader interests of the public.

Mr. Maude: I have never suggested that that is the case. The principal consideration that may make the public interest diverge from the private interest of those involved is where competition is reduced as a result of a merger.

Mr. Blair: I shall restate this issue, specifically to highlight the differences between the parties. Are there circumstances in which the Minister can envisage his Department intervening in a merger or acquisition in which there are serious or adverse employment consequences?

Mr. Maude: In setting out our policy, we specifically made it clear that in certain circumstances we would take that view. I reassert that our basic position is that the usual criterion for reference is the effect of a proposed merger on competition. I make no apology for that, because I believe firmly that the best interests of the regions and of employment are promoted by free competition and by competitive businesses providing what customers want.

The hon. Member for Sedgefield mentioned reversing the burden of proof. This matter amplifies the hon. Gentleman's general theme that merger activity is intrinsically malign—that one should have to prove that a merger is good rather than assume that people taking decisions about whether to sell their shareholdings are best able to decide. I reject the hon. Gentleman's argument, because I believe that it should be our job not to put unnecessary hurdles in the way of mergers in which it cannot be said that there is a specific adverse public interest. I do not apologise for our proposal to leave the burden of proof where it lies.

Mr. Malcolm Bruce: Will the Minister acknowledge that shareholders are more than happy to go ahead with mergers that will give them a capital gain regardless of whether it is good for competition or whether the merger has been secured by telling people—such as those in Scotland involved in the Guinness case—a pack of lies, which they cheerfully accept that their new directors can repudiate? Is that not why we need an independent Government-backed agency to show that shareholders do not always act in the interests of the consumer or competition?

Mr. Maude: I was making the point—plainly, I was not making it clearly enough—that where the effect of a merger is to reduce competition we have no hesitation in using the Government agency, or the independent agency of the MMC, to examine the actual effects and, in proper cases, to prevent a merger taking place. It is precisely because we recognise that it may be in the private interests of shareholders to agree to a merger which reduces competition that the process of control must be retained and enhanced in the way that we suggest.

The hon. Member for Gordon quoted a passage in the *Financial Times* saying that we had concentrated too much on the speed of merger control procedures and not enough on the substance. Speed is of fundamental importance because the slower the procedures, the more difficult it is to use them effectively when they are needed. We believe that they are especially needed when competition is an issue.

Mr. Malcolm Bruce: To achieve that speeding up, will the Government consider strengthening the MMC, given the questions about its current dependence on part-time advisers?

Mr. Maude: In our Blue Paper we make a number of suggestions as to ways in which the working of the MMC can be enhanced. It does a thoroughly good job and represents a wide range of experienced people. I stress that it has full-time professional advisers. Members of the commission, however, are part-time. In our view, that is important because they should bring to the job of assessing the economic effects of monopolies and mergers their current day-to-day experience of what is happening in business and other areas. It is therefore important to retain that aspect. We also make suggestions for improvement to the processes of scrutiny of newspaper mergers. These are clearly set out in the Blue Paper but have not received any special mention today.

Having dealt briefly with mergers and restrictive trade practices, I shall deal perhaps even more briefly with the other main provision of competition law, covering monopolies and anti-competitive practices. We already have comprehensive powers to deal with behaviour by firms designed to exploit a monopoly position or to distort the market. Under the provisions of the Fair Trading Act, the Director General of Fair Trading can refer suspected monopoly situations to the MMC for investigation. If the MMC finds that there is a monopoly which has adverse effects on the public interest, undertakings can be accepted about the monopoly's future behaviour—backed up by order—making powers, including divestment of assets.

The Competition Act 1980 fills a gap in the previous legislation by enabling the Director General of Fair Trading to investigate anti-competitive practices by individual firms. If such practices are found and the parties are unwilling to give undertakings about future behaviour, the practices can be referred to the MMC for full investigation. Again, if the MMC finds the practices contrary to the public interest, there are order-making powers to deal with the situation. We do not intend to change the basic approach of the provisions, but we shall consider their operation in the light of the new restrictive trade practices legislation to see whether they can be made more effective.

My hon. Friend the Member for Darlington asked whether an order had ever been made to break up a monopoly, following an investigation. Powers are available to do that in all cases in which the MMC finds that a monopoly is contrary to the public interest, but such a step would plainly involve serious disruption and could be justified only in extreme cases for which no other effective remedy could be found. The MMC has never recommended divestment, no doubt for those reasons; and in the absence of such a recommendation from the MMC, Ministers would need to consider very carefully before deciding on such a course of action. I assure my hon. Friend that both we and the MMC are conscious that such powers do exist, and are prepared to contemplate their use in appropriate cases.

I am grateful to my hon. Friend for enabling me to issue what should be a salutary reminder to those who may be tempted to abuse monopoly power — that we have provisions to deal with such abuse which are as comprehensive and tough as we could wish, and which we are not afraid to use.

Monopolly references often attract less attention than mergers. Unlike merger references, they are not subject to any absolute time limit. A merger reference may be extended only once, by three months, whereas a monopoly reference may be extended without a statutory limit, subject to the Secretary of State's approval. In the past, that difference has been reflected in the priorities of the MMC. Partly as a result of that, and partly because of the elaboration of procedures over the years, inquiries have, in general, taken two years and sometimes more.

I am glad to say that the trend to shorter time scales for merger reports is also being reflected in monopoly references, and that in recent cases nine months has been specified. That is a considerable advance for which the MMC deserves great credit, but I hope that, in due course, it will be possible to reduce that even further, perhaps to six months in many cases. However, more complex issues are bound to remain for which a longer time scale is essential if a comprehensive report is to be produced.

An important factor in achieving such reductions will be the timely submission of evidence to the commission. Often, the MMC has to wait months for evidence from parties who naturally have no interest in a speedy conclusion to the inquiry. Plainly, parties have the right to be heard. It is unreasonable, however, that monopolists who might be exploiting their customers may, by procrastinating, be able to put off the day of reckoning, and thus extend the exploitation.

The MMC has therefore started setting much stricter timetables for the receipt of evidence and documents from the main parties, and indeed all other parties. To hold parties to this stricter timetable, it may need to consider making use of its statutory powers to require the submission of evidence and documents. Parties will have to get used to keeping to this strict timetable. That is essential if reports are to be produced in the much shorter time scales to which I have referred.

Even among the general welcome that has been given to our proposals on mergers and restrictive trade practices, one or two cynics have suggested that our commitment to competition is all rhetoric, and will not be put into practice. The hon. Member for Sedgefield, although I do not like to say unkind things about him, was among those cynics. He said that it was all fine, tough talk, but where was the tough action?

I hope that I have shown the House how our belief in competition is reflected in our deeds as well as our words. With the improvements that I have outlined, United Kingdom competition law will be brought up to date, and we are determined that it will be used to the full to bring about, and to maintain, open and competitive markets. At the same time, the Government will continue to promote competition through their other policies, in all areas of the economy.

I have no doubt that, by continuing to promote competition and competitive businesses, we shall continue to see the spectacular economic growth that has put Britain, once again, at the top of the economic growth league table.

12.53 pm

Mr. Doug Hoyle (Warrington, North): First, I congratulate the hon. Member for Darlington (Mr. Fallon) on providing us with this opportunity to debate competition policy. He must be becoming weary of Members offering their congratulations, but, having said that, I do not believe that he was in his usual sparkling form this morning. He was rather more muted than I thought he might have been. I do not know why, and he passed over certain areas very quickly.

When we talk about competition, I never understand why we do not consider agriculture. I accept that the hon. Gentleman mentioned it, but this Government, in common with all their predecessors, have carried on featherbedding farmers. The Prime Minister, as though she were an avenging dragon, regularly states what she will do at the EEC, how she will reform its budget and how she will get rid of the wasteful subsidies on food. She then comes back pretending that the team has won although they conceded so many own goals that matters remain as they were and we carry on propping up inefficient farmers.

In some future agriculture or competition debate, we should spend some time considering food and how to benefit consumers. When we refer to the EEC as a market for free competition we should realise that agriculture must be reformed. Reform would benefit tremendously consumers in this country and consumers throughout the EEC.

The hon. Member for Darlington could have referred to petrol retailers; my hon. Friend the Member for Sedgefield (Mr. Blair) referred to that in passing. The huge oil companies are using their monopoly to put a squeeze on the small independent retailers. In the end, the small independents will be squeezed out, and competition will be removed.

I am very worried about the fact that the Government are obsessed with competition and the free market. That

[Mr. Doug Hoyle]

obsession has led to short-termism and the lack of a long-term vision. If we pursue the Government's path without considering what could happen in the manufacturing and other sectors, I believe that the Government will create a society of ice-cream vendors and hamburger sales people. I do not know whether those are monopolies, but they appear to be two growth industries.

As we have examined competition this morning, no reference was made to what has happened to the manufacturing industry. The deficit on trade in goods rose to £10 billion last year. We are always hearing about the previous Labour Government, but in 1979 there was a surplus of £2 billion and import penetration was far less than it is now.

We cannot pursue the present path if we want manufacturing industry to exist in future. I have said frequently that there is no way in which manufacturing industry will ever employ as many people in future as it has in the past. Nevertheless, we need a strong manufacturing base as a wealth creator, particularly as the buttress of North sea oil, which the Government have had since they came to office, begins to run out. We must consider that point.

Equally, we are faring badly in relation to research and development as a result of short-termism. Yet research and development are the seedcorn. In comparison with other countries such as West Germany, Japan and the United States, we fare badly in that area. The Government should consider that point as well.

We should also consider training. We are not spending enough on training, nor are we training the right kind of people. Even with such high unemployment, there are still skill shortages, particularly in information technology and in the new technologies that will be important in the future. We should be training people to prepare them adequately for a changing society. We must look forward and prepare ourselves for the future. We are falling behind other countries in that respect.

I do not believe that privatisation has been a success. No one can pretend that we receive a better service from British Telecom because it has been privatised, or that British Gas is more responsive. The consumer organisations looking after those industries should have more teeth. The Minister did not refer to that. He said only that British Gas was receiving fewer complaints than before. Perhaps people are fed up with complaining, particularly about British Telecom. The same applies to——

Mr. Maude: The hon. Gentleman has talked about competition in the gas and telecommunications industries. When the Bills privatising those industries went through Parliament, did he press for them to be broken up into smaller units?

Mr. Hoyle: I pressed for them to be kept in public ownership—[HON. MEMBERS: "Monopolies!"] They were, but they were more responsive in the public sector. Now that they are private monopolies, those who look after consumer interests should have more teeth — more powers.

The hon. Member for Darlington talked about energy and the privatisation of electricity. I hope he will see to it that the consumers' interest is better represented in that area than it is in relation to gas now. The Government have failed on that point. They pay lip service to consumers, but rely, in this as in so many other things, on the workings of the free market — and that is the problem.

Mergers and takeovers have been the growth industry of recent years. The Government have been extremely complacent about the boom in takeovers, as though, if the free market is allowed to work, benefits will flow to consumers, people employed in industries and the nation. All that is asked of the economy is competition.

There may be a difference of opinion between the Minister and Sir Gordon Borrie, the Director General of Fair Trading, who said:

"Although I hold strongly to the view that competition should be the main consideration in merger policy and that references to the MMC should therefore usually be in cases where competition would significantly be damaged . . . I certainly do not take the view that where competition is not affected everything can be left to 'market forces'. I do not have the complete faith in the 'invisible hand' of Adam Smith as the regulator of our economic and social affairs. I often ask who it is who drives these market forces and the answer—shareholders, institutional or otherwise, and a myriad of financial advisers and experts—does not encourage me to believe that their decisions whether to buy or sell particular shares at a particular price will necessarily bring about the most efficient deployment and development of the assets which those shares represent. If this is heresy to those who believe in efficient financial markets, then I stand a heretic —or at least a sceptic."

The Director General is right. One cannot leave it to the free market economy always to bring about the desired results.

The hon. Member for Gordon (Mr. Bruce) referred to Pilkington. It is a regional company, based in the north-west, and highly successful. It is one of our few world leaders, being the world leader in flat glass. It achieved that position because it was prepared to invest money in the company rather than paying it out to shareholders. It invested in new machinery and the modernisation of its plant. Every year, it puts a large proportion of profits back into research and development. Then it found itself faced with a takeover bid from BTR Industries, which is an asset-stripper. One of the first things that BTR would have done, was cut research and development.

The Government were quite prepared to leave it to the free market. The takeover was avoided only because of a concerted campaign in the north-west, particularly by the local council and by the employees of the company. At that stage BTR withdrew.

Mr. John Marshall: Does the hon. Gentleman not agree that BTR gave way because Pilkington's institutional shareholders made it clear that they would not accept the bid?

Mr. Hoyle: Pilkington's shareholders were roused by the outcry about what would happen if that successful company was taken over. They came to life only at the last minute. The company could easily have been taken over, and we would have seen the break-up of one of our few world leaders.

I shall now turn to a matter, which may give the hon. Member for Hendon, South (Mr. Marshall) another chance to speak about the institutional shareholders. A more recent takover involved Birmid Qualcast. That involved companies in the north-west and a large company in Warrington. The hon. Member for Warrington, South (Mr. Butler) is in the Chamber and it is in his constituency that the New World company is situated. By the narrowest

of margins, Birmid Qualcast avoided being taken over by a large cement company that may or may not have had the expertise to run it.

Birmid Qualcast did what the Government had urged companies to do—it diversified from foundries and built up a high reputation for consumer durables. It took on foreign competition and defeated it. New World gas cookers are made in Warrington and employ some of my constituents and some of the constituents of the hon. Member for Warrington, South. It reorganised and is now a leader in its field. That company could have been taken over. Would that have been of benefit to the nation?

In looking at such matters, we must consider not only free competition but the national interest. The hon. Member for Gordon spoke about the takeover of Guinness by Distillers. All the promises that were given then were broken. Promises were given that the head office of the company would be in Scotland and that someone from Scotland would be the chairman of the board. Those promises were broken and we had the unsavoury spectacle of what happened in relation to that takeover bid and of people appearing in court. They made very easy pickings from the takeover. There is something wrong in allowing mergers that are so structured to go forward.

My hon. Friend the Member for Sedgefield was quite right when he said that in looking at mergers we ought to take into account the consequences for employment. We should take note of the views of those who work in the companies. If we can take into account the views of shareholders, large institutions and pension funds, why should we not take account of the views of those who produce the wealth of the company? Many employees give a lifetime to a company and can be faced with a takeover that can suddenly lead to them being thrown out of work, particularly if an asset stripper moves in. All the work of those people comes to naught and they and their families are put out of work.

There ought to be a provision that, in takeover bids, the views of the employees should be heard, and it should be explained to them what their future will be if the takeover goes ahead. We cannot rely only on competition to represent the interests of the consumer or the employee. As my hon. Friend the Member for Ashfield (Mr. Haynes) said when discussing the mining industry, many consequences flow from paying attention only to competition. There are consequences for the regions, and things cannot be left to market forces.

It is thought that, if we allow free competition, companies will come to the regions, but they will not. With the opening of the Channel tunnel more and more companies will be dragged further south. That will lead to impoverishment of the regions. I know that there is a debate to follow this one and I do not want to take up too much time debating the north-west. I found it difficult to decide in which debate to participate. I want the views of the north-west to be heard shortly.

We are not simply concerned with a free market, but with the quality of life of our people. It is a matter of the life and vitality of the regions and of bringing hope and vision. It is about preparing for the future. We are relying on short-termism and allowing mergers to proceed. Unlike other countries, we are neglecting the industries of the future. We are not spending enough money on research and development in the public and private sectors. When we remove the amount that we spend on defence from the total amount that we spend on research and development, we compare badly with many other countries.

We are cutting education and training. We are not preparing for the future by training the highly qualified and professional force that we need if we are to compete in the world markets and in Europe. We cannot compete if we look to the short term rather than the long term. The Government are concerned with the short term, and prosperity. They are not looking far enough ahead to have a vision of what tomorrow will be like. North sea oil is running out and I fear that the consequences of the Government's short-termism and their reliance on the free market will cost the British people dear in the future.

1.11 pm

Mr John Marshall (Hendon, South): I should like first to congratulate my hon. Friend the Member for Darlington (Mr. Fallon) on his success in the ballot and on choosing this subject. Several hon. Members wish to speak in this and the following debate, so I shall be brief.

I listened with interest when the hon. Member for Warrington, North (Mr. Hoyle) said that the Government were obsessed with short-term economic thinking, competition and the free market. Those factors have led to the longest period of sustained economic growth since the war, and to a faster growth in employment in the United Kingdom than in any other European Community country since 1983.

Mr. Hoyle: Will the hon. Gentleman give way?

Mr. Marshall: No, I shall not give way, as the hon. Gentleman spoke at some length. He emphasised the need to go on to the debate about the north-west. I shall ration myself to a 10-minute speech and hope that other hon. Members will do so too.

The hon. Gentleman and other hon. Members referred to the impact of privatisation on competition. When the hon. Gentleman suggested that he should prefer British Telecom to be in the public sector, he is saying that a public monopoly would be better than competition between two private suppliers of telephone services. I do not believe him, and the British people will not believe him either.

The competition from Mercury will do a great deal to improve the standards set out by British Telecom. British Telecom, British Gas and, in future, the electricity industry will be subject to much more rigorous pricing rules than apply to any nationalised industry. They are subject to a statutory rule that the rate of increase of their prices must be less than the rate of inflation. When have any Government imposed a similar obligation on a nationalised industry? The answer is never.

I accept that the transfer from the public to the private sector does not change overnight the ethos of these companies. Those who have been cocooned for generations in the subsidies and the protectionism of the public sector take time to react to the more competitive environment that they find in the private sector. But they will react, and the service to the consumer will be very much better.

I congratulate the Government on the success of their competition policy. My hon. Friend the Minister did not, however, refer to the Building Societies Act 1986, which has led to greater competition between banks and building

[Mr. Marshall]

societies. The banks now open on Saturdays, a practice that they had discontinued for many years. In my constituency one can even find a bank open on Sunday.

When people speak about big bang, they talk as though it were a bonanza for the stock exchange. However, big bang created a stock exchange that is internationally competitive. My hon. Friend the Member for Harrow, East (Mr. Dykes) and I have an interest to declare. We are members of the international stock exchange. The stock exchange is now a much more efficient collector of taxes for the Government. It operates a service that is cheap to the consumer. No international restraint is placed upon it. It is much easier for firms to set up in London than it is in Japan and elsewhere. The London stock exchange welcomes international investment. Its service to the consumer is first-rate. The amount of money going to the Government in stamp duty on many institutional contracts is twice the amount of commission that goes to the stockbrokers.

As for the Government's attitude to monopolies and mergers and restrictive practices, historically we have always been very successful in controlling restrictive practices, but we have been slightly less successful in dealing with monopolies and mergers. Indeed, if my right hon. Friend the Member for Old Bexley and Sidcup (Mr. Heath) were here, we could congratulate him on his 1964 Act. It was one of the most successful measures that has ever been introduced for controlling restrictive practices. I am proud that it was a Conservative Government who legislated on restrictive practices. It was also a Conservative Government who legislated on restrictive trade practices under Lord Thorneycroft in the 1950s.

The work of the Monopolies and Mergers Commission has not been completely successful. On a number of occasions, the results of the commission's inquiries have been anything but perfect. On one occasion the commission inquired into a highly geared bid—that by Elders for Allied Lyons. Its advice to the Government was that the bid was all right because the banks were willing to provide the money: that if the banks were willing to accept the high level of gearing, it was acceptable to the commission.

Those who remember the events of 1973, 1974 and 1975 will not accept the view that, because the banks are willing to do something, it ought to be acceptable to the country at large. All too often, banks are carried away by their enthusiasm for a project and lend more money than is warranted. My concern about highly geared bids is that companies will be set up and borrow so much that they then refuse to invest as they should in capital expenditure and product innovation.

The Government say in their document that the chief reason for referring mergers to the Monopolies and Mergers Commission is competition. I accept that view, but we must look beyond such bids to the wider public interest and to what some people call Hansonisation, under which companies are taken over, a short-term approach then being adopted by the predator. If companies are taken over in that way, their future development programmes are forgotten.

Since 1979, the economy has been very successful. There is no doubt that the major reason for that is the willingness of the Government to take on the vested interests of privilege throughout the economy.

I congratulate my hon. Friend the Member for Darlington on selecting the subject for debate, and the Government on the steps that they have already taken. I wish them well for the steps that they will continue to take. In tackling the privileges of the professions and others, they are fighting for the whole nation, and will ensure the future prosperity of all the people. They will also ensure that the consumer gets a fair deal from the economy at large.

1.19 pm

Mr. James Arbuthnot (Wanstead and Woodford): I should like to consider two aspects of competition policy. The first arises out of my experience as a local councillor, and the second out of my experience as a barrister practising at the Chancery Bar.

Before I came to the House, I was a councillor in the royal borough of Kensington and Chelsea. I was chairman of the works committee, which is in charge of rubbish collection. It is not a romantic job, but someone has to do it, and for some reason it had to be me. I should like to tell the House the story of the rubbish collections in Kensington and Chelsea.

For many years, the borough was divided into two parts—what could loosely be described as old Chelsea, and the rest Kensington. The dustmen covering the two areas belonged to two different unions, and had two completely different sets of working practices. In old Chelsea—if I may put it bluntly—they were terrible. In Kensington, they were rather better.

Then the Government came to power. Managers were encouraged to manage. People were encouraged to think, for the first time for decades, of working in a spirit of enterprise and competition.

In old Chelsea, we were receiving complaints about the dustmen. They were not just from the public, although we were getting 40 of those a week; we were also receiving complaints from the dustmen's wives. They said that their husbands were getting home from work too early. They were not getting home at about 4 pm, when most dustmen tend to get home; or at 2 pm; or at midday. They were getting home before their children went out to school in the mornings. Most of them had second jobs. Many had third jobs, and one was on the dole as well.

We did a study, and were advised that the rubbish being collected with 12 dustcarts in old Chelsea could be collected with six. We told the old Chelsea dustmen that that was going to happen. They were not happy. They said that, if we insisted, they would go on strike. We did, and they did. We made the lot redundant, and brought in Grand Metropolitan. What had been collected with 12 dustcarts was collected by Grand Metropolitan, not with 12, or with six, but with three, for half the price. The complaints were down from 40 a week to four a week.

That came about only because of the new wind of competition and enterprise introduced by the present Government, which for the first time encouraged local authorities to go out to private tender. But that is only half the story. Having achieved that success with old Chelsea, we then turned our eyes towards Kensington.

I remind the House that the Kensington dustmen were the good guys, without the restrictive practices of old Chelsea. Before we had time to go out to tender, the Kensington dustmen came to us. They said, "We will do the job that we were doing before, but we will do it better. It will cost you £1 million a year less, you will have fewer

dustmen, and you will pay them a little more." We accepted the offer. The savings of £1 million brought in a further £3 million of Government block grant, a total of £4 million, which is what the entire dustbin collection service was costing us in the first place. I like to think of Kensington and Chelsea having an entirely free refuse collecting service.

Now, a direct labour force does the work in the north of the borough of Kensington and Chelsea, while a contractor does it in the south. Whenever the contractor says, "We want to increase the price", the council can say, "But the direct labour force is longing to take it over." As a result, the contractor has been known to put the price not up, but down. Whenever the direct labour force says that it wants to increase its pay or bring in some new demarcation, it is possible to say that the contractors are longing to take over the job. That is pure competition. We were accused of playing one side off against the other and, with no shame at all, we admitted that we were entirely guilty, and what benefits that has brought to the ratepayers, dustmen and residents of Kensington and Chelsea.

The second area to which I wish to refer relates to my experience as a barrister. I welcome the Green paper on restrictive trade practices. As a practising barrister, for me to argue that the Bar should be exempt from the new wind of competition would be special pleading. In any event, I have no wish to do so because if the Bar cannot survive competition, it does not deserve protection.

There are certainly restrictive practices indulged in by the Bar which certainly ought to go. For example, it is unjustifiable to insist that only those with university degrees should be allowed to go to the Bar. Some of the best barristers in the country have no degree and I suggest that that ought to be allowed to continue. Another restrictive practice is the imposition by the powers that be of a certain method of charging fees.

Fees, under the present regime, have to be the same whether the barrister wins or loses the case. The contingency fee basis, whereby a barrister bases all or part of his fee on the percentage of the amount, if any, that is won in litigation is illegal. It is all right in America, but it is illegal here. The reason is said to be that a barrister would have too close a personal interest in the outcome of a case and that, as a result, he might mislead the court for motives of personal gain. In passing, I should say that it does not seem to have that effect in the United States. It seems rather odd that our barristers might be considered more likely to mislead the court than American barristers.

That matter should be thrown open to the cleansing winds of competition and freedom. My reason for saying that is that the legal aid scheme is not now working very well. Many people, possibly most people, come just above the limit for legal aid. The effect of that is that British justice is denied to them. The only people who can at present make use of the legal system in this country are the very rich or the very poor and that must be wrong.

The answer cannot be to pour taxpayers' money into the legal aid fund, because the Government have not achieved the thriving economy that we now enjoy by giving in to every demand for taxpayers' money as it arises. The answer must be to release the money that is already available, namely the funds in dispute in the case itself. The litigant, who is now prevented by cost from going to law, is also prohibited from going to a barrister and saying, "If we lose you get nothing but if we win you get a third, a quarter or whatever of the amount we win." Why is he prohibited? With the contingency fee basis both he and the barrister are potentially better off and the case is properly tested in court. However, without it they both lose and perhaps the potential defendant has been unjustly enriched.

As my hon. Friend the Member for Darlington (Mr. Fallon) said, there is a balance to be struck. For example, there is an area of concern where a relatively uneducated person goes to a lawyer and is advised, perhaps wrongly, by that lawyer that his chances of success are low so that the lawyer could take on the case only for a high percentage of the money at stake. There needs to be protection against that potential abuse. However, to say that that is a reason for making the contingency fee basis illegal is to throw out the baby with the bath water.

I welcome the Green Paper on restrictive trade practices, in particular in so far as it applies to my profession. Are we barristers so timorous that we are unable to compete with any competition that might arise? I hardly think so. We are well able to look after ourselves, and those that are not should leave the Bar. The only protections that should remain are those that protect not the profession but the public. Some of the present practices are not in the public interest.

1.30 pm

Mr. Hugh Dykes (Harrow, East): I am grateful for the remarks of my hon. Friend the Member for Wanstead and Woodford (Mr. Arbuthnot) and particularly his last point, which shows, above all, the great seriousness of the Government in inculcating a new policy of competition and how bad it would have looked had competition applied to industry but not to the professions. The Government are to be congratulated on that.

I apologise to *Hansard* for speaking so fast, but I have to get in five quick points. I have to fulfil a moral obligation to you, Madam Deputy Speaker, by being very brief to allow other hon. Members to speak. I congratulate my hon. Friend the Member for Darlington (Mr. Fallon) on launching this debate. We are campaigners in the cause of Europe Together. He rightly referred to the exigencies of European competition, and I utterly agree with him. I hope that the Government will allow their competition policy to fuse with and merge into a Europewide competition policy in future, particularly when the internal market begins, with, to some extent the Government acting as an agent, as they do for imports policy, with the Commission taking the lead on foreign trade.

None the less, the Government have put their own inputs into this matter because they have honed up their own competition policy in the first place. I know that my hon. Friend the Minister has already spoken, but I hope that, in future, Government spokesmen will take on board the vital need to get a national and Europewide trade marks policy and origin marks policy right. I regard any compulsion for trademarks to be used as a restraint on trade as does the European court. Therefore, I hope that the Government will accept the idea of an EECwide trade mark and origin mark, and not necessarily for that to be compulsory, although that would not be reprehensible in the same way. National trade marks would limit trade if they were compulsory; therefore, they should be voluntary but not deprive the consumer of the chance of knowing the origin of a product or where it has been produced. They should have that legal right.

[Mr. Hugh Dykes]

I look forward to the internal market for all sorts of reasons which I do not have time to describe, but one of the key reasons is the abolition of the scandal of duty-free trade. This is one great scandal where, to use the economists' jargon, "supernormal profits" are made on ferry boats and at airports. I believe that duty-free should be completely abolished in 1992 in favour of a genuine Europe-wide market. The Government must be aware of the enormous campaign whereby all the vested interests will argue that duty-free trade should be retained for alcoholic drinks, tobacco and so on. I hope that the Government and other member states will be robust in resisting those blandishments.

Like other hon. Members, I feel that there has to be a balance, and I warmly congratulate the Government on emphasising the primacy of competition policy which will open up all sorts of fields to new competition. My hon. Friend the Member for Darlington mentioned France. I have to reply with that wise utterance by Voltaire in "Candide":

"Superstition sets the world in flames; philosophy quenches them."

Although the main motive of privatisation has been to create a new private army of shareholders, which I am, of course, very enthusiastic about, the other reasons, such as increasing competition and consumer service, are emphasised. However, in reality, they are less likely to be apparent; therefore the Government have to be vigilant. As I said two weeks ago, I would have hesitated before privatising the electricity industry in the form that has been announced. Although in France there is enthusiasm for privatisation, the current Government in Paris knows when to stop and when to exercise restraint.

My hon. Friend the Member for Hendon, South (Mr. Marshall) mentioned the stock exchange. I agree with him although there are aspects of the big bang which were adverse to the customer, which I would describe if I had time. Another interest of mine is as a non-executive director within Dixon's Group plc. Although I did not hear his remarks, I believe that my hon. Friend said something about competition between its segments. There is ferocious competition between Curry's and Dixon's, as there is between other retailers.

Those connected with retailing in Britain can be justly proud of the efficiency of British retailers, which has been an object lesson to many manufacturers. With both domestic products and imports the increased power of retailers to purchase on a larger scale has enabled the consumer to be well served in terms of low prices and quality, and I hope that that will continue.

I warmly support the direction of Government policy and look forward to the continuation of their review of competition policy. None the less, I hope that the Government will be aware of other considerations. Sometimes, even a quasi-monopoly can help the customer, but it depends on each case. If only time allowed, I could go into the many examples. We have seen that the Government have a comprehensive policy. Labour has none, as was shown by the long-winded clichés of the hon. Member for Warrington, North (Mr. Hoyle).

1.34 pm

Mr. Rogert G. Hughes (Harrow, West): I am grateful to my neighbour and hon. Friend the Member for Harrow, East (Mr. Dykes) for speaking so quickly and briefly to allow the second debate to start.

In congratulating my hon. Friend the Member for Darlington (Mr. Fallon) on introducing the debate, I well remember, during what might be called his dress rehearsal for taking his seat as hon. Member for Darlington, the stark comparison between him and the alliance candidate. By showing the clarity of his political vision, my hon. Friend did a great service to his party and to the nation. Once again, after the formation of the new party, the Social and Liberal Democrats, my hon. Friend has done that service. I recommend that people read my hon. Friend's comments and compare them with the balanced speech made by the hon. Member for Gordon (Mr. Bruce). I say "balanced" because the hon. Gentleman seems to take both sides of the argument and to reach no particular conclusion on policies. There was no policy content in his speech.

I shall restrict my comments to one matter on which the debate has hardly touched — the health services. We must not be frightened of talking about competition in the health services. As a number of hon. Members have graphically illustrated, competition has worked to the advantage of the consumer in many directions. A monopoly results in queues, and that is a familiar story for the National Health Service under any Government. A monopoly results in restriction of choice, as has happened in the NHS. We are always told that there must be limits on competition and that sometimes a monopoly works to our advantage. Those who are for a monopoly must prove why it works to the nation's advantage The health services are too important not to allow the market to operate, and the provision of spectacles provides proof.

Before I became an hon. Member, and before there was deregulation in the provision of spectacles, the Opposition and the industry made a great deal of fuss. There were scare stories about people not being able to afford glasses and being charged a fortune for eye tests. Those arguments are repeated now that there will be, in theory, a charge for eye tests. I believe that the competition which already exists will lead to the major manufacturers and those who are slugging it out in the marketplace giving free eye tests and that people will be more likely to go to a professional to find out whether there is anything wrong with their eyes or whether they have any of the other diseases that can be discovered following an ophthalmic test.

Last November's White Paper on primary health care promised an increase in the proportion of the doctors' remuneration represented by capitation fees, promised to give consumers more information about doctors and services so that they could make an informed choice, and said that restraints on advertising might be removed. I do not want to hear that advertising restraints may be removed. I want to hear that they will be removed.

There are huge discrepancies between the quality of primary health care in different parts of my constituency. Some surgeries and group practices provide many services such as minor operations and what some of them call MOT tests — a form of preventive medicine. Those surgeries employ nurses, and send people out on call at any time of night without employing locums. They provide a variety of services that should attract anyone to register

with their doctors. In other parts of my constituency, there are general practitioners who simply do not come up to standard. Their record on visiting patients in an emergency is not good.

In reality people have no choice. They cannot choose between a general practitioner providing the range of services that I described and a general practitioner whose services are restricted, because the family practitioner committee restricts the number of people who can set themselves up as GPs. Just the other night, the Harold Macmillan health centre in West Harrow was opened. I am proud to have in my constituency a health centre named after that distinguished former Prime Minister.

That health centre is run by a group of doctors who provide excellent services. They provide a surgery which is a pleasure to visit, with new magazines—that makes a change from most doctors' surgeries—brightly lit rooms and good facilities. The doctors are also providing their patients with a prospectus to ensure that they know what the surgery can provide.

I want those benefits to spread; I want to see them everywhere. I firmly believe that if we have competition between general practitioners—if they tell their patients what they can provide—the market will come up with more general practitioners and good quality practices. In health, as in so many other activities, competition can provide a better service for the people of this country.

1.41 pm

Mr. Fallon: I thank my hon. Friends who have participated in the debate, as well as Opposition Members, not forgetting the hon. Member for Ashfield, (Mr. Haynes). We have had a wide-ranging debate and between us I think that we have covered all aspects of competition policy. To safeguard the time remaining to my hon. Friend the Member for Cheadle (Mr. Day), I shall not reply to the individual points made—nor will undertake to write to my hon. Friends. But all of us interested in competition policy will study carefully what has been said in this important and interesting debate.

Question put and agreed to.

Resolved,

That this House recognises the part which competition policy plays in fostering choice, reducing prices and stimulating wealth creation.

North-West

1.42 pm

Mr. Stephen Day (Cheadle): I beg to move,

That this House welcomes the rapid improvement and growth of the economy in the North West and recognises the attractions of the area to potential private investment, believing that those who seek to project an image of the region as being depressed and deprived not only misrepresent the truth, but do great harm to the North West's attempts to attract such new investment.

I, too, shall be brief because I know that other hon. Members wish to take part in the debate. Having said that, I felt it right to bring to the attention of the House the improvements in the economy of the north-west and the good things that are happening in that part of the country. It is right to give hon. Members the opportunity to express their views on this important area of our country and our economy.

I want to make it clear at the outset that parts of the north-west region still suffer the effects of what was the recession. I have no doubt that unemployment and employment figures vary across the region, and that in parts of our cities and towns decay is still real and evident. However, what I know equally to be the truth about the north-west is that the image of decay and decline purveyed with such relish by many is not the real image of the north-west in the late 1980s.

Let us turn our attention to industry. Is it not time that hon. Members — particularly those who represent the area — and the media, stopped speaking and writing about and lovingly photographing the shells of the north-west's industrial past? Is it not time that we began to speak of the new, modernised, streamlined, efficient and entrepreneurial north-west? The evidence that I shall present to the House will show not that the phoenix is simply rising from the ashes of the north-west but that it has risen.

It is no accident that the region has been marked out as the growth area of the country over the next few years. No greater example of the new spirit of the north-west can be found than that of Trafford Park. Hon. Members will forgive me if I remind them that Trafford Park was one of five new urban development corporations that were announced in 1986. I do not propose to list the names of companies—many of which are international companies —that have moved into Trafford Park, but I should tell hon. Members that the Trafford Park area comprises 3,000 acres, that 600 companies are operating there employing over 24,000 people and that 200 companies have moved in over the past few years.

That is evidence of companies moving to the north-west from elsewhere. There is no greater proof of confidence in the north-west than when people from outside are willing to put their money on the line in the area.

That measure of confidence was greatly reflected by a recent announcement of a proposed new Trident business park at Manchester airport. Construction will begin on 1 April 1988. There will be 80,000 sq ft of letting space, and private money will be involved. It is the biggest speculative investment in the north-west for years, and it will cost about £10 million. It is interesting that a southern-based property company has come up to the north-west and said, "Yes, this is where the future is; that is where it is worth putting our money and this is where the economy is expanding."

[Mr. Stephen Day]

Salford Quays is another marvellous example of private investment. An investment of £150 million by private enterprise has transformed the area, which previously was derelict and commercially had nothing going for it, into a major development. Some £25 million of public money has been spent on improving the docks area, canals, roads and the local environment, and a major hotel has been attracted to the region.

The Government spent £6 million to reclaim derelict land at Wavertree technology park. In total, Wavertree technology park comprises 60 acres. By the end of this month, 30 companies will have moved on to the park, and 800 jobs have been created there.

Those are examples of private investment being encouraged by prudently spent public money. They have attracted vastly greater percentages of private rather than public investment.

The idea is often put about — with regard to the north as well as the north-west — that existing industry has disappeared, fled the region or been destroyed. That is a nonsensical idea. The list of modern, high-tech companies, many of which are household names, that have remained successfully in the north-west through the recession is too long to recite in full.

Even more significant are the new companies, many of which I know personally, that have set up in the region within the past five years. They are trading and expanding successfully in the area. I shall give one or two examples. At the smaller end of the spectrum is a company called JEL, which has recently been associated with a larger conglomerate. However, 10 years ago that company did not exist. It now employs 150 people and has a projected expansion of 30 per cent. this year. Its turnover in 1987 was £6 million, but this year it is projected that it will be £9 million and that by 1991 it will be £20 million. It has just won a major contract for a shopping mall in Scotland. Another company of which I am aware in the north-west has recently won a contract that is worth £13 million from eastern Europe, which is welcome.

With regard to major employers that have been in the region a long time and are doing well, there is the example of Ferranti Ltd. Its turnover in 1987 was £629 million, and in the north-west the company employs about 6,300 people. More than 25 per cent. of the company's employees are based in the north-west and 30 per cent. of its business is in exports.

The north-west is doing a great deal for this country's export drive. British Aerospace employs 6,500 people in the north-west with a turnover in that region alone of £145,400,000, and is a major contributor to the economy not just of the north-west but of the whole country.

What is the north-west doing for exports and what is the evidence that industry is alive and well there? I could give many examples, but I will give just one which shines out brightly. The North West Pharmaceutical Group, a conglomerate of nine companies, in the past 12 months has invested capital expenditure of £64 million in its operation. It has put £57 million into the local economy through the services and materials that it purchases. United Kingdom sales are £1,290 billion and exports £2,499 billion. That is a tremendous contribution from a conglomerate based throughout the north-west.

There is no better barometer of the north-west economy and no greater testimony to its future than the commercial success of Manchester airport, which is now the largest airport outside London and the third largest in the United Kingdom. Quite apart from passenger transport, the most important aspect of its trading is its record in commercial traffic. In 1975, 37,360 tonnes of commercial traffic was shipped through Manchester. By 1980, reflecting the recession that had begun some years earlier, the total was down to 27,659 tonnes. By 1986, it was 42,449 tonnes—way above pre-recession levels. There has been a 32 per cent. increase in freight and mail services out of Manchester, and the airport must be confident indeed of the future of the north-west as it believes that the trend will continue.

Mr. Tony Lloyd (Stretford): Given the importance of the airport for this region, will the hon. Gentleman impress on the Minister the stupidity of preventing American carriers from using Manchester airport rather than opening it up to the advantages already enjoyed by the south-east?

Mr. Day: The hon. Gentleman must not pre-empt me. I shall be coming to that in a moment.

The airport, on its own initiative, is developing a brand new cargo centre which will be the first of its kind in this country. It will bring together in one place the airlines, the bonding warehouses, Customs and Excise, freight agents, forwarders, brokers, transporters and everyone else. It is a unique development and a testimony to the confidence of Manchester airport in the economy of the north-west.

If Manchester airport needs anything, it needs recognition of its full international status, especially from the Civil Aviation Authority. We need more scheduled flights and fewer night charters. The demand and the potential are there, but we need less bias towards Heathrow and Gatwick by the Civil Aviation Authority.

The trend of unemployment in the north-west is significantly down. Since March 1986, there has been a fall of 74,121 in the number of unemployed.

If we consider the number of new jobs that are being created, the three areas that are doing exceedingly well are the west midlands, Wales and the north-west. February's figures show that there has been a fall in unemployment throughout the country, but apart from the south-east no area has shown such a significant fall in unemployment as the north-west. Those figures relate not to a region in decay, but to a region in a transitional period of vast expansion.

Mr. Tony Lloyd *rose*——

Mr. Day: I hope that the hon. Gentleman will forgive me if I carry on. I am sure that he will have an opportunity to speak.

We should also note the extent of the Government's financial commitment to the north-west. Labour Members often accuse the Government of failing to invest in the infrastructure. The north-west's infrastructure has enjoyed massive investment. We have one of the most superb road networks in the country, which is the envy of other regions. Significant improvements are being made to the M6 and M62 in the north-west, representing a Government investment of £34 million. The completion of the outer ring road to the east of Manchester at a cost of £160 million was recently announced. Improvements have been made to local access to the national road network. The Manchester-Salford inner ring road is to go ahead and the

Government have given a grant of 50 per cent. towards its completion. British Rail is spending £12·5 million on the Windsor link to connect north and south Manchester. All those schemes demonstrate that not only the Government, but private industry and British Rail are investing money in a region that they believe is expanding and where they believe that money will be wisely spent. Such investment demonstrates the turnround in the north-west's fortunes and there is no greater evidence to support it.

The north-west, with its airport, rail links, motorways and the facilities such as the fast-developing business parks, has a superb infrastructure. Manchester is the second financial centre in the land — the Manchester stock exchange is second only to London. Some 40 commercial and industrial banks are operating out of Manchester.

It is no accident that such expansion is taking place. Private money is being invested in the area because the success of the north-west is recognised. It is time for those of us who represent the north-west to proclaim that new expansion. Those who constantly point to the empty mills of yesteryear do no service to those who once worked in them. No amount of wringing of hands or crocodile tears will bring those mills back into life.

The only hope for those still unemployed and for those areas not yet sharing in the prosperity of the majority is for the success of the north-west to be encouraged and for enterprise, private investment to be encouraged. That is how the prosperity of the many will become the prosperity of all.

The constant representation of a recession-bound, socially-deprived north-west creates the image of a derelict, defeated, demoralised area — nothing could be further from the truth. I appeal to all hon. Members who represent the north-west, whatever their politics, to join together to encourage business to invest in the north-west. We should tell businesses that we have the facilities, that they should join those who are already making a success in the region and that we shall welcome them with open arms.

I do not believe for one minute that the north-south divide, as presented, exists. There is supposed to be a mythical line that goes from the Wash to the Severn. Below that line there is prosperity, full employment and happiness. Above it there is unemployment, despair and poverty. It does not work like that.

I will not be content until we assess the situation in a proper perspective. Those divisions that exist occur throughout the country. However, the majority are prosperous and commercially successful. We can only achieve such a change in recognition if we are prepared to stand up and trumpet the achievements of the north-west. That is the way to make the north-west the power-house and generator of the British economy once again. That is what it was and what it is becoming once more. I will do all that I can to present the achievements of the north-west in the House and elsewhere. I hope that other hon. Members from the north-west will join me in that.

Several Hon. Members *rose*——

Madam Deputy Speaker (Miss Betty Boothroyd): Order. I appeal for short speeches so that all hon. Members who want to speak may do so before the debate ends.

1.59 pm

Mr. Tony Lloyd: The only point of agreement between the hon. Member for Cheadle (Mr. Day) and myself is that he has done a service to the north-west by choosing this subject for debate, even if the motion that he has tacked on to the debate is completely unrealistic and unrepresentative of the truth. I am afraid that the hon. Gentleman is a victim of the hype that the Government are presenting to the country. Obviously Opposition Members must concede that the Conservative party is very strong in the relatively prosperous south-east and is desperate to build up the case that some economic transformation is taking place elsewhere in the country. However, the reality is entirely different.

Over the eight or nine years that the Government have been in power, the north-west has lost more than 350,000 manufacturing jobs. That represents nearly one third of the manufacturing work force. Therefore, the Government's record is one of almost systematic atrocity against my region. That makes me extremely bitter, because I come from the region and I care very deeply for it. The way in which Government policies have been inflicted on manufacturing industry and their impact on my constituents can only be described as criminal insanity. The hon. Member for Cheadle should consider the 350,000 jobs that have been lost in the region.

I appreciate that the Government are trying to play a clever trick. They now contend that unemployment is a thing of the past. They seem to admit that they got things wrong in their first two terms in office, but now everything has been transformed. The hon. Member for Cheadle quoted the mythical unemployment statistics and the Government's claim that unemployment is coming down in the north-west.

The hon. Member for Cheadle is wrong. The Government's figures, published in the *Official Report*, show that last year the level of employment in the north-west declined by 3,000. I hope that the hon. Member for Cheadle will accept that that is not a recipe for reducing unemployment. The Government have fiddled the unemployment figures. They have driven people off the register — *[Interruption.]* If the Minister wants to intervene, will he tell me why last year in the north-west we lost 3,000 jobs, not just in manufacturing, but in all industries?

The Parliamentary Under-Secretary of State for Corporate Affairs (Mr. Francis Maude): Unemployment has been falling now in every part of the country for a year and a half. That fall is now sharper in the regions than in the supposedly prosperous south-east.

Mr. Lloyd: I am extremely grateful for that intervention, as the Minister has revealed the real problem. The Government either simply do not understand their own figures or have become the victims of their own propaganda.

The Government's official figures of the level of employment in my region show that there was a decline of 3,000 last year. That does not lead to a decrease in unemployment. It may lead to a decrease in the figures that the Government portray, and it may do many other things, but there has been no reduction in the level of unemployment.

The Minister obviously does not realise that the people in my region understand the reality of unemployment.

[Mr. Lloyd]

They also understand what it is like, even when they are in employment, to live on levels of pay that in many cases are below the Council of Europe's decency threshold.

In the north-west, one third of the work force are paid less than the Council of Europe's decency threshold. That is a tremendous indictment of the Government and society. It is also an indictment of the wage levels in the south-east, the richest part of the country. I say that with no sense of hostility towards the south-east. The sad truth is that the north-west is increasingly lagging behind. The south-east is disappearing out of sight with respect to wage levels.

That is profoundly disturbing to those of us who have the long-term interests of the north-west at heart. If that widening of the gap continues, the region will become part of a kind of economic colonialism in which we simply exist on the economic margins of the dominant region.

Perhaps the most worrying trends are shown, not in the Government's fiddled figures, but in reports by independent outside experts. A recent study by the department of land economy at Cambridge university suggested that, over the next 10 years, during which about 900,000 jobs will be created, all of them in the service sector, about half the new jobs will go to the south-east. The north-west does not stand a chance of getting an even share of that increase.

The figures for investment in manufacturing industry are also frightening. Nationally, levels of investment are still below those of 1979, which is an indictment of the Government's crass incompetence when responding to the needs of manufacturing industry. In the long term, it is worrying that new investment does not go into the regions outside the south-east. The 30 per cent. of businesses registered in the south-east manage to capture about 60 per cent. of all the funds available for venture capital for the regions. That shows a massive mis-cueing of venture capital investment.

Contrary to what the hon. Member for Cheadle said, investment for the future is taking place not in the north-west but in the south-east. In 1986, it was revealed that London and the south-east held more than two thirds of all invested pension funds, and the north-west as little as 7 per cent. The hon. Member for Cheadle should be worried that major capital investment in the country is going not to the north-west but to the south-east.

The figures for research and development are the most frightening of all. The north-west's share of DTI support for research and development was as low as 11 per cent. in the 18 months to September 1987, whereas the south-east received half of such support.

Mr. Day: But good things are going on in the north-west. Why do Opposition Members give the impression that they have nothing to describe about the north-west except things that are not as good there as elsewhere? There may be some, but that does not mean that the north-west does not have good things with which to attract people and thus reverse the position.

Mr. Lloyd: That is a point worth responding to, and the answer to it is simple. There is much that is good in the north-west—mainly its people, of whom I am proud. I am a little biased, but I regard it as the best region in the country, and my family and I live there. I am not trying to sell it short. Some good things are in my constituency —Trafford Park, which the hon. Member for Cheadle mentioned, is mainly there. It provides employment for some, but we would be negligent and derelict in our duty if we did not recognise the long-term problems and the incompetence of a Government who fail to deal with those problems and with the fact that the north-west is increasingly becoming a branch-plant economy, which depends at second hand on the successful south-east. If that trend continues it poses major threats to the economic viability of the region and to its employment and social structures.

We are being denuded of the economic resources that are necessary to control our destiny. The fact that the south-east has more than half the DTI assistance for research and development shows how dangerous it is to concentrate our resources in one region, which is already the most affluent and assisted. The Government thereby compound the problems of regional imbalance that already exist. We recognise that there are advantages in the north-west's industrial structure and skills, but we cannot live on those unless we invest in their future. We are not seeing that from the Government.

The hon. Member for Cheadle quite rigntly mentioned the role of Manchester airport. That airport is important for the regeneration of the region. As I have said, the Government are not prepared to allow fair access into Manchester airport by American carriers. As a south-eastern Government, that makes sense from their point of view because of the south-eastern airlines system that they have developed over the years. It makes no sense to me as a northerner to be told that I can fly from Manchester to London and pick up flights there. I am not a Londoner and do not live in the south of England, and my demand that the Government act fairly towards Manchester, the north-west and, indeed, the whole of the north of Britain is quite legitimate.

Another issue is the Channel tunnel. We have been pressing for some time for proper investment in British Rail freight services to our region. We were originally told that no public money would be invested in the Channel tunnel. Now we are told by the Government that the only public money to be invested will be on the strip that links Dover and the access to the tunnel to London. Nothing will be forthcoming to open up the north of England.

It is disgraceful for the Government to behave in that way, but they do it because they are responding to their south-eastern audience. No doubt the few Conservative Members who represent northern constituencies will be able to put up some propaganda barrage to hold the line.

The Government have given up on the north of England as a whole, and have certainly given up on the north-west. As long as there are amiable stooges on the Conservative Benches who represent those outposts and who are prepared to put down silly motions such as this congratulating the Government and trying to build up a case that all is well, the Government will be allowed to get away with systematic disinvestment in our regions.

Rather than putting down such motions, I hope that Conservative Members will join me in putting consistent pressure on the Government. They should say that even they, as Conservative Back Benchers, are not prepared to accept systematic disinvestment, indifference and ignorance by the Government. They should demand adequate public investment and recognition of the need for that investment into industry and into the skills of our

people in order to make sure that we have the same access to future prosperity as that which is seemingly being planned for the south-east.

In the debate, we have heard about the low-paid, that third of people in the north-west who are low-paid by international standards. The Government must accept that the Budget does nothing for that group, but give massive rewards to those who are already well off. If they do not accept that, their total incomprehension about the real scale of social deprivation in and between the regions will be quite evident.

2.17 pm

Mr. Michael Jopling (Westmorland and Lonsdale): Because of the shortage of time, I do not have an opportunity to reply in full to the hon. Member for Stretford (Mr. Lloyd). He said that he did not want to talk down the north-west. Thank heavens that we do not have to rely on publicists such as the hon. Gentleman to extol the virtues and achievements of the north-west.

I congratulate my hon. Friend the Member for Cheadle (Mr. Day) on his wisdom in choosing this subject for debate and on his excellent speech. I am glad to have the chance to talk about another part of the north-west—Cumbria—which I have represented in the House for a long time. We have a heartening picture of progress and prosperity. I am delighted to see that since the February 1986 peak, when unemployment in Cumbria reached over 24,000, the level has fallen and the latest figures for January show that it has dropped to under 20,000. That means that almost one in five of the unemployed has found work. That is very good progress but there is still a long way to go because the figure is still too high. We must all work on that problem.

Cumbria has a mixed economy of industry, agriculture and tourism. Industry in the area is greatly helped by the partnership between the Government and private initiative. The hon. Member for Stretford said that the Government have given up in the north-west. He should visit parts of Cumbria where the Government's activities are crucial to the economy of the area. He should visit vickers submarine construction operation in Barrow, which is crucial to that town and has been supported stalwartly by my hon. Friend the Member for Barrow and Furness (Mr. Franks).

The hon. Gentleman should go to see the massive investment programme at Sellafield, further up the coast, with its nuclear reprocessing development. I am delighted at the way in which the management at Sellafield has opened the plant to visitors. It has made it much more open so that people can go and learn about it, rather than relying on silly scare stories. We should congratulate Mr. Christopher Harding, the new Chairman of British Nuclear Fuels, on what he has done.

Apart from the industrial areas, there is a huge interior in Cumbria. Local enterprise and self-help have created many jobs. I applaud particularly the creation of the Cumbria rural enterprise agency, based in Kendal, and recently extended to Penrith and Appleby. My hon. Friend the Member for Penrith and The Border (Mr. Maclean) recently opened the Appleby office. The scheme will shortly extend to Alston and Keswick. In its first year, the agency had 240 clients and created 40 new businesses. Another 20 businesses will follow shortly. That is an excellent local initiative.

The agency has done a great deal in other ways. For example, many hon. Members will remember the old railway centre of Tebay. One can see it as one goes north on the M6 through the dramatic gorge before one climbs over Shap fell. It used to be an important railway junction on the north-south line and there was a branch line across the Pennines to Darlington. In its heyday, Tebay employed 177 people on the railway. The station is now shut and many fewer people are employed on the railway. However, the M6 has come; most of my colleagues will have driven on that famous road. A motorway services area has been developed due to the efforts of a relatively small group of local business men. A new hotel has been built with a major heavy transport facility in the village.

The provision of those facilities has meant that, together with the 17 people employed on motorway maintenance by Cumbria county council, exactly the same number of people are now employed on the motorway as used to be employed on the railway. That shows what can be done by initiative and self-help. It is a wonderful story which shows how a motorway in a rural area can create a corridor of employment and prosperity.

Agriculture is one of the main industries of the area. Many people in agriculture will have welcomed the Budget. The reduced level of income tax will be well received, but the change of the base for calculating capital gains tax from 1965 to 1982 may be more important. It will be much easier for a young man to inherit the family farm from his father, and I very much welcome that change.

There is a growing interest in forestry in the north of England, particularly in Cumbria. We must not impair that. The Chancellor of the Exchequer was right to make the change in the taxation arrangements for forestry, but none of us can offer a judgment on the changes until the level of the new planting grants is revealed next week. There is a potential difficulty for people with young plantations, because they have no money coming in and will not be allowed to offset the costs of managing those trees.

Tourism is an essential part of Cumbria's economy. It employs 25,000 people, representing 13 per cent. of Cumbria's work force. In 1986, almost 3·25 million visitors spent 11·8 million nights and £20 million in the area.

The great attractions of the Lake District are becoming much better known. It is an undisputed gourmet centre, although I can only describe the food as having been terrible 25 years ago. There has been a massive development of hotels, largely by private enterprise. There has also been the development of time share, a wonderful arrangement. It can be found in the Langdales in Langdale valley, in a proposed £20 million complex at Windermere marina, and at Backbarrow. My hon. Friend the Under-Secretary of State for Employment is visiting Backbarrow today.

There has also been a massive growth in opportunities to visit houses of great historic interest and a great expansion of museums. There is a great deal for visitors to do and to see. These developments have been created largely by private enterprise, together with pump-priming help from Government agencies. The message from Cumbria is that the economy is doing well. I hope that the Government will continue to support it.

2.21 pm

Mr. Chris Butler (Warrington, South): Once again I rise to report a booming economy in Warrington. Its success

[Mr. Chris Butler]

reflects the growing economic confidence of the north-west. It is significant that the Swedish company Ikea chose Warrington out of the whole of the United Kingdom as the place for its first store. When it opened, there were queues stretching back to the motorway. I am very glad that the store has been successful. It reflects the success of both Warrington and the north-west.

There are impediments to that success, and it may come as no surprise to Opposition Members that I associate them with Socialism. One of those impediments is the national dock labour scheme. I have a port in my consituency, the Manchester ship canal. I am sorry that the national dock labour scheme is still in existence, because it has played a very important part in transferring a great deal of the employment in the ports to the east coast. I wish that it could be wound up. I hope that the Government will look again at that scheme.

Another impediment to the success of the north-west is the seemingly rabid desire of Socialism to spend other people's money. Cheshire, which is run by an alliance between the Labour party and whatever the Liberal party calls itself now, has just imposed a 9·9 per cent. rates burden on ordinary people and businesses. There was no need for that swingeing increase, given the very generous rate support grant settlement this year. That increase has been reflected in the Socialist borough of Warrington, which has slapped on a 10 per cent. rates increase. Mike Davis, the finance director of Greenall Whitley, spoke for many businesses in the north-west when he said:

"We are all fairly aghast by the rate increase. The Council is doing nothing to get a grip on their spending . . . If our profits are depressed it means less for our investment programme and that affects jobs."

Local Socialists in Warrington have been complaining about the state of the National Health Service in Warrington. It has some problems over its expenditure programme, but it is hypocritical of the Socialists to complain about the state of the NHS in Warrington after having imposed an additional £60,000 rates burden on the Warrington health authority area.

Roll on the uniform business rate. It will bring immense benefits to the north-west. It is a great shame that Opposition Members oppose it. It will involve the transfer of £700 million to the north. The Manchester chamber of commerce and industry has said:

"The probability of rate reductions for most enterprises in the Merseyside area when UBR is in force was reported to be already producing inquiries from potential developers."

That makes an excellent case for the UBR.

In the north-west, the success of the nuclear industry is critical to the whole economy. In my constituency, I am surrounded by a constellation of the United Kingdom Atomic Energy Authority, the National Nuclear Corporation and British Nuclear Fuels plc. The National Nuclear Corporation is already in the private sector, and has played a full and successful part in the development of Heysham 2 and Torness. I hope that, post-privatisation, it will move to ever more successful heights when it deals with clients other than a monopoly.

There are other impediments to the economy of the north-west. One of them I again associate with Socialism —its policies towards the nuclear industry, which cast a pall on investment in the area. Last year, BNFL invested £638 million in this country, 90 per cent. of it with British firms; 46 per cent. was with firms in the north-west, including nuclear-free zones. They do not turn away the business that they receive from BNFL. Warrington, North, which is represented by a Labour Member, received the benefit of £77 million. I received only £500,000 in Warrington, South. I make no complaint about that, but I do complain about the hypocrisy and irresponsibility of Opposition Members when they seek to destroy the benefit of the largesse that we receive from the nuclear industry in the north-west.

2.26 pm

Mr. Geoffrey Dickens (Littleborough and Saddleworth): Like my hon. Friends, I feel very sad when I hear the Opposition running down the north-west. I feel that my right hon. Friend the Prime Minister was right when she said that we must focus our attention more on success than on failure.

Over the years, the north-west has achieved great strengths for this country. In the industrial times before the great recession, it was producing our wealth. Sadly, through bad taxation, our entrepreneurs, inventors and risk-takers — in other words, the job providers — were driven out of the north-west and abroad, because they were having to surrender 98p in the pound on their investments, which was stupid. Now, with the new Budget, we see many of those people coming back, and bringing jobs back to the north-west.

My constituency runs around the outside of Oldham and Rochdale. Companies are flocking towards those areas to set up their regional, and sometimes national, headquarters. We are doing all that we can to encourage that. There is much going for the people of the north-west. They are independent folk, who like to work hard for a good day's pay. It is a wonderful labour market: it has shown that in the past, and it is showing it now. If any company is thinking about where to relocate, the north-west is the place to do it.

The area also has the most beautiful surrounding countryside in which anyone could wish to live. Housing is relatively cheap, but sound and solid, and recreation is very good. In fact, this is one of the major tourist areas of the United Kingdom.

But it is the brain power of the north-west that will pull us through. That is why the Education Reform Bill, again launched by the present Government, is helping the schools to match the skills that industry now requires. Members of the CBI came to the House a few weeks ago and talked to north-west Members. They said that their order books were bulging. If ever they needed something, it was the skills of the work force to match the job vacancies that they were creating.

This sounds to me like a success story; it does not sound like failure. All the talk of the north-south divide is nonsense. The north-west will overtake the south before long. Already, massive contracts from the Channel tunnel are coming up into the north-west. Sizewell B contracts are pouring in. It is success all the way. And the reason for that is the people — those fierce, independent border folk between Lancashire and Yorkshire. They are a very good labour force for someone to take on.

I congratulate my hon. Friend the Member for Cheadle (Mr. Day) on allowing us to debate the motion, however short the time. However, it aggravates me, too, when I find that some hon. Members are intent on running down the north-west. Conservative Members like to talk about achievements.

It was the Prime Minister who, when the Government came to power, said that industry had to learn to produce goods that people want to buy and of the right quality. They have to be delivered on time, sold at competitive prices and have a good after-sales service. One gets that in the north-west, and that is why the north-west will be successful. It is why, almost daily, I am welcoming companies into my constituency. I do everything I possibly can to help them come. I meet their chairmen in the midlands or the south, I bring them to lunch in the House of Commons and I do everything possible to solicit work for the north-west.

It being half-past Two o'clock, the debate stood adjourned.

Royal National Orthopaedic Hospital

Motion made, and Question proposed, That this House do now adjourn.—*[Mr. Lennox-Boyd.]*

2.30 pm

Mr. Hugh Dykes (Harrow, East): I am grateful to Mr. Speaker and to you, Madam Deputy Speaker, for giving me the opportunity of raising the vital matter of the future of the royal national orthopaedic hospital in Stanmore. I thank my hon. Friend the Under-Secretary of State for coming to reply to the debate.

The phraseology on the Order Paper has had to meet with the wishes of the Table Office. The appropriate adjective would be "threatened" closure rather than "proposed" closure because I should make it clear that there is no formal proposal for closure of the hospital. However, it is not possible to use the word "threatened" in this context with the approval of the Table Office.

My hon. Friend the Under-Secretary will be well aware of the tremendous anxieties that exist and the enormous worry about the future of the hospital, which is one of the most illustrious medical institutions in the country. It is a famous hospital in national and world terms where fantastic work has been done to help disabled and injured people over many years. As I have said, my hon. Friend will know the history of this illustrious institution so I shall not go into detail now.

I have been worried since 1984 when I first raised the subject on an Adjournment debate. Even then, the anxiety had been gnawing away at all those concerned with and worried about the future of the famous hospital for over a year. With the uncertainty dragging on since 1983, I am sure it is possible to imagine how worried people have become and what effect that has had on staff morale.

So many people have been involved and if I had time I could pay tribute to a long list of tremendous supporters of our local and national campaign. The community health council is, at this very moment, drafting another letter to the divisional general manager at the Middlesex hospital about the proposal to close the accident and emergency unit. I know that there was a meeting of the Bloomsbury district health authority on Wednesday this week and perhaps my hon. Friend the Under-Secretary will refer to that.

The anxiety was beginning to come to a head again at the end of January last year when I once again wrote to Mr. Speaker pleading with him for permission to raise this matter on the Adjournment either through the ballot or through his selection. In my letter to him dated 26 January 1987 I said:

"The waiting list on 31 December 1982 was 1,248. At the present time it exceeds 2,100 patients in spite of a 15 per cent. improvement of turnover as a result of better management of the beds by the consultants and administration. The present bed state at Stanmore has been reduced from approximately 300 to 210 beds."

To some extent there has been a slight alleviation of the problems. However, the acute problem of that reduction in capacity remains. I pay tribute to the enormous work done by the special charity called ASPIRE which has raised money for projects in the hospitals and is currently raising some more money for a specific project. If I had time to read out the list of patrons, apart from myself, people would be aware that it is a fabulous list. It consists of people such as Frankie Howerd, Lulu, Warren Mitchell, distinguished Members of Parliament, Baroness Seear,

[Mr. Hugh Dykes]

Lord Ennals, Willie Carson and John Conteh. That shows that throughout the world that institution is held dear for good and cogent reasons — not just for reasons of sentimentality, but because it has done a fantastic job over the years. The staff have a traditional dedication to service and quality that needs to be preserved and expanded.

In September of last year my hon. Friend the Under-Secretary referred to this matter in a letter to then shadow spokesman for health, the hon. Member for Peckham (Ms. Harman), who is not in the House today, and there is no particular reason why she should be. My hon. Friend said:

"It may help if I describe the present position with regard to the Hospital. Discussions have taken place between Bloomsbury Health Authority . . . and North East Thames Regional Health Authority about the future role and the location of the Hospital. Underpinning these discussions has been the agreed principle that the RNOH would keep both its identity and its post-graduate status, whatever was decided."

Later in that same letter she said

"I appreciate the concern that the current uncertainty may be arousing. Please be assured that there are no plans to close the RNOH."

The central purpose of today's debate is for my hon. Friend to enunciate that conclusive reassurance that the hospital is safe in her hands and in the hands of the DHSS and will be preserved for the future and expanded.

I pay tribute to the unanimous support from Harrow council and other local bodies and individuals.

On 23 September 1987, the council passed a resolution that:

"This Harrow council supports the excellent medical provisions of the Royal National Orthopaedic Hospital, Stanmore, and in particular the Accident and Emergency Unit. We urge the Bloomsbury Health Authority to maintain all its provisions on the Stanmore site and to resist its Working Party's suggestions of any possible closures or transfers to other sites."

On 14 October, when our national petition for the RNOH was gathering about 70,000 signatures — the present figure is approaching 100,000 signatures — a massive public meeting was held at the hospital which passed the following resolution:

"This public meeting declares its strong and determined commitment to campaign to keep the Royal National Orthopaedic Hospital in Stanmore. It calls upon the Bloomsbury Health Authority, the North East Thames Regional Health Authority and the DHSS to recognise that the only acceptable option for the future of the Hospital is its continuation in Stanmore."

That illustrates once again the massive, incontrovertible strength of local public feeling and international support. We have received letters from as far afield as Australia and elsewhere.

One is bound to feel sympathy for the Bloomsbury health authority. In a sense the hospital should not have been put into Bloomsbury. It is an anomaly, because of the original link with the town hospital and so on — we know the background only too well. I have enormous sympathy for Bloomsbury's financial crisis. It is just about the most important DHA in the country with enormous burdens and obligations, yet we know that it is strapped for cash.

I believe that nationally, and in regard to Bloomsbury, the Government must provide emergency financial assistance and proper funding for the NHS, which I do not believe is unlimited because of a so-called and illusory unlimited demand. I believe that the demand is limited and tangible and that a modest amount of money is needed to put the NHS back on a footing whereby most of the closed wards would be reopened and the staff and nurses paid properly. I suppose that the amount of money needed over the next year or so, coincidentally, is about the same amount of money as the Government have given back in higher rate tax remissions in the latest Budget.

The underprovision for inflation is a serious problem for Bloomsbury. Once again I express my anxiety about that and my sympathy for Bloomsbury. However, I do not want the serious acute problems of Bloomsbury DHA to be visited upon the RNOH. That would be most unfair. The problem has become worse and Bloomsbury, lacking about £5 million or £6 million, faces a grossly acute crisis this very week. It does not know quite what to do and is milling around waiting for suggestions. I do not criticise those running Bloomsbury, unless they attack the RNOH, as I believe that that should be dealt with in a separate way which I shall try to explain later.

In mid-November I wrote to my hon. Friend the Minister for Social Security and the Disabled, and invited him to visit the hospital. As chairman of the Stanmore Hospital Action Committee I wrote him a letter saying:

"I am writing to request that you pay a visit to the Royal National Orthopaedic Hospital Stanmore in the very near future. This excellent national institution is under the threat of closure but fighting very hard to survive. There has not been a Ministerial visit for four years now and I know that the management and staff would welcome the chance to show you round their excellent facilities. I would by very grateful if you would consider such a visit soon".

With great courtesy, the Under-Secretary of State for Health and Social Security, my hon. Friend the Member for Derbyshire, South (Mrs. Currie) replied on behalf of the Minister. Her reply contained a paragraph that provided some reassurance about the threat of closure, but referred to the question of location.

The future location is now the determining and emergent key to this whole conundrum. If Enfield has now been rejected—for very good reasons—as an alternative, and if relocation at Northwick Park hospital is unrealistic for all sorts of complicated reasons, which I cannot discuss because time is short, the essential point is that the DHSS now has the opportunity, formally, publicly and fully to abandon any lingering doubts and anxieties about threatened closure and to reassure us conclusively and finally that the RNOH is safe for the future.

However, doubts still remain. On 18 January, in another letter to my hon. Friend the Minister for Social Security and the Disabled, I said:

"The Regional Health Authority is now returning to Bloomsbury District Health Authority with its responses to the Bloomsbury Members' recommendation that the Hospital remains in Stanmore. These continued delays in consultations back and forth, whilst parts of the hospital remain under-resourced and partly closed with staff shortages, mean that its future viability is always under pressure.

In addition, the DHA Managers have returned to the idea of closing the Accident and Emergency Unit".

Once again, I hope that those reassurances are a result of this week's decisions. Staff attrition, loss of morale and erosion of confidence have become a scandal in recent years. It is time for the DHSS to show that it has a full psychological and financial commitment to the hospital.

All the people on the RNOH action committee have done excellent work. I have been merely its chairman, which has been a great honour and privilege. The committee's dynamic secretary Mrs. Lydia Correa, in particular, and her colleagues have continued their

magnificent work for more than a year through a tremendous campaign on the streets of the locality. There have been letters, press conferences, television appearances and all sorts of meetings to emphasise that we are committed and realistic.

We are not talking about enormous amounts of money. Future RNOH budgets could be rather modest at the margin if proper decisions are made about buildings and there is the necessary investment in new equipment. As chairman of the league of friends of the hospital I know that not only do we rely on public money but charitable effort is committed to supporting the hospital through additional, marginal private efforts and initiatives that make it a much more civilised and human environment.

If only the time were not ticking away so rapidly, I could refer in detail to the many meetings and decisions of our action committee. At the end of January, the committee sent an official letter to the leader of Harrow council — I pay tribute to its leader and all the councillors for their support—referring to the dilemma of Bloomsbury. We asked whether it was right that the hospital should remain within the North East Thames regional health authority or whether it should be located within the North West Thames regional health authority. We asked whether it was right to consider other options, such as setting up a special health authority or including the hospital within the Harrow district health authority, although it is a teaching hospital, provided the local DHA had the extra funding necessary to meet the budget.

The position of the local unit general manager and her colleagues in the hospital has been of interest. One can understand their dilemma as they are caught, like salami in the middle of the sandwich, between Bloomsbury's financial problems and the staff shortages while expressing great sympathy. Although I do not have time to go into the details, I shall refer to a circular letter that the unit general manager sent on 29 January 1988 which referred to the future of the orthopaedic service and the report to the health authority on the outcome of public consultations.

The agonising debate has continued, but the sword of Damocles still hangs over the hospital. That is unacceptable in terms of not only staff morale, which is important, but patients' welfare, which is equally important. Since the staff have responsibility for looking after the patients, I have expressed it in that order.

I am grateful to my hon. Friend the Parliamentary Under-Secretary of State for Health and Social Security for again writing to me on 10 February. The concluding paragraph of her letter said:

> "The day-to-day management of the Hospital is a matter for the Bloomsbury Health Authority, but I hope that our public commitment to the RNOH provides some reassurance to staff at the Hospital."

Phrases such as "some reassurance" causes anxiety. We want 110 per cent. reassurance. I think that my hon. Friend the Minister understands why I put it in those terms. I did so not only for obvious reasons, as the local Member, but as one who, over many years, has been deeply committed to the future success of this famous national teaching institution.

In the last month, the action committee referred again to the effect of its continuing campaign in imparting knowledge and information about the absolute necessity for the survival of the RNOH to all concerned. I pay tribute to the media for all they have done in this matter. The campaign continues.

Despite the decisions made by Bloomsbury at its agonising meeting this week, question marks remain over the future of the hospital. As I said, the options for relocation seem to be closed in practical terms. Therefore, the hospital must surely remain in Stanmore and it must not be underfunded, underinvested or understaffed. We must bear in mind that the hospital is slightly remote and that it is difficult for staff to get there because of transport problems such as the lack of buses.

I hope that my hon. Friend the Minister will seize this opportunity. She has that look on her face and I am beginning to feel optimistic that she will now reassure not only me, but the public and the many supporters of the RNOH both in Stanmore and elsewhere that the hospital will not only survive but expand.

2.45 pm

The Parliamentary Under-Secretary of State for Health and Social Security (Mrs. Edwina Currie): Having read the history of the marvellous institution that we are debating, I feel honoured to participate and I am delighted to congratulate my hon. Friend the Member for Harrow, East (Mr. Dykes) on winning the ballot and raising this subject. My hon. Friend has taken every opportunity to express his interest in the hospital to Ministers, both past and present. The files are full of his representations, not only on behalf of his constituents but on behalf of mine, and on behalf of disabled people everywhere. Let me put on record our appreciation of his courtesy and his careful marshalling of the facts, which is of great assistance to Ministers in making decisions on difficult matters.

My hon. Friend has been associated with the Royal National Orthopaedic hospital not only as the local Member of Parliament concerned with its activities at Stanmore but as a former governor and as chairman of its League of Friends. We should also acknowledge the interest of other hon. Members on both sides of the House from whom we have received many representations on the matter. I pay tribute to all of them for representing their views to us and showing such compassion for the disabled people needing the services of the hospital.

I appreciate that the continuing uncertainty over the future of the RNOH is unfortunate. The concern will, I am afraid, remain until the matter is resolved. In that sense, I owe my hon. Friend an apology. It is now five years since the Le Quesne report was published, but I am sorry to have to tell my hon. Friend that I cannot guarantee that firm decisions will be made quickly.

As my hon. Friend said, the Bloomsbury health authority met on 16 March and decided to take no action on the immediate temporary closure of the accident and emergency department, so that is still open. Consultation is still in progress on the possible permanent closure of the accident and emergency department and it will be some months before that issue is resolved. The North East Thames regional health authority is meeting on 28 March. It agreed in January that further examination of alternative sites, including Northwick Park hospital in Harrow, should take place before any major capital investment was made in redevelopment at Stanmore.

[Mrs. Edwina Currie]

Whichever way the North East Thames regional health authority decides to proceed, it will be some time before any proposals can be put to Ministers on whether there should be major capital investment or not.

Like other hon. Members, I received a letter dated 17 March 1988 from ASPIRE, in which Shannie Ross said:

"The Secretary of State will take the final decision after North East Thames Regional Health Authority's meeting on 28th March."

Strictly speaking, that is true, but it is highly unlikely that the decision will be made immediately after that meeting. It will still be some time before we are anywhere near that stage.

I am sorry if the continued uncertainty is disappointing to my hon. Friend and to those who work at the hospital, but I can offer him three pledges. First, if decisions are put to Ministers, we shall decide in the interests of patients — not only my hon. Friend's constituents but disabled people and their families from a much wider geographical area. Secondly, of decisions put to Ministers, we shall decide as expeditiously as possible. I offer my hon. Friend the thought that while this has gone on quite long enough, I would rather everyone took a little longer and got it right.

Thirdly, as my hon. Friend will have heard before from one of my predecessors, my hon. Friend the Member for Oxford, West and Abingdon (Mr. Patten), there are no proposals that the RNOH should be abolished. In looking at the future, it has been the intention of Bloomsbury health authority, North East Thames regional health authority, and, indeed, the Government, that the RNOH and its associated institute should retain their identity and their postgraduate status as a nationally recognised centre for orthopaedic surgery, training, and research.

The issue is how RNOH can best fulfil that role, and what back-up services are required. Such considerations will affect not only the decision about its siting but the type and level of service that it provides.

My hon. Friend the Member for Oxford, West and Abingdon gave a commitment to hon. Members, in an Adjournment debate in May 1984 that was initiated by my hon. Friend the Member for Harrow, East (Mr. Dykes), that Ministers would take the final decision if any substantial change were proposed to the services currently at the Stanmore site of the RNOH. We have repeated that pledge many times previously — including in correspondence with my hon. Friend — and I am very happy to do so again today.

I hardly need to rehearse the history of these matters, but perhaps for the benefit of a new Parliament — many hon. Members will not be aware of previous debates — I could set out the bare bones of what is happening.

I shall quote from the Association of Spinal Injury Research Rehabilitation and Reintegration booklet that was distributed by the Mike Heaffey centre, because it sums up in two elegant paragraphs the special nature of what we are talking about. It says:

"The Royal National Orthopaedic Hospital Stanmore has been in existence since 1910 and is nationally and internationally renowned for its expertise and success in treating the complete range of musculo-skeletal disorders. Together with the Institute of Orthopaedics, it is the largest orthopaedic postgraduate teaching hospital in the United Kingdom. As London's only specialist orthopaedic resource, the RNOH is one of a group of London based postgraduate teaching hospitals which, in association with London University linked Institutes, undertakes specialist training and research in medical and related disciplines.

The London Spinal Unit. The Spinal Injuries Unit at the RNOH, Stanmore, was opened in 1984 by Her Royal Highness the Princess of Wales. This experimental 24 bed unit was built by the DHSS at a cost of £3 million and has a wide catchment area — Greater London, East Anglia and the south-east of England — approximately 18 million people. Its progressive philosophy encompasses a unique treatment programme for the advanced physical and social rehabilitation of its patients."

The RNOH is on a scattered site of more than 100 acres at Stanmore. As I have said, its work covers a remarkable range of services and it is a major national institution. Early-day motion 382 talks about its

"outstanding research and prosthetic work which has given so much hope to countless thousands."

I would certainly endorse those words. We have noted how many hon. Members have signed that early-day motion.

There is a general accident and emergency department at Stanmore, which covers not only orthopaedics but a wide range of work. My hon. Friend said that it is an anomaly that the hospital is managed by Bloomsbury. As he will know, if he has read the excellent booklet by John Cholmeley on the history of the RNOH, the hospital was originally located in London, in Great Portland street. The Stanmore site was intended to be an outstation, but like many babies it outgrew its parents.

I was fascinated to read that booklet, to see the pictures of the open-air wards and solariums from the days when many of the patients suffered from tubercular diseases, and to see the delightful picture of His Royal Highness the Duke of Gloucester in bed at the RNOH in June 1977. I commend the booklet to any hon. Member who takes an interest in this subject; it is a fascinating piece of work.

What has happened since? Bloomsbury health authority, which is, whether we like it or not, responsible for the in-patient and out-patient services of both the RNOH at Stanmore and the Middlesex in central London, commissioned an orthopaedic working party, chaired by Professor Le Quesne, which reported in August 1985.

The working party report made a number of recommendations for services based at Stanmore, including a reduction in the number of beds provided and the closure of the accident and emergency department. It also considered the location of services and recommended that, while the future development of orthopaedics would "be better served by close integration with the multi-disciplinary environment of a University Teaching Hospital", a detailed appraisal of the options for capital development at Stanmore should be undertaken, as no suitable teaching hospital site appeared at the time to be available.

In 1987, therefore, following discussions with the regional health authority, Bloomsbury health authority carried out an options appraisal with the assistance of consultants Llewellyn-Davies Weeks. The appraisal considered not only hospital development at Stanmore but the feasibility of transferring services to the district general hospital at Chase Farm in Enfield health authority.

The options appraisal was issued for consultation last summer, and the comments received were considered by Bloomsbury health authority in December. The responses received showed little support for a move to Chase Farm — and that is probably putting it mildly. The regional health authority therefore considered Bloomsbury's report of the results of consultation at a meeting on 25 January

this year. In view of the very limited professional and public support for the Chase Farm option, it decided that that option should be abandoned.

As I have said, Bloomsbury health authority this week rejected the closure of the accident and emergency department of the RNOH as an emergency temporary measure, but is consulting about its permanent closure. That is where we are now. As my hon. Friend knows, I may be in an appellate position in relation to that proposal, so I am hesitant to make any further comment on it.

As my hon. Friend may know, like many other hon. Members I was a patron of ASPIRE when I was a Back Bencher, partly because of my previous interest in health and some small links with the royal orthopaedic hospital in Birmingham, which was in my ward as a councillor. In 1985, ASPIRE started raising substantial sums to build a special centre on the Stanmore site to be named after Mike Heaffey. I fully understand ASPIRE's concern that the substantial funds raised have not yet been used, but it is surely sensible that a decision should be taken on the RNOH's immediate future, and especially its location, before construction of the centre begins.

I should like to take this opportunity to pay tribute to the work of ASPIRE and to all those people—some of whom my hon. Friend has mentioned by name and many others who perhaps work more quietly behind the scenes—whose close association with the spinal injuries unit at Stanmore has given it a particular commitment to the RNOH. ASPIRE is concerned that the delay may cause some charities which have pledged money to pull out.

Perhaps it will help if I ask publicly today that all those marvellous charities and their boards should be a little patient, bearing in mind the further pledges that I have given to my hon. Friend. It is important that the decisions about RNOH Stanmore are the right decisions as they will affect the contribution that the centre makes to orthopaedics both locally and nationally and will thus affect the return on the charitable contributions well into the next century.

Finally, I repeat our commitment to my hon. Friend the Member for Harrow, East, to ASPIRE and to the many other people in the House and at the royal national orthopaedic hospital, that no decision will be made about significant permanent changes for the hospital without our prior agreement.

Mr. Frank Dobson (Holborn and St. Pancras): I appreciate the very proper concern of the hon. Lady and of the hon. Member for Harrow, East (Mr. Dykes) for the RNOH, but does the Minister agree that, unless the Government come up with a large bundle of money—about £5 million—the choices before the Bloomsbury health authority and the regional health authority will be a matter of robbing Peter to try to save Paul?

Mrs. Currie: No, I do not think that I would agree with that. The hon. Gentleman does himself no service by intruding in an Adjournment debate called by my hon. Friend the Member for Harrow, East. Like every district health authority in the land, Bloomsbury health authority has had an enormous increase in resources. I am sure that my hon. Friend the Member for Harrow, East recognises that. The authority is looking after substantially more patients than it did when the Labour party was in charge, at a much higher medical level and with a much greater level of success. We are all very proud of that.

Many of the options up for discussion in Bloomsbury seem very exciting indeed. I am sure that, whatever is decided and whatever proposals are put to us, the services in central London to many of the hon. Gentleman's constituents and to many other people who live and work in London, as I do, will be of tremendous benefit. On that basis, I conclude my remarks.

Question put and agreed to.

Adjourned accordingly at one minute to Three o'clock.

Written Answers to Questions

Monday 7 March 1988

HOME DEPARTMENT

Radio Authority

Mr. Fisher: To ask the Secretary of State for the Home Department whether it is his intention to use the radio division of the IBA as a planning nucleus during the transition period to the new Radio Authority.

Mr. Renton: The IBA will continue to be responsible for carrying out the duties with regard to local radio laid on it by the Broadcasting Act 1981 until relieved of them by new legislation. In the meantime, we shall welcome advice and assistance from the IBA's radio branch in preparing for the new structure of radio broadcasting.

Departmental Buildings

Mr. Cran: To ask the Secretary of State for the Home Department if he will list the location and status of all buildings within his Department located in London and the annual cost of rents, rates and maintenance of each.

Mr. Hurd: The Department's office, storage and specialised accommodation is held in the name of the Secretary of State for the Environment and administered by the Property Services Agency, which makes an accommodation charge instead of direct payment for rent, rates, maintenance and minor works. That charge includes the agency's associated administration costs. The Home Office occupies all or part of 21 buildings in the London area on this basis. The total accommodation charge for these buildings, which are listed below, is £23,931,049 in 1987-88.

The seven prison service establishments in London—Her Majesty's prisons: Brixton, Holloway, Pentonville, Wandsworth and Wormwood Scrubs; Her Majesty's Remand Centre, Ashford; and Her Majesty's Youth Custody Centre, Feltham—are held in the name of the Secretary of State for the Home Department. No rent is paid for them; the total cost of their rates and maintenance for 1986-87 was £3,081,700.

The building occupied by the Police National Computer Organisation at Hendon is held in the name of the Secretary of State for the Home Department. The total cost of the building's ground rent, rates and maintenance for 1986-87 was £225,000.

Building	*Predominant Use*	*Accommodation Charge 1987-88 to PSA* £
Abell House John Islip Street London SW1P 4LH	Office	3,204,153
Africa House 67-78 Kingsway London WC2B 6BW	Office	72,055
Avondale Gardens Hounslow Middlesex TW4 5HX	Storage	44,929
Bourne Avenue Hayes Middlesex UB3 1RF	Storage	63,453
Cleland House Page Street London SW1P 4LN	Office	2,365,476
Colnbrook-By-Pass Bath Road Harmondsworth Middlesex UB7 0HB	Specialised	308,289
Clive House Petty France London SW1H 9HD	Office	1,064,666
Greycoat House Greycoat Street London SW1P 2QF	Storage	68,808
Heathrow Airport Terminal 1 Hounslow Middlesex	Office	90,742
Heathrow Airport Terminal 2 Hounslow Middlesex	Office	108,339
Heathrow Airport Terminal 3 Hounslow Middlesex	Office	226,815
Heathrow Airport Terminal 4 Hounslow Middlesex	Office	311,542
Heathrow Airport (Queen's Building) Hounslow Middlesex	Office	45,995
Isis House 67-69 Southwark Street London SE1	Office	121,486
Headstone Drive Wealdstone Harrow Middlesex HA1 4TZ	Specialised	352,427
Horseferry House Dean Ryle Street London SW1P 2QF	Office	2,159,789
Lunar House 40 Wellesley Road Croydon CR9 2BY	Office	3,193,568
50 Queen Anne's Gate London SW1H 9AT	Office	9,995,209
60-66 Rochester Row London SW1	Office	71,640
St. Christopher House Southwark Street London SE1 0TE	Office	14,018

Building	Predominant Use	Accommodation Charge 1987-88 to PSA £
London Road Stanmore Middlesex	Office	47,650

Departmental Staff

Mr. Cran: To ask the Secretary of State for the Home Department how many members of staff within his Department are located within each region outside London; what percentage this constitutes of staff within his Department; and what were the comparable figures, in absolute and percentage terms in 1979.

Mr. Hurd: Non-industrial staff serve in the Home Office at the following places:

Region		As a percentage of all staff in the Home Office
South-East (excluding Greater London)	6,223	17·2
South-West	2,796	7·7
East Anglia	1,665	4·6
East Midlands	2,784	7·7
West Midlands	2,811	7·8
North-West	4,195	11·6
Yorkshire and Humberside	2,485	6·9
North	2,022	5·6
Wales	882	2·4
Scotland	128	0·4
Northern Ireland	23	0·1
Greater London	10,091	27·1
Total	36,105	100·00

Comparable figures for 1979 are not readily available.

Data Protection

Mr. Cohen: To ask the Secretary of State for the Home Department how many representations he has received concerning the workings of the Data Protection Act; whether he has any plans to seek to amend the Act; and whether he will make a statement.

Mr. Renton: Since 11 November 1987, when the Data Protection Act came fully into force, we have received 15 representations from hon. Members and members of the public of which 11 were requests for information. We have undertaken to review the working of the Act after a reasonable period of experience of its operation, and are considering the form and timing of such a review.

Inner City Crime

Mr. Greg Knight: To ask the Secretary of State for the Home Department what further steps he is taking to combat crime in inner city areas.

Mr. Hurd: I have today announced an important initiative, the "Safer Cities" programme, which will support the Government's policies for the regeneration of inner city areas with strong new action against crime. Twenty safer city projects will be established in inner city areas over the next three years. Their effect will be to promote an active partnership between the police, local authorities and concerned individuals in a well targeted programme of effective action against locally identified crime problems. The programme is more fully described in a note, copies of which I have placed in the Library of the House.

Passport Office, Peterborough

Mr. Latham: To ask the Secretary of State for the Home Department what is the capacity for handling telephone calls from the public at the passport office in Peterborough; and what is the current average time after dialling and ringing that a caller is answered and connected to a member of staff to assist his or her query.

Mr. Renton: A new 24 exchange line telephone system was installed at the Peterborough passport office in July 1987. The time callers have to wait before being connected first to the operator and subsequently to the required extension varies according to the volume of calls at the particular time and the equipment does not have the capability to monitor response times. Planned modifications to the system, which will enable callers to be routed to a recorded message giving the answers to most general enquiries, should be completed within the next few weeks.

Mr. Latham: To ask the Secretary of State for the Home Department what is the current number of passport applications awaiting action at the passport office in Peterborough; and what is the average time within which the documents are issued to the applicant, assuming the application form has been correctly completed.

Mr. Renton: Correctly completed non-urgent applications are being dealt with within 20 working days. Urgent applications are given priority. Applications are now being received at a rate of about 22,000 a week and it is estimated that a total of some 77,000 are now at the various stages of processing within the office.

Mr. Latham: To ask the Secretary of State for the Home Department what is the current staff of the passport office in Peterborough; what is the authorised establishment; and when the last staff inspection took place.

Mr. Renton: The authorised permanent complement is 169 and there are now 208 staff in post, 43 of whom are casuals. The last formal staff inspection was in 1979. As I said in answer to a question from my hon. Friend the Member for Basildon (Mr. Amess) on 4 February, at column *687*, work is well advanced on the computerisation of passport issuing in the United Kingdom. The computerised system will be installed at the six passport issuing offices over the next two years and staffing levels will be reviewed when the new system is operational.

La Belle Discotheque

Mr. Dalyell: To ask the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis on the advice offered by Scotland Yard officers to the West Berlin public prosecutor, Dettlev Mehles, in connection with his inquiry into the La Belle discotheque bombing.

Mr. Hurd: No. I encourage co-operation and liaison between our police forces and foreign police forces in counter-terrorism matters including the investigation of specific terrorist incidents. I see no need to call for reports whenever such co-operation or liaison takes place.

Police Statistics

Rev. Martin Smyth: To ask the Secretary of State for the Home Department how many *(a)* chief constables, *(b)* superintendents, *(c)* chief superintendents and *(d)* sergeants in police forces in England and Wales are (i) members of ethnic minorities and (ii) women; and if he will make a statement.

Mr. Douglas Hogg: The position as at 31 December 1987 is as follows:

Rank	*Ethnic minorities*	*Women*
Chief constable	—	—
Chief superintendent	—	8
Superintendent	—	27
Sergeant	61	725

Mr. John Byrne and Mr. Stan Hathaway

Mr. Mullin: To ask the Secretary of State for the Home Department (1) when Mr. John Byrne, a former member of the British armed forces in Northern Ireland, was sentenced to life imprisonment; what was his crime; and if he has been released;

(2) when Mr. Stan Hathaway, a former member of the British armed forces in Northern Ireland, was sentenced to life imprisonment; what was his crime; and if he has been released.

Mr. Douglas Hogg: At Belfast Crown court in January 1981, Stanley Hathaway, then a serving soldier, pleaded guilty to the murder of two civilians while on patrol duty in October 1972. On the same date, John Byrne, also a serving soldier, pleaded guilty to one of the murders. Both men were sentenced to life imprisonment and were subsequently transferred to England to serve their sentences. Neither has been released.

Firearms (McKay Report)

Mr. William Ross: To ask the Secretary of State for the Home Department when and by whom the McKay report on firearms was commissioned; and when the inquiry was announced or made known to the House.

Mr. Douglas Hogg: Sir John McKay's working party was commissioned to review firearms controls in December 1970 by the then Home Secretary. The review was first announced in the other place on 15 December 1970.

Mr. William Ross: To ask the Secretary of State for the Home Department whether any undertaking was given that the McKay report on firearms would be published, or a copy placed in the Library.

Mr. Douglas Hogg: I am not aware of any such undertaking.

Mr. William Ross: To ask the Secretary of State for the Home Department if he will now place a copy of the McKay report on firearms in the Library.

Mr. Douglas Hogg: No. The report of Sir John McKay's working party on the control of firearms, prepared in 1972, was an internal document. Its main conclusions and recommendations were incorporated in the 1973 Green Paper, "The Control of Firearms in Great Britain", Cmnd. 5297.

Canon Kevin Byrne

Mr. Frank Field: To ask the Secretary of State for the Home Department if he has received representations from Canon Kevin Byrne of St. Lawrence's, Birkenhead, in the form of a sermon delivered on 7 February, relating to Her Majesty's Government's policy on capital punishment, sexual offences reform, the media, racial discrimination and other related matters; and if he will make a statement.

Mr. Hurd: Canon Byrne sent me a copy of his sermon for Sunday 7 February. His address discussed the theme of social cohesion which I had raised in a speech to the Peel Society on 5 February and which I returned to at a fringe meeting of the General Synod of the Church of England on 10 February. Mr. Byrne made a number of criticisms of successive Governments. A reply was sent from my office on 24 February.

Social Services (Employee Vetting)

Mr. Rowe: To ask the Secretary of State for the Home Department how many prospective employees of local authority social service departments have been referred to the Metropolitan police for checks under his Department's circular (86)44 since July 1986; and how many checks were still outstanding at 31 January.

Mr. Douglas Hogg: I am informed by the Commissioner of Police of the Metropolis that up to 29 February 1988 15,042 prospective employees of local authority social services departments have been referred to the Metropolitan police for checks since the arrangements announced in Home Office circular (86)44 came into force; 703 enquiries were outstanding on that date.

Mr. Rowe: To ask the Secretary of State for the Home Department if he will publish a table showing *(a)* the number of applicants to local authority social services departments who have been referred to each local police authority for checks under the terms of his Department's circular (86) 44 and *(b)* the average delay in each authority.

Mr. Douglas Hogg: The information requested is shown in the table. The latest figures available are for the period 17 July 1986 to 31 August 1987.

Police force	*Number of enquiries received from social services departments*	*Total number of enquiries received from all sources*	*Average response times (days)*
Avon and Somerset	4,850	9,800	4-10
Bedfordshire	1,118	1,437	7-10
Cambridgeshire	3,426	4,911	3-14
Cheshire	6,578	7,208	14
City of London	7	7	14-21
Cleveland	3,084	4,964	7
Cumbria	484	512	2-7
Derbyshire	43	477	21
Devon and Cornwall	3,586	5,944	4
Dorset	2,567	2,662	14
Durham	2,312	5,049	2
Dyfed-Powys	924	1,625	21
Essex	2,011	4,545	42-56
Gloucestershire	2,180	2,341	2
Greater Manchester	'	8,628	14
Gwent	1,142	2,013	10
Hampshire	'	2,844	10
Hertfordshire	'	128	7
Humberside	1,653	2,045	14
Kent	1,165	7,963	28-42
Lancashire	4,626	5,670	14
Leicestershire	957	1,010	7
Lincolnshire	2,163	4,317	3

Police force	*Number of enquiries received from social services departments*	*Total number of enquiries received from all sources*	*Average response times (days)*
Merseyside	3,557	10,088	14-28
Metropolitan	1,684	3,971	35-42
Norfolk	2,901	2,946	10
Northamptonshire	2,462	2,497	14
Northumbria	1,890	5,930	14
North Wales	[1]—	2,173	3-4
North Yorkshire	804	832	14-28
Nottinghamshire	0	29	1
South Wales	[1]—	5,365	7-10
South Yorkshire	[1]—	3,268	2
Staffordshire	2,327	3,168	2
Suffolk	1,169	2,489	14
Surrey	748	1,711	14
Sussex	4,010	6,375	2
Thames Valley	3,552	5,189	14-21
Warwickshire	2,631	2,766	7-10
West Mercia	1,388	2,096	10
West Midlands	6,317	9,025	3
West Yorkshire	3,298	3,700	3-28
Wiltshire	158	1,558	10

[1] These forces do not keep separate records of inquiries from social services departments.

Mr. Rowe: To ask the Secretary of State for the Home Department if his Department has received any representations on delays in recruitment to local authority social service departments caused by police checks under his Department's circular (86)44; and if he will make a statement.

Mr. Douglas Hogg: We have received 11 representations from, or on behalf of, local authorities about delays in recruitment caused by police checks under the arrangements announced in Home Office circular (86)44. We are discussing the points raised with the police and the local authority associations.

Councillors (Statistics)

Rev. Martin Smyth: To ask the Secretary of State for the Home Department what information he has as to how many local councillors in England and Wales are members of ethnic minorities and as to the total number of local councillors in England and Wales.

Mr. Douglas Hogg: There are 22,775 county, district and borough councillors and about 65,000 parish and community councillors in England and Wales. Up-to-date information about the number of councillors who are members of ethnic minorities is not available.

Under-age Drinking

Sir Dudley Smith: To ask the Secretary of State for the Home Department how many young people under the age of 18 years have been prosecuted for obtaining or attempting to obtain alcoholic drink over the past 10 years up to the latest date for which figures ar available.

Mr. Douglas Hogg [*pursuant to his reply*, 18 February 1988, c. 712]: I regret that the figure given for 1986 was incorrect. The table should have read.

Persons found guilty of offences under section 169(2) of the Licensing Act 1964

England and Wales *Number of Persons*

Year	*Total found guilty*
1979	4,091
1980	3,954
1981	2,647
1982	1,862
1983	1,577
1984	1,095
1985	744
1986	885

FOREIGN AND COMMONWEALTH AFFAIRS

Torture

Sir Bernard Braine: To ask the Secretary of State for Foreign and Commonwealth Affairs what are the reasons for the delay in ratifying the United Nations convention against torture.

Mr. Eggar: The position has not changed since my answer of 16 November to the hon. Member for Ogmore (Mr. Powell), at column *397*. It remains our intention to introduce legislation to allow ratification of the convention as soon as possible.

Information Research

Mr. Livingstone: To ask the Secretary of State for Foreign and Commonwealth Affairs how many civil servants were engaged in the information research department of his Department in each year since 1971.

Mr. Eggar: The staff establishment of the information research department in each year from 1971 until disbandment in May 1977 was 117, 99, 91, 91, 88, 85 and 85.

Mr. Livingstone: To ask the Secretary of State for Foreign and Commonwealth Affairs how many members of the armed forces and civil servants were engaged in the information research department of his Department in Northern Ireland in each year since 1971.

Mr. Eggar: No member of the armed forces served in the information research department. One IRD officer served in Northern Ireland on secondment from November 1972 to December 1973.

West Berlin

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will discuss with the American Government *(a)* the implications for President Reagan's policy towards Libya of recent West Berlin police discoveries regarding Christina Endrigkeit and *(b)* the implications of these discoveries for the joint management by the allies of police in West Berlin.

Mr. Mellor: We are in constant and close contact with the United States authorities as well as the German authorities in Berlin about all aspects of the bombing of La Belle discotheque on 5 April 1986. It is not our practice to comment on cases, such as this, which are still subject to judicial inquiry.

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs on what grounds the allied Kommandatura exercised their right to instruct the Berlin authorities to remove from the western sector persons identified as posing a threat to the population of Berlin in April 1986; how such persons were identified; and whether their names are known to him.

Mr. Mellor: The decision referred to was taken for the safety and security of the city. The people concerned were identified as posing a threat on the basis of information available to the allied and German authorities.

Syria

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations he has made to the Syrian Government about the alleged supply to terrorists of Semtex bombs by the Syrian embassy in London prior to 1987.

Mr. Mellor: We broke diplomatic relations with Syria in October 1986 because of official Syrian involvement in the attempt to blow up an El Al aircraft with a Semtex bomb.

Falkland Islands (Exercise)

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs, pursuant to his answer to the hon. Member for Halifax (Mrs. Mahon) on 2 March, what representations he has received from the Organisation of American States on the forthcoming military exercise in the Falkland Islands; if he will list the individual Governments who have expressed concern; what response he has made to the Organisation of American States' representations; and if he will make a statement.

Mr. Eggar: We have noted the resolution passed on 1 March by the Organisation of American States of which the United Kingdom is not a member. A number of Governments of states which are members of the Organisation of American States have expressed concern to us about the exercise.

La Belle Discotheque

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what communications were received by the British military government, West Berlin, from the United States military police regarding the likelihood of a terrorist attack in West Berlin during the hours before the attack at La Belle discotheque on 5 April 1986; what response was made; and if he will make a statement;

(2) what information has been made available to the British military government, West Berlin, on the type of explosive used to bomb the La Belle discotheque on 5 April 1986;

(3) whether the allied authorities made any inspections, under paragraph 8 of BK10/58/3, of police information relating to the La Belle discotheque in April 1986; and if he will make a statement;

(4) whether, in accordance with paragraph 6 of BK10, the Berlin police president reported to the Kommandantura the timing of any alerts in relation to events surrounding the bombing of the La Belle discotheque;

(5) whether, in accordance with paragraph 9 of BK10/58/3, the possibility of issuing direct instructions to the police in relation to the La Belle discotheque bombing was discussed by the allied Kommandantura with the West German authorities in April 1986; and if he will make a statement.

Mr. Mellor: We have throughout the period in question kept in close touch with the American and French authorities, and with the German authorities in Berlin. I have nothing further to add to the many statements we have made on these matters.

East Berlin

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs what communications there were in April 1986 between the allies and the Soviet authorities about the alleged use of embassies in East Berlin for promoting terrorist activities.

Mr. Mellor: The allies were in close contact with the Soviet authorities in April 1986 regarding their joint rights and responsibilities for the security of Greater Berlin.

Human Rights (Soviet Union)

Mr. Mullin: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the human rights issues in the United Kingdom raised by the Soviet Union during his recent visit to the Soviet Union.

Mr. Mellor: During my right hon. and learned Friend's discussion of human rights, Mr. Shevardnadze raised alleged violation of human rights in the United Kingdom and handed over a list of so-called "political prisoners" in Northern Ireland. We have so far established that, of the eight individuals on the list, seven have been duly convicted of murder and one of attempted murder.

TRADE AND INDUSTRY

Beers and Lagers

Mr. Steinberg: To ask the Chancellor of the Duchy of Lancaster what information he has on the relative retail prices of *(a)* alcoholic and *(b)* non-alcoholic beers and lagers; if he has any plans to refer the price differential to the Office of Fair Trading; and if he will make a statement.

Mr. Butcher: My Department does not have information on the relative retail price of alcoholic and non-alcoholic beers and lagers. The Director General of Fair Trading referred the supply of beer in the United Kingdom for retail sale on licensed premises to the Monopolies and Mergers Commission on 4 August 1986. The commission is due to submit its report to my right hon. and noble Friend the Secretary of State by 3 August 1988.

Data Protection

Mr. Cohen: To ask the Chancellor of the Duchy of Lancaster how many subject access requests under the terms of the Data Protection Act his Department has received; what was his estimate of this number; whether he is reconsidering the subject fee charged by his Department as a result; and whether he will make a statement.

Mr. Butcher: My Department has received three requests for subject access under the terms of the Data Protection Act. This is in keeping with the low level of applications which was anticipated. The subject access fee has been set at a level which will cover the cost of providing access and I am not reconsidering it.

Airbus

Mr. Hayward: To ask the Chancellor of the Duchy of Lancaster if he will make a statement on recent developments in the Airbus programme.

Mr. Kenneth Clarke: I met my ministerial colleagues from France, Germany and Spain in Paris on 1 March to review recent developments in the Airbus programme.

We noted with satisfaction the continuing commercial success of the products of the Airbus consortium, particularly the A320. The A320 received its certification from the airworthiness authorities of France, the United Kingdom, Germany and the Netherlands on 26 February, and we congratulated the manufacturers on the fact that this major milestone had been achieved on schedule and that the first A320s would enter airline service at the end of this month. We also noted with satisfaction the continuing commercial success and technical development of the A330/A340 programmes.

My colleagues and I also gave Airbus Industrie and its partner companies a mandate to pursue expeditiously the negotiations begun with McDonnell Douglas about possible collaboration. These will be undertaken with the aim of reaching an agreement that would be beneficial to both parties.

We reviewed the position reached in the trade talks with the United States on civil aircraft in the context of the GATT, and expressed a wish that these discussions should reach an early and satisfactory conclusion in accordance with the principles and objectives agreed with United States Trade Representative Clayton Yeutter on 27 October 1987.

Inner City Policy

Mr. Thurnham: To ask the Chancellor of the Duchy of Lancaster what steps are being taken to co-ordinate the Government's inner city policy more effectively.

Mr. Kenneth Clarke: The 16 Government task forces co-ordinate the programmes of all Government Departments in the small core districts of the cities they serve and initiate projects of their own on behalf of the whole Government.

City action teams pull together and focus the efforts and resources of the Departments of Trade and Industry, Environment and Employment over wider urban areas in Birmingham, Liverpool, London (Hackney, Islington and Lambeth), Manchester-Salford, and Newcastle-Gateshead and the county of Cleveland. Apart from improving the effectiveness of Government programmes, the teams have a major role in encouraging the involvement of companies in urban regeneration. In view of their success, the Government are setting up two new city action teams, to cover Nottingham, Leicester and Derby, and Leeds and Bradford. The three Departments concerned will be spending over £1 billion in the areas covered by the CATs in 1988-89.

I have also been asked by the Prime Minister to help her to co-ordinate the Government's policies on inner cities. As part of that task, I will launch on 13 April in Newcastle a series of Government working breakfasts with Ministers and senior industrialists and business men to promote more co-operation with the local leaders of business in urban regeneration. Other cities to be visited will include Leeds, Manchester, Birmingham, Liverpool and London and I intend each working meeting to lead to increased efforts in each city concerned.

The Government have also set up a central free telephone link (0800 181518) so that businesses can find out from a single contact point in our action for cities unit how they can play their part.

Managed Workshops

Mr. Thurnham: To ask the Chancellor of the Duchy of Lancaster what progress has been made in providing more managed workshops in inner city areas.

Mr. Kenneth Clarke: English Estates is to be the focus for a major new DTI-funded programme to bring the public and private sectors together to provide managed workspaces for business start-ups in inner cities. Up to £11 million of public funding will go into the programme in the first year through English Estates which has set up a new subsidiary company to spearhead the programme. Companies are being invited to adopt workshops in the town or city of their choice by investing directly in the projects or by providing land, buildings or experienced managers to give business support on site. English Estates is looking for as much private sector involvement as possible and is already working up projects in Manchester, Rochdale, Preston, Nottingham, Doncaster, Middlesbrough, Hartlepool, Spitalfields, Hackney and Peckham.

Rover Group

Mr. Cryer: To ask the Chancellor of the Duchy of Lancaster what representations he has received, other than from the management of British Aerospace, asking for British Aerospace's negotiations for the acquisition of Rover Group to be conducted on an exclusive basis; what consultations he undertook before deciding to accede to such requests, and with whom; and if he will make a statement.

Mr. Kenneth Clarke: My right hon. and noble Friend the Secretary of State consulted the chairman of Rover Group, Mr. Day, who advised that the Rover Group board considered exclusive negotiations with BAe should be pursued. The Government have accepted this advice, provided that negotiations are concluded by the end of April.

Investment

Mr. Boyes: To ask the Chancellor of the Duchy of Lancaster what proposals the British Venture Capital Association has to increase investment in small enterprises in the Houghton and Washington area.

Mr. Butcher: The British Venture Capital Association is a private sector body for which there is no ministerial responsibility. I have drawn the hon. Member's question to the attention of the chairman of the British Venture Capital Association.

Insider Dealing

Mr. Campbell-Savours: To ask the Chancellor of the Duchy of Lancaster whether he has now received the report from the stock exchange surveillance department

into alleged insider dealing in the shares of Matthew Brown prior to the takeover by Newcastle Breweries; and if he will make a statement.

Mr. Maude *[holding answer 4 March 1988]*: It is not the practice to reveal in particular cases whether reports about possible insider dealing are under consideration.

WALES

Sheep

Ms. Quin: To ask the Secretary of State for Wales if he will give the number of sheep farmed in each county of Wales in the following years, 1975, 1980, 1983, 1986 and 1987.

Mr. Peter Walker: The number of sheep farmed in each county in Wales for the years requested is given in the following table. 1987 figures are not yet available.

Number of Sheep Farmed in each County in Wales

	1975	*1980*	*1983*	*1986*
Breeding Flock				
Clwyd	457,738	512,999	574,938	622,078
Dyfed	597,824	704,677	775,955	860,415
Gwent	159,581	171,701	186,767	200,516
Gwynedd	717,331	779,560	859,021	926,011
Mid Glamorgan	144,608	154,829	168,136	170,412
Powys	1,262,929	1,445,758	1,560,250	1,640,040
South Glamorgan	19,692	23,371	24,729	26,479
West Glamorgan	64,806	73,308	75,203	83,529
Wales	3,424,509	3,866,203	4,224,999	4,529,480
Total Sheep and Lamb				
Clwyd	915,362	1,076,281	1,203,619	1,320,390
Dyfed	1,165,187	1,445,363	1,584,948	1,788,670
Gwent	314,345	344,048	373,633	405,417
Gwynedd	1,376,008	1,579,960	1,727,800	1,889,871
Mid Glamorgan	254,885	292,752	318,736	325,910
Powys	2,553,537	3,019,463	3,253,353	3,451,847
South Glamorgan	41,344	52,517	53,995	57,911
West Glamorgan	113,585	136,358	140,653	163,250
Wales	6,734,253	7,946,742	8,656,737	9,403,266

Note: These figures are for main holdings only.
Source: June Agricultural Census.

OVERSEAS DEVELOPMENT

Council of Europe

Mr. Hood: To ask the Secretary of State for Foreign and Commonwealth Affairs what support Her Majesty's Government are giving to the European campaign for interdependence and solidarity of the Parliamentary Assembly of the Council of Europe.

Mr. Chris Patten: The Government support the aims of this campaign. Last November I announced a grant of up to £70,000 to the campaign: £40,000 for the United Kingdom National Organising Committee and £30,000 for the European Organising Committee (EOC). Since the inception of the campaign the Government have also met the expenses of the British representative to the EOC. On 15 February this year I addressed a round table on developing country debt organised as part of the campaign.

UNICEF (Global Immunisation Programme)

Mr. Chapman: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a further statement on UNICEF's global immunisation programme and on the United Kingdom's contribution to it.

Mr. Chris Patten: I have no new information to add to the answer I gave my hon. Friend on 1 February at columns *460-61*.

Social Welfare Indicators

Ms. Mowlam: To ask the Secretary of State for Foreign and Commonwealth Affairs what is Her Majesty's Government's policy towards the use by the International Monetary Fund and the World Bank of social welfare indicators to measure the impact and viability of structural adjustment programmes on the poorest groups in developing countries: and if he will make a statement.

Mr. Chris Patten: We fully support the policy of the IMF and the World Bank to take account of the impact on the poorest groups in developing countries when helping to design structural adjustment programmes. We regard it as important in this process to use appropriate indicators of social welfare. Such indicators are, however, not always readily available in the countries in question. We therefore support the World Bank's recent initiative to help monitor living standards and improve statistical information on the condition of the poorest groups in African countries.

AGRICULTURE, FISHERIES AND FOOD

Environmentally Sensitive Areas

Mr. Ron Davies: To ask the Minister of Agriculture, Fisheries and Food what arrangements have been made in accordance with the requirements of section 18(8) of the Agriculture Act 1986 to monitor the effect on wildlife and the landscape of agreements concluded with the farmers in the environmentally sensitive areas already operative in England; whether he will make details of these arrangements available in the Library; and whether he will make a statement.

Mr. Gummer: A programme has been established to monitor the environmental effects of designation in all environmentally sensitive areas in England. Monitoring will be based on surveys of land use, landscape, ecology, and farming practice in each area. I expect to publish a first report, as required by section 18(8) of the Agriculture Act 1986, before the end of the summer. This report will include the information requested.

EDUCATION AND SCIENCE

Headmasters

Mr. Hayward: To ask the Secretary of State for Education and Science what representations he has received about his plans to give greater control over schools to headmasters; and if he will make a statement.

Mr. Dunn: My right hon. Friend has received a large number of representations about the proposals for the management of schools included in the Education Reform Bill. The proposals would increase substantially the powers of school governing bodies and enhance the role of head teachers. The principle of greater delegation has been welcomed by many.

School Subjects

Mr. Fallon: To ask the Secretary of State for Education and Science what recent representations he has received regarding subjects outside the core curriculum.

Mrs. Rumbold: Since the Second Reading of the Education Reform Bill on 1 December, over 800 letters have been received commenting on the Government's proposals for a national curriculum. A number of these have mentioned subjects other than those defined as core and other foundation subjects in the Bill.

City Technology Colleges

Mr. Holt: To ask the Secretary of State for Education and Science if he will make a further statement on the progress in the number of city technology colleges to be instituted.

Mrs. Rumbold: Sponsorship for five city technology colleges has now been announced. The Kingshurst CTC will open in September and the Nottingham CTC next year. We are making good progress in discussions with a number of other prospective sponsors.

Mr. Devlin: To ask the Secretary of State for Education and Science what representations he has received on city technology colleges; and if he will make a statement.

Mrs. Rumbold: I refer my hon. Friend to the reply I gave to my hon. Friend the Member for Rochford (Dr. Clark) on 19 January 1988, at column *620*.

Business Links

Mr. Bellingham: To ask the Secretary of State for Education and Science what further plans he has for encouraging closer links between schools and businesses.

Mrs. Rumbold: I would refer my hon. Friend to the answer which I gave on 1 December to my hon. Friend the Member for Stockport (Mr. Favell), at columns *755-56*.

National Curriculum

Mr. Dunnachie: To ask the Secretary of State for Education and Science what steps are being taken to ensure adequate staffing levels to cope with the subjects of the national curriculum.

Dr. Reid: To ask the Secretary of State for Education and Science what steps he is taking to ensure that there are enough qualified teachers to teach all the subjects of the proposed national curriculum.

Mrs. Rumbold: I refer the hon. Gentleman to the answer I gave to the hon. Member for Leeds, Central (Mr. Fatchett) on Monday 11 January, at column *53* and to the answer my right hon. Friend, gave to my hon. Friend the Member for Pembroke (Mr. Bennett) on 19 January, at columns *629-30*.

Mr. Fatchett: To ask the Secretary of State for Education and Science if he has any further indication as to when the whole of the national curriculum will be available for teaching purposes; and if he will make a statement.

Mrs. Rumbold: The date of full implementation remains dependent on actions and decisions which have still to be taken. Amongst such decisions are included when the remaining subject working groups will be established. My right hon. Friend hopes to set up those for English and technology shortly after Easter.

School Reorganisation Plans

Mr. Fatchett: To ask the Secretary of State for Education and Science how many school reorganisation plans have been with his Department awaiting a decision for more than six months; and if he will list them.

Mr. Dunn: My right hon. Friend has before him 26 proposals under sections 12 to 15 of the Education Act 1980 which were published over six months ago. These are shown in the table below. The list includes a number of proposals which affect only one school, and some which are held in abeyance for reasons beyond the Department's control.

Current proposals over six months old (as at 1 March 1988)

LEA and proposal	*Date of publication*
Brent: Establishment of the Islamia Primary School.	25 April 1986
ILEA: Change of status of Yesodey Hatorah Primary from Independent to Voluntary Aided School.	2 January 1987

LEA and proposal	Date of publication
Suffolk: Closure of Little Bealings Primary School.	19 January 1987
Suffolk: Closure of Charsfield CE Primary School.	19 January 1987
Barnet: Establish Hasmonean Preparatory School as a Voluntary Aided School.	12 February 1987
Berkshire: Change of character of St. Bernards Convent School from single-sex to co-educational.	25 March 1987
Devon: Amalgamation of Colyton Grammar and Axminster Secondary Schools.	3 April 1987
Hertfordshire: Amalgamation of Bishop Hatfield Secondary School and Hatfield School.	3 April 1987
Hertfordshire: Amalgamation of Marshalwick and Wheathampstead Secondary Schools.	3 April 1987
Hertfordshire: Amalgamation of Margaret Dane and Hadham Hall Secondary Schools.	10 April 1987
Staffordshire: Reorganisation of Secondary Schools in Burntwood.	30 April 1987
Shropshire: Closure of Ightfield CE Primary School.	20 May 1987
Shropshire: Closure of Acton Burnell CE Primary School	20 May 1987
Lancashire: Closure of Preston Talbot RC Primary School.	8 June 1987
Oxfordshire: Amalgamation of St. Blaise CE Primary and Milton Heights Primary Schools.	11 June 1987
Kent: Closure of Highfield Secondary and amalgamation of Warren Woods Boys and Girls Schools.	12 June 1987
Merton: Reorganisation of County, Primary, Middle and Secondary Schools.	12 June 1987
Hampshire: Closure of Weyhill CE Primary School.	19 June 1987
Dorset: Enlargement of St. Mary's RC Combined School.	3 July 1987
Lancashire: Establishment of a new sixth form centre and change of age-range of Blackpool Collegiate and Blackpool Greenlands High Schools.	17 July 1987
Hampshire: Amalgamation of Hill and Richard Taunton Sixth Form Colleges	30 July 1987
Staffordshire: Rationalisation of Primary Education in Stoke-on-Trent	30 July 1987
Staffordshire: Rationalisation of Secondary Schools in Stoke-on-Trent	30 July 1987
Somerset: Closure of Chilcompton Infants, Chilcompton Juniors and Stratton-on-the-Fosse CE Primary Schools and establishment of a new CE Primary School.	7 August 1987
Wiltshire: Amalgamation of Westmead Infant and Junior Schools.	7 August 1987
Hampshire: Change age-range of Purbrook Park County Secondary School.	24 August 1987

PRIME MINISTER

Security (Trade Unions)

Mr. Dalyell: To ask the Prime Minister what consideration has been given to banning trade unions from the Defence Intelligence Service.

The Prime Minister: None.

Mr. Dalyell: To ask the Prime Minister what is Her Majesty's Government's policy towards trade union membership in those sections of *(a)* the Home Office, *(b)* the Ministry of Defence and *(c)* the Foreign and Commonwealth Office which deal with security matters or which handle highly classified information; and if she will make a statement.

The Prime Minister: Apart from members of the Ministry of Defence Police, civil servants in these Departments are free to join trades unions irrespective of whether they deal with security matters or handle classified information.

Psychological Warfare

Mr. Livingstone: To ask the Prime Minister how many civil servants were trained in psychological warfare in each year from 1972 to 1987 in England, in the United States of America, or in both.

The Prime Minister: One civil servant received two weeks' training in England in 1983. Records are not available before 1982.

Security Services (Northern Ireland)

Mr. Livingstone: To ask the Prime Minister which Minister was responsible for the security services in Northern Ireland *(a)* from 1974 to 1979 and *(b)* from 1979 to the current date.

The Prime Minister: The Secretary of State for Northern Ireland is responsible for all aspects of security policy in Northern Ireland. The position before 1979 is not a matter for me.

General Sikorski

Mr. Alfred Morris: To ask the Prime Minister if she has received any representations about the repatriation to Poland of the remains of General Sikorski; what reply she has made; and if she will make a statement.

The Prime Minister: Representations have been received from various quarters both in Britain and in Poland. The Polish Foreign Minister raised with me last December the long-standing desire of the Polish authorities that the remains of General Sikorski be transferred to Poland. I told him that this was a delicate and difficult matter which divided the Polish people, and that the time had not yet come when we could agree to the transfer.

NHS Review

Mr. Fatchett: To ask the Prime Minister if, further to her reply at 1 March, *Official Report*, column *813*, she will list those district health authorities which, as part of the Government's National Health Service review, had told her that they are satisfied with their current level of funding.

The Prime Minister: The hon. Gentleman will be aware from press reports and in other ways that many district health authorities have budgeted effectively within the resources allocated to them, and have provided full and comprehensive health care to those needing it. Since the review was announced a large number of submissions have been received dealing with the experiences of many health authorities. It would not, however, be appropriate to publish information which may have been given in confidence.

War Widows

Mr. Ted Garrett: To ask the Prime Minister whether Her Majesty's Government are now in a position to remove the differences which currently exist between the pension entitlements of pre-1973 and post-1973 war widows.

The Prime Minister: All war widows receive pensions under the war pension scheme administered by the Department of Health and Social Security at the same standard rate regardless of when the husband served or died. Differences in total entitlement arise from changes made in the armed forces occupational pension scheme in 1973. These changes improved the provision made for widows where the husband gave service on or after 31 March 1973 and died from causes attributable to his service. It was recognised at the time that in accordance with normal superannuation practice, and in view of the very great costs which would have been involved, the new provisions could not be applied retrospectively. That position has not changed.

CIVIL SERVICE

Efficiency Unit Report

77. **Mr. Favell:** To ask the Minister for the Civil Service if he will make a statement on the implementation of the Efficiency Unit report on "Improving Management in Government: The Next Steps".

Mr. Luce: I have nothing to add to what my right hon. Friend the Prime Minister said on 18 February. I hope to make a further announcement to the House in due course.

Training College, Sunningdale

78. **Mrs. Virginia Bottomley:** To ask the Minister for the Civil Service when he last visited the Civil Service training college at Sunningdale.

Mr. Luce: On 9 November 1987.

Civil Service Applicants (Background)

79. **Mr. Butler:** To ask the Minister for the Civil Service whether he is satisfied with the diversity of background of applicants for Civil Service posts; and what guidance he gives the Civil Service Selection Board in this respect.

Mr. Luce: Applications for Civil Service posts are welcome from all qualified individuals, irrespective of background. Publicity arrangements are specifically designed to attract as wide a field of candidates as possible.

THE ARTS

Arts Council

56. **Mr. Menzies Campbell:** To ask the Minister for the Arts what representations he has received regarding the future funding of the Arts Council in the light of recent grant announcements.

Mr. Luce: There has been general recognition that three-year funding through the Arts Council offers a firm basis to arts bodies on which to plan their future.

Incentive Funding

57. **Mr. Knapman:** To ask the Minister for the Arts what information he has received from the Arts Council as to its intended application of moneys set aside for incentive funding.

Mr. Luce: My office has discussed with the council the detailed arrangements for its incentive funding scheme. A summary is given in the council's brochure "Better Business for the Arts", copies of which have been placed in the Library.

69. **Mr. Patrick Thompson:** To ask the Minister for the Arts whether *(a)* small and *(b)* innovative arts organisations will quality for incentive funding under the Arts Council's scheme.

Mr. Luce: The Arts Council published "Better Business for the Arts", containing full details of its scheme on 24 February.

The minimum grant will be £5,000. To qualify for this an organisation will be required to increase its income from outside sources by £10,000 in the third year of a business plan. A major criterion for all incentive funding awards will be the artistic excellence of the programmes; innovation is an important feature.

National Museum of Popular Music

58. **Mr. Wareing:** To ask the Minister for the Arts whether he will give financial support to establish a national museum of popular music.

70. **Mr. Bill Michie:** To ask the Minister for the Arts whether he will give financial support to establish a national museum of popular music.

Mr. Luce: Any initiative in this area might look first to the entertainment industry for financial and practical help.

Arts and Employment (National Plan)

59. **Ms. Short:** To ask the Minister for the Arts whether he has had discussions with regional Arts associations on developing a national plan for the arts and employment.

67. **Mr. Battle:** To ask the Minister for the Arts whether he has had discussions with regional Arts associations to develop a national plan for the Arts and employment.

Mr. Luce: No, but I meet regional arts associations regularly and see the contribution that they are making. I do not think a national plan is required: the initiatives must arise locally. Some of them are referred to in the inner cities document launched by my right hon. Friend the Prime Minister this morning.

Heritage Preservation

60. **Mr. Key:** To ask the Minister for the Arts what assessment he has made of the extent to which plural funding can aid the preservation of Britain's heritage.

Mr. Luce: I expect the heritage to continue to be supported by a mixture of public and private funding. Objects saved with the help of the national heritage memorial fund almost always attract private contributions. In addition, the Government indemnify many privately sponsored exhibitions.

61. **Mr. Boyes:** To ask the Minister for the Arts whether he will conduct an audit of national museums to identify the potential for further regional development.

Mr. Luce: I have no plans to conduct such study.

"Arts and the Inner City"

62. **Mr. Sedgemore:** To ask the Minister for the Arts what was the cost of the Office of Arts and Libraries' report entitled "Arts and the Inner City".

Mr. Tony Banks: To ask the Minister for the Arts what was the cost of the Office of Arts and Libraries report entitled "Arts and the Inner City".

Mr. Luce: £5,900 for research fees, travel and subsistence costs.

Mr. Fisher: To ask the Minister for the Arts what was the cost of the Office of Arts and Libraries' paper "Arts and the Inner City".

Mr. Luce *[holding answer Friday 4 March 1988]:* I refer the hon. Member to the reply I gave to the hon. Member for Hackney, South and Shoreditch (Mr. Sedgemore) earlier today.

West Midlands

63. **Mr. Turner:** To ask the Minister for the Arts whether he has had discussions with the West Midlands Arts Association about the potential for developing employment in the arts in the west midlands.

Mr. Luce: I have not had specific discussions with the west midlands arts associations, but I am aware of negotiations between WMAA and various local authorities, including Birmingham city council, Shropshire county council, and Dudley and Wolverhampton borough councils, covering employment initiatives within the field of the arts.

Arts Projects (Equal Opportunities)

64. **Ms. Abbott:** To ask the Minister for the Arts what discussions he has had with regional arts associations about the use of funds available for developing equal opportunities policy in implementing arts projects.

72. **Mr. Vaz:** To ask the Minister for the Arts what discussions he has had with regional arts associations about the use of funds available for developing equal opportunities policies in implementing arts projects.

Mr. Luce: I have not discussed this matter with regional arts associations, but the Arts Council has an equal opportunities policy covering employment practices, and an action plan committing 4 per cent. of the council's expenditure to ethnic minority arts within two years. These policies are supported by regional arts associations.

Touring Companies

65. **Mr. John Greenway:** To ask the Minister for the Arts what are the criteria for the distribution by the Arts Council of money set aside for touring companies.

Mr. Luce: The criteria for touring companies are similar to those for all arts companies. They take into account the company's artistic performance and standards, its strategic role and the quality of its management. The Arts Council is making a particular effort to expand regional touring over the next three years and I have made increased funds available for the purpose.

Financial and Marketing Skills

66. **Mr. Jessel:** To ask the Minister for the Arts what assessment he has made of the financial and marketing skills of arts bodies; and whether the Arts Council is providing advice on these skills.

Mr. Luce: In assessing its clients the Arts Council has regard to management ability as well as to artistic excellence. The council's new marketing department has embarked on a full programme of marketing support. I am also giving direct encourgement to marketing and recently announced support for two new measures: a distance learning package and training courses for top management.

Regional Departmental Staff

68. **Ms. Primarolo:** To ask the Minister for the Arts whether he has had discussions with the regional arts associations about the provision of Office of Arts and Libraries officers in the regions.

Mr. Luce: I am satisfied with the present arrangements, which provide for consultation whenever necessary between my officials and regional arts associations. There is no requirement for an OAL presence in the regions.

Arts Council Grants

71. **Mr. Harry Greenway:** To ask the Minister for the Arts what assessments the Arts Council makes of the costs of individual productions by subsidised theatre companies in deciding its level of grant; and if he will make a statement.

Mr. Luce: In assessing its clients the Arts Council takes full account of their performance, both artistic and managerial.

Attendance Figures

Mr. Simon Coombs: To ask the Minister for the Arts what information he has on total annual attendance figures at *(a)* London theatres, *(b)* provincial theatres, *(c)* London concerts, *(d)* provincial concerts, *(e)* London opera and *(f)* provincial opera.

Mr. Luce: The most recently available and comparable figures (1984) are as follows:

	thousands
(a)	10,471
(b)	5,557
(c)	1,118
(d)	1,348
(e)	565
(f)	474

The figures at *(c)* and *(d)* refer to "symphony concerts".

British Library

Mr. Menzies Campbell: To ask the Minister for the Arts what are the estimated capital costs of the new British Library at St. Pancras in each year from 1987-88 to 1990-91.

Mr. Luce: Provision for the estimated capital costs of the new British Library at St. Pancras for these years is as follows:

	£
1987-88	24,500,000
1988-89	33,088,000
1989-90	41,549,000
1990-91	46,159,000

The figures given are in respect of the construction and resource costs for stage 1A, apart from £500,000 included within the 1988-89 figure, which is earmarked towards the design work for the completion stage.

The figures are larger than those which I announced on 5 November because they include additional amounts transferred from the British Library's grant-in-aid in respect of savings in rents previously paid by the British Library to the Property Services Agency now reallocated to the project.

Ethnic Arts

Mr. Butler: To ask the Minister for the Arts what discussions he has had with the Arts Council with regard to the funding of ethnic arts within London and the appointment of black directors to arts bodies; and if he will make a statement.

Mr. Luce: I discuss funding matters with the chairman and secretary general on a regular basis. Employment practices, the composition of boards of directors, and the application of the council's equal opportunities policies are among the council's criteria for the assessment of its clients.

Royal Opera House

Mr. Butler: To ask the Minister for the Arts if he has any plans to seek powers to enable him to require the Royal Opera House to stage an appropriate proportion of black or ethnic arts.

Mr. Luce: No. It would be inappropriate for me to intervene in the artistic programmes of the Opera House, or any other funded theatre.

Arts Council Minority Arts Unit

Mr. Fisher: To ask the Minister for the Arts what has been the budget for the Arts Council minority arts unit in 1986-87 and 1987-88; and what is the proposed budget for 1988-89.

Mr. Luce *[holding answer 4 March 1988]:* The council had no separate budget for a minority arts unit in 1986-87. For the two succeeding years, budgets for the unit, including a grant to the minority arts advisory service, in figures are:

	£ thousand
1987-88	50·5
[1]1988-89	65·0

[1] Projected.

ENERGY

North Sea Oil

7. **Mr. McAllion:** To ask the Secretary of State for Energy what new steps he is taking to promote increased activity by oil companies in the North sea.

Mr. Parkinson: The licensing and fiscal arrangements for companies wishing to develop the resources of the United Kingdom continental shelf have encouraged a very high level of activity in recent years. Whilst activity fell as a result of the oil price collapse in 1986, it has since recovered strongly, which is further evidence of the success of the Government's approach to the North sea.

Oil-fired Power Stations

11. **Mr. Ronnie Campbell:** To ask the Secretary of State for Energy what consultations he has had with the chairman of the Central Electricity Generating Board regarding the conversion of oil-fired power stations to coal.

Mr. Michael Spicer: The CEGB keeps the possibility of conversion from oil to coal-fired power stations under constant review. I understand that the board has concluded that such conversion would be uneconomic at present.

Electricity Industry

24. **Mr. Matthew Taylor:** To ask the Secretary of State for Energy if he has now decided whether to produce a White Paper on privatisation of the electricity industry; and if he will make a statement.

29. **Dr. Reid:** To ask the Secretary of State for Energy if will make a further statement on progress in preparing plans to privatise the electricity supply industry.

42. **Mr. Simon Hughes:** To ask the Secretary of State for Energy what proposals he is considering for the control of the national grid after privatisation of the electricity industry.

22. **Mr. Frank Cook:** To ask the Secretary of State for Energy what progress he has made regarding the proposed publication of a White Paper on electricity privatisation.

Mr. Parkinson: I refer the hon. Members to my statement to the House of 25 February 1988.

33. **Mr. Barron:** To ask the Secretary of State for Energy when he last met the chairman of the Central Electricity Generating Board to discuss the privatisation of the electricity supply industry; and if he will make a statement.

Mr. Parkinson: I meet Lord Marshall frequently. I refer the hon. Member to my statement to the House of 25 February 1988.

38. **Mr. Dykes:** To ask the Secretary of State for Energy what plans he has to meet hon. Members to discuss various aspects of the Government's electricity privatisation proposals.

Mr. Parkinson: I am always ready to discuss electricity privatisation with hon. Members. I refer my hon. Friend to my statement to the House of 25 February 1988.

40. **Mr. Darling:** To ask the Secretary of State for Energy what representations he has received with regard to the extent of non-United Kingdom ownership of the electricity industry in the event of its being privatised.

Mr. Michael Spicer: I have received a large number of representations on many aspects of electricity privatisation.

9. **Miss Widdecombe:** To ask the Secretary of State for Energy what cost savings have been achieved in the electricity industry since 1979; and what are the cost saving targets for 1987-88 and 1988-89.

Mr. Michael Spicer: Operating costs of electricity supply per unit sold fell in real terms by 10·3 per cent. between 1979-80 and 1986-87. The present performance aim is a reduction of 6·1 per cent. in controllable costs between 1983-84 and 1987-88. The performance aim for the next two financial years is under discussion.

Mr. Dalyell: To ask the Secretary of State for Energy what assessment he has made of the implications for his decision on the future structure of the electricity supply industry of the role played by the integrated grid system in maintaining power supplies following the lightning strike on the Sundon substation in May 1986, which resulted in the tripping of seven supergrid circuits; and if he will make a statement.

Mr. Michael Spicer: The Government recognise that national grid control must continue to direct the use of power stations to ensure that secure supplies are maintained. The future structure of the electricity supply industry provides for this. Nothing in the Government's proposals would affect the ability of the grid to deal with a similar incident to that at Sundon.

Mr. Wallace: To ask the Secretary of State for Energy what recent representations he has received from the Confederation of British Industry on the rate of return required by the electricity industry; and if he will make a statement.

Mr. Parkinson: I refer the hon. Member to the answer given to the hon. Member for Kingston upon Hull, East (Mr. Prescott) today.

19. **Mr. Livsey:** To ask the Secretary of State for Energy what discussions he has had with the chairman or representatives of British Coal concerning privatisation of the electricity industry.

Mr. Parkinson: I meet the chairman of British Coal at regular intervals to discuss all aspects of the coal industry.

Independent Oil Sector

21. **Mr. Salmond:** To ask the Secretary of State for Energy whether he has any plans to review policy towards the United Kingdom independent oil sector; and if he will make a statement.

Mr. Parkinson: The Government's policy has been and continues to be to provide opportunities for active participation by independents in offshore and onshore exploration and development.

Oil Demand

23. **Mr. Knapman:** To ask the Secretary of State for Energy what is the projected level of demand for oil in the United Kingdom over the next three years; and what proportion of this will be met by output from the United Kingdom's own fields.

Mr. Parkinson: In 1987 the level of oil demand in the United Kingdom was 75 million tonnes. Over the next three years, we do not expect the level of demand to be very different. At this level, last year's production was 64 per cent. higher than self-sufficiency. On current estimates of future oil production, the United Kingdom is likely to remain self-sufficient well into the 1990s.

Coal Industry

25. **Mr. Brandon-Bravo:** To ask the Secretary of State for Energy when he next expects to meet the chairman of British Coal to discuss productivity.

45. **Mr. Andrew Mitchell:** To ask the Secretary of State for Energy when he next expects to meet the chairman of British Coal to discuss working practices in the coal mining industry.

47. **Mr. Hardy:** To ask the Secretary of State for Energy when he last met the chairman of British Coal; and what subjects were discussed.

Mr. Parkinson: I regularly have meetings with the chairman to discuss all aspects of the coal industry.

30. **Mr. John Marshall:** To ask the Secretary of State for Energy how much public funding support is being provided for British Coal in the current year.

Mr. Michael Spicer: I refer my hon. Friend to the answer given to the hon. member for Birmingham, Northfield (Mr. King) earlier today.

32. **Mr. Forth:** To ask the Secretary of State for Energy what has been the improvement in productivity in the coal industry since March 1985.

39. **Mr. Baldry:** To ask the Secretary of State for Energy what has been the improvement in productivity in the coal industry since March 1985.

Mr. Michael Spicer: Productivity in 1984-85 was, of course, affected by the miners strike. Deep-mined revenue output per man shift for the week ended 20 February was 3·52 tonnes, an increase of some 67 per cent. on the average of 2·11 tonnes for April 1985.

Opencast Mining

26. **Dr. Michael Clark:** To ask the Secretary of State for Energy how many tonnes of opencast coal were produced by licensed operators in the last financial year.

35. **Mr. Neil Hamilton:** To ask the Secretary of State for Energy how many tonnes of opencast coal were produced by licensed operators in the last financial year.

Mr. Michael Spicer: I am advised by British Coal that output of licensed opencast coal during 1986-87 was 1·8 million tonnes.

Power Stations (Scottish Coal)

27. **Mr. Douglas:** To ask the Secretary of State for Energy if he will make a statement on the amount of coal from Scottish miners burnt in power stations from 1979 to the latest date for which figures are available.

Mr. Michael Spicer: Coal consumed in SSEB power stations from Scottish mines from 1979 has been as follows:

Year	*Million tonnes*
1979-80	7·58
1980-81	7·28
1981-82	7·55
1982-83	4·65
1983-84	4·64
1984-85	2·39
1985-86	6·25
1986-87	4·50
1987[1]	4·45

[1] April to December.

Figures for Scottish coal burn in other United Kingdom power stations, and abroad, are not readily available.

Energy Supplies (Wales)

28. **Mr. Win Griffiths:** To ask the Secretary of State for Energy if he has any plans to visit Wales to discuss future investment in energy supplies.

Mr. Parkinson: The Government's approach to energy policy is a national one. I am satisfied that the energy needs of Wales are being fully met.

Energy Efficiency

31. **Mr. Andrew Smith:** To ask the Secretary of State for Energy if he will give his Department's current estimates of the cost of wasted energy as a result of the poor standard of insulation in domestic housing in the United Kingdom; and if he will make a statement.

Mr. Parkinson: Energy waste due to inadequate insulation in the housing sector is estimated at around £1 billion per year. it is in all our interests to minimise this waste. The Government, through the community insulation projects and the homes insulation scheme, are enabling over 300,000 households to be insulated annually. I hope that householders, local authorities, housing associations and building professionals will also continue to take advantage of my Energy Efficiency Office's information and advice service.

34. **Mr. Chapman:** To ask the Secretary of State for Energy what recent representations he has received on his policy on energy efficiency in buildings.

Mr. Parkinson: I receive a regular flow of representations from those who occupy, own or manage buildings, from the energy efficiency and heating industries, and from building professionals.

Nuclear Power

36. **Sir Trevor Skeet:** To ask the Secretary of State for Energy what further proposals he has for the development of nuclear power.

Mr. Parkinson: I refer my hon. Friend to the reply I gave to my hon. Friend the Member for Wells (Mr. Heathcoat-Amory) on 17 December 1987, at columns *639-40*, and to the statement I made to the House on 25 February 1988.

Plutonium

37. **Mr. Alan W. Williams:** To ask the Secretary of State for Energy what is the maximum velocity of impact that flasks carrying plutonium from Sellafield to Japan will withstand.

Mr. Michael Spicer: British Nuclear Fuels plc is developing and testing a suitable container for transporting plutonium by air from Sellafield to Japan. The container will meet the most stringent international standards.

CEGB Chaplains

41. **Mr. Oppenheim:** To ask the Secretary of State for Energy when he last met the Central Electricity Generating Board chaplains; and what subjects were discussed.

Mr. Parkinson: No such meetings have taken place.

Electricity Prices

43. **Mr. Cummings:** To ask the Secretary of State for Energy if he has met the Confederation of British Industry on the subject of electricity pricing.

Mr. Parkinson: I refer the hon. Member to the answer given today to the hon. Member for Kingston upon Hull, East (Mr. Prescott).

48. **Mr. Yeo:** To ask the Secretary of State for Energy what further representations he has received from industrial consumers about electricity prices.

Mr. Michael Spicer: I have received a number of representations from industrial consumers.

Nuclear Safety

44. **Ms. Ruddock:** To ask the Secretary of State for Energy if he will raise the recent Health and Safety Commission report on "The Tolerability of Risk from Nuclear Power Stations" at his next meeting with the commission.

Mr. Michael Spicer: The HSC will be considering the HSE paper, along with any comments received by 6 May 1988.

Joint European Torus

46. **Mr. Simon Coombs:** To ask the Secretary of State for Energy if he will make a statement on the future of the Joint European Torus.

Mr. Parkinson: The JET joint undertaking was originally established for a duration of 12 years beginning on 1 June 1978. Some of the scientific problems which JET was designed to explore are taking longer to solve than was originally hoped. To enable JET to complete its original objectives, an extension to the end of 1992 is currently under consideration in Brussels along with a proposed new community programme and R and D in the field of thermonuclear fusion.

Energy Prices and Consumption

49. **Mrs. Mahon:** To ask the Secretary of State for Energy whether he plans to review his policies on energy pricing and consumption, in the light of the March

Consultation Group report on energy consumption patterns in the north-west, a copy of which has been sent to him; and if he will make a statement.

Mr. Michael Spicer: I welcome this study in so far as it shows the enormous scope for improved energy efficiency in the north-west and in the country as a whole. The Energy Efficiency Office will continue to pursue sound policies to help consumers benefit from this potential. For this it is essential that energy prices should be determined within a competitive environment.

Offshore Fabrication Contracts

14. **Mr. Kennedy:** To ask the Secretary of State for Energy if he has any plans to change the criteria employed by the Offshore Supplies Office in assessing the percentage of United Kingdom content in oil and oil-related fabrication and construction contracts; and if he will make a statement.

Mr. Michael Spicer: No.

Energy-Saving Measures

Mr. Thurnham: To ask the Secretary of State for Energy what recent representations he has received about energy saving; and if he will make a statement.

Mr. Parkinson: I have received numerous recent representations on energy saving, many of which have been in the context of the work currently being undertaken on the future development of the Energy Efficiency Office's programmes.

Departmental Staff

Mr. Cran: To ask the Secretary of State for Energy how many members of staff within his Department are located within each region outside of London; what percentage this constitutes of staff within his Department; and what were the comparable figures in absolute and percentage terms in 1979.

Mr. Parkinson: The table below shows regions where 10 or more staff are currently located; there are also 28 staff in nine other regions. Comparable figures for 1979 are not available except for Strathclyde and East Midlands.

	1988		*1979*	
	Number	*percentage*	*Number*	*percentage*
Strathclyde	74	7	110	9
East Midlands	43	4	56	4
Grampian	21	2	—	—
North-West	21	2	—	—

Private Opencast Mining

Mr. Steinberg: To ask the Secretary of State for Energy who polices the tonnage of coal taken from opencast sites in the private sector.

Mr. Michael Spicer: Compliance with the licensing arrangements for private opencast mining operations is a matter for British Coal.

Data Protection

Mr. Cohen: To ask the Secretary of State for Energy how many subject access requests under the terms of the Data Protection Act his Department has received; what was his estimate of this number; whether he is reconsidering the subject access fee charged by his Department as a result; and whether he will make a statement.

Mr. Parkinson: My Department anticipates very few subject access requests and none has so far been received.

I have no plans to reconsider the subject access fee set out in my reply of 29 October 1987, at column *375*, to the hon. Member.

Bulk Consumers (Efficiency)

Mr. Cran: To ask the Secretary of State for Energy what evidence he has as to increased fuel efficiency on the part of bulk consumers; how this compares with the practice of other consumers, domestic and industrial; and what plans he has to encourage further such efficiency.

Mr. Parkinson: During the period 1979 to 1984 energy purchased per unit of production fell over 35 per cent. in the paper industry, 40 per cent. to 65 per cent. in basic chemicals, and over 70 per cent. in the aluminium industry. The figure for manufacturing industry as a whole was 25 per cent.

No comparable figures exist for the domestic sector but, for example, about 90 per cent. of homes with lofts which can be insulated have been insulated.

Building on this success, I have asked the Energy Efficiency Office to target its work on the economically most attractive areas, and to examine how the contribution of those who benefit from its industrial and commercial programmes can be increased.

Opencast Executive

Mr. Gareth Wardell: To ask the Secretary of State for Energy what information he has as to what percentage of *(a)* the profits and *(b)* the income of the Opencast Executive in South Wales was spent on site restoration in each year since 1984.

Mr. Michael Spicer: This is a matter for the British Coal Corporation, and I have asked the chairman to write to the hon. Member.

Electricity Generation

Mr. Salmond: To ask the Secretary of State for Energy (1) if he will publish what information he has regarding the proportion of electricity generation in each of the Organisation for Economic Co-operation and Development members states which are currently met by *(a)* nuclear, *(b)* coal-fired, *(c)* oil fired, *(d)* hydro and *(e)* other power stations;

(2) if he will publish what information he has regarding the proportion of electricity generation in each of the Organisation for Economic Co-operation and Development member states which are expected to be met in 1988 by *(a)* nuclear, *(b)* coal-fired, *(c)* oil fired, *(d)* hydro and *(e)* other power stations.

Mr. Michael Spicer: The proportion of total electricity production by OECD member states estimated by the IEA for the years closest to those required by the hon. Members is as follows:

	1986		1990	
	TWh	Per cent.	TWh	Per cent.
Coal	2,424·5	40	2,707·9	40
Oil	523·8	9	509·1	8
Gas	521·9	9	611·9	9
Nuclear	1,319·7	23	1,598·8	24
Hydro/Geothermal	1,167·7	19	1,303·2	19
Other	22·4	0	37·0	0
Total	5,980·0	100	6,767·9	100

The I E A publication "Coal Information 1987", a copy of which has been placed in the Library of the House, provides detailed information for each member state.

United Kingdom Atomic Energy Authority

Mr. Matthew Taylor: To ask the Secretary of State for Energy, pursuant to his reply of Monday 15 February, *Official Report*, columns *516-18*, if he will specify the funding provided in each of the table columns by year for *(a)* fast breeder reactor research, *(b)* fusion research, *(c)* thermal reactor research, *(d)* radioactive waste management, *(e)* renewable sources of energy and *(f)* energy efficiency.

Mr. Michael Spicer: The following table gives my Department's programme expenditure in the areas requested from the financial year 1975-76. Figures for the breakdown of the nuclear programme before 1975-76 are not readily available; and the renewables and energy efficiency programmes did not begin until that year.

Department of Energy Programme Expenditure

	£ million Cash[1]				£ million 1986-87 Prices[1]			
Year	Fast Reactor	Fusion[2]	Thermal Reactor	Radioactive Waste Management[3]	Fast Reactor	Fusion[2]	Thermal Reactor	Radioactive Waste Management[3]
1975-76	49·1	5·7	12·8	—	136·3	15·8	35·5	—
1976-77	53·2	6·7	15·3	—	130·5	16·4	37·5	—
1977-78	60·3	7·3	20·8	6·4	129·9	15·7	44·8	13·8
1978-79	77·9	10·9	17·0	3·8	151·6	21·2	33·1	7·4
1979-80	76·4	13·0	17·2	5·8	127·2	21·6	28·6	9·7
1980-81	90·8	14·8	22·8	5·3	127·5	20·8	32·0	7·4
1981-82	98·2	22·5	35·7	13·0	125·6	28·8	45·7	16·6
1982-83	96·4	21·6	36·0	8·4	115·0	25·8	42·9	10·0
1983-84	114·9	22·1	30·5	8·9	131·0	25·2	34·8	10·1
1984-85	102·5	25·6	25·6	9·8	112·0	28·0	28·0	10·7
1985-86	102·0	21·1	29·1	14·4	105·1	21·7	30·0	14·8
1986-87	99·4	18·9	15·6	14·0	99·4	18·9	15·6	14·0
1987-88[4]	75·8	20·8	16·7	22·1	72·7	20·0	16·0	21·2

[1] Department of Energy expenditure through the UKAEA.
[2] The figures also include the contribution to the JET project, where appropriate.
[3] Figures for 1975-76 and 1976-77 are not readily available.
[4] Estimate.

	£ million cash		£ million 1986-87 prices	
Year	Renewables	Energy Efficiency	Renewables	Energy Efficiency
1975-76	0·5	—	1·4	—
1976-77[1]	1·0	0·3	2·5	0·7
1977-78[1]	2·5	1·2	5·4	2·6
1978-79[1]	3·6	2·1	7·0	4·1
1979-80[1]	8·2	0·3	13·6	0·7
1980-81	11·3	5·1	15·9	7·2
1981-82	17·3	9·8	22·1	12·5
1982-83	14·7	14·6	17·5	17·4
1983-84	11·7	12·4	13·3	14·1
1984-85	14·9	18·1	16·3	19·8
1985-86	13·2	27·9	13·6	28·7
1986-87	12·0	24·5	12·0	24·5
1987-88[2]	13·7	24·5	13·1	23·5

[1] Energy efficiency expenditure shown for 1976-77 to 1979-80 is for publicity only: separate figures for energy efficiency R & D in these years are not available.
[2] Provision.

Central Electricity Generating Board

Mr. Wigley: To ask the Secretary of State for Energy when he last met the chairman of the Central Electricity Generating Board; and what matters were discussed.

Mr. Parkinson: I meet Lord Marshall frequently, and we discuss a range of matters.

Sellafield (Discharges)

Dr. Thomas: To ask the Secretary of State for Energy if he will list, aside from quantities discharged to the sea or atmosphere, the forms of *(a)* refined uranium, *(b)* refined plutonium, *(c)* intermediate uranium

contaminated waste and *(d)* intermediate plutonium waste that leave British Nuclear Fuels plc, Sellafield, under full Euratom safeguards.

Mr. Michael Spicer *[holding answer 5 February 1988]*: All material leaving Sellafield which is destined for civil use is under safeguards and is in the form of oxides.

Power Stations (Emissions)

17. **Mr. Heathcoat-Amory:** To ask the Secretary of State for Energy how much limestone will be required per annum for the flue gas desulphurisation equipment presently being installed on coal-fired power stations.

Mr. Michael Spicer: The CEGB plans to install flue gas desulphurisation equipment on 6,000 MW of existing coal-fired generating plant over the period 1988 to 1997.

Each 2,000 MW coal-fired power station using FGD equipment would use about 300,000 tonnes of limestone per year when operating at high load factors. This represents about 0·3 per cent. of annual United Kingdom limestone production.

20. **Mr. Flynn:** To ask the Secretary of State for Energy if he will make a statement on Her Majesty's Government's policy on the reduction of sulphur dioxide emissions from *(a)* Central Electricity Generating Board power stations and *(b)* privately owned power stations.

Mr. Michael Spicer: All new coal-fired power stations operated by both the public and private sector will be fitted with FGD equipment to the requirements of Her Majesty's Inspectorate of Pollution. In addition, the CEGB plans to retrofit 6,000 MW of existing generating capacity over the period 1988 to 1997.

Electricity Supplies

18. **Mr. Harry Greenway:** To ask the Secretary of State for Energy what is the ratio of electricity provided from *(a)* coal, *(b)* oil, *(c)* nuclear and *(d)* other sources; and if he will make a statement.

Mr. Parkinson: The amount of electricity provided by the Central Electricity Generating Board in the financial year 1986-87 amounted to 238 TWh. Of this, 75 per cent. was generated by coal-fired power stations, 16 per cent. from nuclear, 5 per cent. oil and 4 per cent. from other sources.

EMPLOYMENT

Docklands

Mr. Leighton: To ask the Secretary of State for Employment if he will give an account of the history, staffing and activities of the Manpower Services Commission's docklands liaison group.

Mr. Nicholls: The London docklands liaison group involving officials of the Department of Employment and the Manpower Services Commission was established in June 1987.

The docklands liaison group provides a focal point for the consideration of employment and training issues related to the development of the London docklands.

Urban Development Corporation

Mr. Leighton: To ask the Secretary of State for Employment when the Manpower Services Commission will submit the evidence requested by the Employment Committee for its inquiry into urban development corporations particularly in relation to the Manpower Services Commission's docklands liaison group; and if he will make a statement.

Mr. Nicholls: Evidence from the Manpower Services Commission for the Select Committee into urban development corporations and the London docklands liaison group was sent to the Committee on 3 March 1988.

Officials of the Manpower Services Commission are scheduled to give evidence to the Select Committee on 9 March 1988.

Community Programme

Ms. Short: To ask the Secretary of State for Employment what was the number of community programme projects and places, by type of project and type of sponsor, at the most recent available date.

Mr. Nicholls: I refer the hon. Member to the reply given by my Friend the Minister of State to the hon. Member for Oldham, West (Mr. Meacher), *Official Report*, Wednesday 9 December at columns *183-86*.

Enterprise Allowance Scheme

Mr. David Porter: To ask the Secretary of State for Employment if he will make a statement on the take-up and progress of the enterprise allowance scheme in Waveney.

Mr. Cope: Information is not available in the form requested. Since its national launch in August 1983, the enterprise allowance scheme has helped over 7,500 people to start their own business throughout Norfolk and Suffolk, including Waveney. Almost 2,400 people are currently receiving the allowance in these areas.

Departmental Buildings

Mr. Cran: To ask the Secretary of State for Employment if he will list the location and status of all buildings within his Department located in London and the annual cost of rents, rates and maintenance of each.

Mr. Lee: The Department of Employment Group, including the Advisory, Conciliation Arbitration Service, the Health and Safety Executive and the Manpower Services Commission, occupies accommodation in 224 locations in the London area ranging from its main headquarters building, Caxton house, Tothill street, London, SW1, down to small jobcentres and unemployment benefit offices. Civil accommodation for Government Departments is held in the name of the Secretary of State for the Environment and managed by PSA. Property for the Manpower Services Commission is in part held in its own name and the HSE holds the lease for its headquarters at Baynards house, London, W2. Some properties are held freehold; the rents of leasehold buildings are determined on a strictly commercial, and therefore confidential, basis. The tota! annual rent, including services charges paid to landlords for DE Group occupied properties in London in 1986-87, the last

complete year for which figures are available, was £17 million. Comparable figures for rate payments, and maintenance charges paid to PSA for those properties managed by them, are £8·2 million and £1·9 million respectively.

Labour Statistics

Mr. Simon Coombs: To ask the Secretary of State for Employment what were the 10 latest categories of employment in the Swindon jobcentre area in 1976, 1981 and 1986; how many were employed in each category; and what percentage of the work force these represent.

Mr. Lee: The available information on a comparable basis is given in the table. The figures are taken from the censuses of employment and relate to the Swindon travel-to-work area, as defined in 1984. Conparable jobcentre area information for 1981 and 1984 and travel-to-work area information for years prior to 1981 is not available.

Numbers and Percentage of Employees in Employment[1] in the Ten Industry Classes with the Largest Numbers of Employees in Swindon Travel To Work Area

Classes of the Standard Industrial Classification 1980		*September 1981*		*September 1984*	
		Number (thousands)	*Percentage*	*Number (thousands)*	*Percentage*
32	Mechanical engineering	3·3	4·0		
34	Electrical and electronic engineering	3·9	4·7	5·1	5·8
35/36	Manufacturing of motor vehicles and other transport equipment	[2]	[2]	[2]	[2]
50	Construction	4·7	5·8	4·3	5·0
61	Wholesale distribution	6·7	8·2	6·6	7·7
64	Retail distribution	8·9	10·9	10·5	12·1
66	Hotels and catering	3·4	4·2	3·2	3·7
83	Business services			4·1	4·7
91	Public administration and defence	3·3	4·0	3·6	4·2
93	Education	6·2	7·6	6·1	7·0
95	Medical, other health and veterinary services	4·8	5·9	4·2	4·8

[1] The figures exclude the self-employed and members of Her Majesty's Forces.
[2] Figures for these industries cannot be given without disclosing confidential information relating to individual firms.

Mr. Boyes: To ask the Secretary of State for Employment what is the total number of people unemployed in Houghton and Washington who are *(a)* 18 to 21 years of age, *(b)* 22 to 25 years of age, *(c)* 26 to 30 years of age, *(d)* 31 to 35 years of age and *(e)* over 36 years of age; and what percentage of each group this represents.

Mr. Lee: The following information is in the Library. Unemployment figures are not available in the exact age bands requested, but the following table shows the number of unemployed claimants in the Houghton and Washington parliamentary constituency on 14 January 1988, for the age bands which most closely correspond with those requested. Unemployment rates by age are not calculated below national level.

Houghton and Washington Constituency—14 January 1988

Age	*Unemployed Claimants*
18-19 years	642
20-24 years	1,339
25-29 years	1,003
30-34 years	867
35 years and over	3,065

Mr. Boyes: To ask the Secretary of State for Employment how many people in Houghton and Washington have been unemployed for longer than a year; and what percentage of the working force this total represents.

Mr. Lee: The following information is in the Library. On 14 January 1988 the numbers of unemployed claimants who had been unemployed for one year or more in the Houghton and Washington parliamentary constituency was 3,142. The smallest areas for which unemployment rates are available are travel-to-work areas.

Rev. Martin Smyth: To ask the Secretary of State for Employment what information he has as to the rate of male unemployment among *(a)* black and *(b)* white people in Brixton, Tottenham, Liverpool, Birmingham and Bristol; and if he will make a statement.

Mr. Lee: Information on unemployment by ethnic group is available only at regional, metropolitan county and national level.

Industrial Tribunals

Mr. Holt: To ask the Secretary of State for Employment how many awards were made against claimants for frivolous or vexatious cases at industrial tribunals in each year since 1982; and what was the average value of these claims.

Mr. Nicholls: Details of all cases in which costs were awarded are readily available only for the last two years. There were 287 such cases in the 12 months to 31 March 1986 with a median award of £92. The corresponding figures for the 12 months to 31 March 1987 were 294 and £285, respectively. A breakdown between applicants and respondents is not readily available but in practice the vast majority of cost awards are against applicants.

Mr. Batiste: To ask the Secretary of State for Employment what representations he has received concerning the effectiveness of pre-hearing assessments in industrial tribunals.

Mr. Nicholls: I am aware that criticisms have been made of the pre-hearing assessment procedure, most recently by Justice in its report on industrial tribunals. I am considering these criticisms in conjunction with the presidents of the industrial tribunals.

Mr. Batiste: To ask the Secretary of State for Employment what proportion of applications to industrial tribunals in each of the last three years for which figures are available have been subject to a pre-hearing assessment; in how many of such cases a warning as to costs was issued; and following such warning how many applications were withdrawn.

Mr. Nicholls: The information is as follows:

12 months ending	*Proportion of applications subject to pre-hearing assessment Per cent.*	*Number of costs warnings issued*	*Number of applications withdrawn or settled after costs warning*
31 December 1984	9·4	1,266	1,004
31 March 1986	3·7	672	640
31 March 1987	3·9	517	500

Mr. Batiste: To ask the Secretary of State for Employment how many awards of costs have been made by industrial tribunals during the most recent three years for which figures are available in respect of unfair dismissal cases; how they have been divided between awards against applicants and awards against respondents; and of all such awards how many did not follow a warning as to costs in a pre-hearing assessment.

Mr. Nicholls: Information on the number of cost awards in cases of unfair dismissal is readily available only for the two years ending 31 March 1987. The numbers are as follows:

12 months ending 31 March 1986: 185
12 months ending 31 March 1987: 229

I regret that the remaining information requested is not readily available and could be obtained only at disproportionate cost.

Unfair Dismissal

Mr. Batiste: To ask the Secretary of State for Employment what is the average size of awards of compensation for all unfair dismissals made is each of the last three years for which records are available; and what is the average for awards against companies employing fewer than 20 people.

Mr. Nicholls: The median award of compensation for unfair dismissal cases was:

12 months ending 31 December 1984: £1,345
12 months ending 31 March 1986: £1,674
12 months ending 31 March 1987: £1,805

I regret that information on awards against companies with fewer than 20 employees is not available.

Mr. Batiste: To ask the Secretary of State for Employment how many applications for unfair dismissal have been made in each of the last three years for which records are available; and how many relate to companies employing fewer than 20 employees.

Mr. Nicholls: The number of unfair dismissal applications registered was:

12 months ending	*Number*
31 December 1984	28,052
31 March 1986	27,632
31 March 1987	29,392

I regret that information on the number of complaints relating to companies with fewer than 20 employees is not available.

Inner Cities

Dr. Goodson-Wickes: To ask the Secretary of State for Employment what plans he has to strengthen schools-industry links in inner city areas.

Mr. Fowler: I propose to deploy the resources of the Department of Employment Group to encourage the development and implementation of 12 employer-school compacts within inner city target areas. The basic aim of these compacts will be for employers to guarantee a job with training to young people from inner city schools who meet agreed standards of achievement and motivation, and for this to be set down in an agreement between employers and schools. In return, schools will commit themselves to bringing their pupils up towards these agreed standards.

I have asked the Manpower Services Commission to give financial and organisational support to the 12 compacts for their first four years and I am setting aside £3 million a year for the next four years for this purpose. The scheme will be operated in full co-operation with the Department of Education and Science and the Department of Trade and Industry.

Mr. Knapman: To ask the Secretary of State for Employment what steps he intends to take to strengthen training and improve job prospects for inner city residents.

Mr. Fowler: My Department already spends over £1·1 billion in inner cities target areas providing unemployed people with skills, helping them find jobs and encouraging small businesses which are a prime source of new jobs. In intend to build on this work to focus our support on those who most need help. In particular, the following new initiatives are being introduced.

More than 100 specialist staff will work in local communities giving information and advice about the Government's training programmes, building on the help already being provided through 500 jobcentres and unemployment benefit offices.

People living in inner cities will be given more immediate access to information on jobs and training programmes, for example in community centres or libraries, in some cases using new technology.

Training in literacy, numeracy and English as a second language will be included in the Government's new training for employment programme. Special restart assessment courses will be set up for people lacking these basic skills.

A campaign to recruit more employers as training providers, particularly for the new programme, will be mounted.

The Manpower Services Commission will encourage employers to provide more training places and collaborate in planning inner city training programmes.

Small Businesses (Inner Cities)

Mr. Knapman: To ask the Secretary of State for Employment what steps he is taking to encourage small businesses in the inner cities.

Mr. Fowler: Small businesses make a central contribution to the development of inner city areas and to the generation of new jobs. My Department already provides substantial support to encourage self-employment and to help small businesses to start up, prosper and grow.

I am now introducing new measures to extend our support within the inner city target areas.

Six additional inner city offices manned by the small firms service are to be set up, improving access to business advice and counselling. Specialist counsellors will be appointed, to work in the local small business community, particularly with ethnic minority businesses.

A new fund of £600,000 per annum has been established, to be used to match private sector contributions to local enterprise agencies' projects specially designed to help inner city firms.

More encouragement, better training and advice for would-be entrepreneurs will be offered through more "enterprise days" in inner city jobcentres and a new training enterprise allowance scheme.

The flow of finance to inner city business will be encouraged by increasing the guarantee to banks for the loans they make to small businesses under the Government's loan guarantee scheme. This will be raised from 70 per cent. to 85 per cent. in the 16 inner city task force areas.

Greater emphasis on the option of self-employment will be included in YTS and the new training for employment programme.

Special Aids

Mr. Ashley: To ask the Secretary of State for Employment if the special aids to employment scheme will be available on the new adult training scheme; and if he will make a statement.

Mr. Nicholls: Yes. The special aids to employment scheme will be available on the new adult training programme. This was one of the recommendations included in the Manpower Services Commission's report and we have accepted its report in full.

Bridging Allowance

Mr. Strang: To ask the Secretary of State for Employment on what basis the proposed bridging allowance was calculated for young people at £15 per week; and whether he has any plans to increase the amount to the same rate as that payable under income support.

Mr. Cope: The proposed YTS bridging allowance has been set at £15 per week in order to provide short-term help for young people who have to wait for a few weeks for a YTS place after leaving a job or a previous YTS place. The allowance will be paid for a maximum of eight weeks, during which time the offer of a YTS place will be made. The allowance is more than twice the level of child benefit.

The allowance is not a form of income support, nor is it intended to support young people in any way over a long period of time. We shall, of course, keep the level of the allowance under review.

Mr. Strang: To ask the Secretary of State for Employment whether a young person discharged from a YTS place through no fault of her or his own will be entitled to a bridging allowance under the Employment Bill 1988 of more than eight weeks if they had completed 18 months of a YTS placement and still had six months before their 18th birthday and were unable to obtain another suitable YTS place.

Mr. Cope: The YTS bridging allowance will be limited to a maximum period of eight weeks in any year for all young people except registered disabled people.

All young people under 18 are guaranteed a place on YTS. This includes young people who have left a previous YTS place. The current rules preventing those with limited YTS entitlement from re-entering YTS will be changed to ensure that they can re-enter YTS and complete their training right up to their 18th birthday.

Mr. Strang: To ask the Secretary of State for Employment if he will ensure that bridging allowance for young people under the Employment Bill 1988 will be paid immediately their parents cease receiving child benefit.

Mr. Cope: No. The child benefit and YTS bridging allowance payments are designed for different groups of young people and are not intended to run consecutively. The new YTS bridging allowance is for young people who are already in the labour market who apply for YTS after having left or lost a job or previous YTS place.

Mr. Strang: To ask the Secretary of State for Employment whether bridging allowance, under the Employment Bill 1988, will be paid for more than eight weeks if a suitable YTS place cannot be found for a young unemployed person.

Mr. Cope: From September 1988 all young people under 18 years of age will be guaranteed a YTS place before their child benefit entitlement or YTS bridging allowance runs out.

We have guaranteed that a suitable YTS place will be found for all young people under 18 including those who are disabled who want one before these payments run out.

Special arrangements will be made for young registered disabled people, who may require special training facilities, to receive the YTS bridging allowance for longer than eight weeks if this proves necessary.

Mr. Strang: To ask the Secretary of State for Employment whether a young person in receipt of bridging allowance under the Employment Bill 1988 will be penalised if she or he refuses an unsuitable YTS place.

Mr. Cope: There will be no change to the present arrangements for placing young people on to suitable YTS schemes.

The new bridging allowance is for young people looking for a YTS place after leaving or losing a job or previous YTS place. If young people in this position refuse suitable YTS places consideration will be given to whether the bridging allowance should be suspended.

YTS (Houghton and Washington)

Mr. Boyes: To ask the Secretary of State for Employment how many people are currently on YTS schemes in Houghton and Washington; and if he will provide a table delineating the totals from 1979 to the latest available date.

Mr. Cope: The YTS programme began in 1983. The following table gives numbers on schemes in Houghton and Washington at 31 January for the past four years. Earlier data are not available.

	Number
31 January 1985	504
31 January 1986	484
31 January 1987	828
31 January 1988	829

Jobcentres (Advertisements)

Mr. Madden: To ask the Secretary of State for Employment if he will instruct jobcentres to accept job vacancy advertisements only in those cases, where jobs are advertised at legal minimum rates set by wages councils, where details of the job are given and where hours to be worked are clearly stated; and if he will make a statement.

Mr. Lee: Jobcentres have existing instructions that, where vacancies are notified for occupations affected by wages orders, rates must be not less that those specified.

Mr. Madden: To ask the Secretary of State for Employment if he will prepare standard job vacancy advertisements, reflecting good practice in terms of offering legal rates of pay, details of work to be undertaken and hours to be worked, for display in jobcentres; and if he will make a statement.

Mr. Lee: Vacancies for display in jobcentres are recorded in a standard format. I am satisfied with existing arrangements.

SOCIAL SERVICES

Hospital Charges

Mr. Anderson: To ask the Secretary of State for Social Services what sums were collected by each health authority from non-United Kingdom residents for hospital charges in 1985-86 and 1986-87; and what is the estimated net sum after deduction of costs of administration.

Mrs. Currie: The table shows the income under section 121 of the National Health Service Act 1977 recorded in the annual accounts of health authorities for 1985-86 and 1986-87. This income is shown net of any sums written off in the relevant year, including those due from earlier years; in some cases the result is a negative figure (figures shown in brackets in table). Such figures represent adjustments to the accrued income reported in prior years and not actual outflows of funds.

No deduction has been made for the cost of administration. The Department has no specific overall information on the administrative costs of collecting section 121 income which will vary from authority to authority.

The table does not include income received under sections 65 and 66 of the Act from overseas residents treated as private patients.

Income from overseas visitors (under section 121 of the National Health Service Act 1977)

District health authorities	*1986-87* £	*1985-86* £
Northern Region		
Hartlepool	26	—
North Tees	—	—
South Tees	7,181	8,749
East Cumbria	4,796	5,023
South Cumbria	4,213	10,209
West Cumbria	844	1,002
Darlington	5,688	1,580
Durham	1,196	5,128
North West Durham	(83)	1,112
South West Durham	(250)	1,537
Northumberland	805	7,688
Gateshead	2,088	1,480
Newcastle upon Tyne	54,854	65,748
North Tyneside	3,730	1,847
South Tyneside	1,247	345
Sunderland	533	1,667
Total	86,868	113,115
Yorkshire region		
Hull	929	3,771
East Yorks	710	495
Grimsby	2,720	4,935
Scunthorpe	(152)	386
Northallerton	2,512	386
York	3,700	31,271
Scarborough	(88)	2,532
Harrogate	2,054	6,619
Bradford	18,552	7,098
Airedale	1,618	3,874
Calderdale	1,657	12
Huddersfield	5,120	592
Dewsbury	13	387
Leeds Western	25,407	9,361
Leeds Eastern	22,383	16,153
Wakefield	11,874	993
Pontefract	—	4,033
Total	99,059	92,898
Trent region		
North Derbyshire	872	2,802
South Derbyshire	6,312	2,158
Leicestershire	19,606	20,959
North Lincolnshire	—	275
South Lincolnshire	1,460	1,614
Bassetlaw	2,834	411
Central Nottinghamshire	2,012	918
Nottingham	10,942	15,194
Barnsley	1,998	—
Doncaster	85	(1,391)
Rotherham	1,510	1,503
Sheffield	41,134	40,673
Total	88,765	85,116
East Anglian Region		
Cambridge	51,919	48,132
Peterborough	929	1,557
West Suffolk	1,536	6,562
East Suffolk	4,513	(1,154)
Norwich	9,424	7,988
Great Yarmouth	9,454	282
West Norfolk and Wisbech	212	712
Huntingdon	3,694	3,972
Total	81,681	68,051
North West Thames Region		
North Bedfordshire	5,455	5,753
South Bedfordshire	7,362	12,842
North Hertfordshire	5,673	3,601
East Hertfordshire	1,583	1,081
North West Hertfordshire	156	8,918
South West Hertfordshire	—	—
Barnet	2,980	21,322
Harrow	3,873	6,643
Hillingdon	53,656	24,902
Hounslow and Spelthorne	9,978	21,436
Ealing	1,349	6,142
Brent	6,677	22,044
Paddington	150,949	199,717
Riverside	203,997	180,914
Total	453,688	515,315
North East Thames Region		
Basildon and Thurrock	5,090	4,736
Mid Essex	373	12,650
North East Essex	1,987	2,861
West Essex	1,052	9,298
Southend	1,690	4,726
Barking, Havering and Brentwood	1,435	3,427
Hampstead	33,721	73,755
Bloomsbury	45,778	150,170
Islington	6,192	9,020
City and Hackney	779	13,088
Newham	(606)	3,692
Tower Hamlets	12,283	9,318
Enfield	626	2,978
Haringey	9,190	6,510
Redbridge	(3,691)	6,684
Waltham Forest	4,494	5,399
Total	120,393	318,312
South East Thames Region		
Brighton	(2,255)	33,437
Eastbourne	3,935	4,987
Hastings	889	4,701
South East Kent	9,177	14,785

District health authorities	1986-87 £	1985-86 £
Canterbury and Thanet	6,688	12,153
Dartford and Gravesham	864	1,596
Maidstone	503	779
Medway	5,431	5,369
Tunbridge Wells	3,767	5,530
Bexley	5,583	(458)
Greenwich	16,701	14,261
Bromley	1,625	5,008
West Lambeth	29,418	32,307
Camberwell	65,302	(2,802)
Lewisham and North Southwark	47,894	32,179
Total	195,522	163,832
South West Thames Region		
North West Surrey	5,471	125
West Surrey and North East Hampshire	—	14,175
South West Surrey	15,057	11,973
Mid Surrey	5,093	32
East Surrey	37,958	19,155
Chichester	1,904	5,833
Mid Downs	6,773	18,163
Worthing	3,698	5,739
Croydon	6,969	4,363
Kingston and Esher	5,503	7,473
Richmond, Twickenham and Roehampton	8,634	22,016
Wandsworth	52,604	36,260
Merton and Sutton	4,118	2,207
Total	153,782	147,514
Wessex Region		
East Dorset	19,215	31,948
West Dorset	4,412	3,143
Portsmouth and South East Hampshire	4,411	6,015
Southampton and South West Hampshire	8,007	15,719
Winchester	4,317	2,173
Basingstoke and North Hampshire	2,760	754
Salisbury	6,122	25,143
Swindon	6,659	4,798
Bath	3,845	1,077
Isle of Wight	—	—
Total	59,748	90,770
Oxford Region		
East Berkshire	16,699	10,599
West Berkshire	1,356	5,764
Aylesbury	1,571	17,508
Wycombe	5,688	4,105
Milton Keynes	360	125
Kettering	3,002	2,231
Northampton	2,085	2,312
Oxford	20,812	64,330
Total	51,573	106,974
South Western Region		
Bristol and Weston	10,528	11,962
Frenchay	6,173	6,905
Southmead	4,564	3,573
Cornwall	2,188	7,180
Exeter	29,085	3,516
North Devon	652	1,480
Plymouth	7,384	11,339
Torbay	7,756	18,546
Cheltenham	5,595	8,617
Gloucester	372	664
Somerset	5,394	7,599
Total	79,691	81,381

District health authorities	1986-87 £	1985-86 £
West Midlands Region		
Bromsgrove and Redditch	1,107	230
Hereford	—	2,662
Kidderminster	3,823	800
Worcester	3,240	7,866
Shropshire	3,587	4,516
Mid Staffordshire	810	—
North Staffordshire	2,728	1,799
South East Staffordshire	399	2,079
Rugby	476	1,503
North Warwickshire	1,130	—
South Warwickshire	6,809	10,340
Central Birmingham	30,277	38,610
East Birmingham	13,306	5,557
North Birmingam	3,148	9,754
South Birmingham	(15,825)	41,002
West Birmingham	17,978	25,150
Coventry	19,870	17,279
Dudley	14,335	5,261
Sandwell	4,710	12,487
Solihull	17,652	3,298
Walsall	6,539	9,348
Wolverhampton	7,864	7,477
Total	143,963	207,018
Mersey Region		
Chester	16,845	6,698
Crewe	1,450	15,170
Halton	142	51
Macclesfield	—	—
Warrington	675	1,590
Liverpool	7,100	16,800
St. Helens and Knowsley	1,976	50
Southport and Formby	5,623	8,496
South Sefton	12,629	16,164
Wirral	2,909	2,790
Total	49,349	67,809
North Western Region		
Lancaster	2,045	3,809
Blackpool, Wyre and Fylde	3,418	2,037
Preston	11,887	5,048
Blackburn, Hyndburn and Ribble Valley	6,911	1,831
Burnley, Pendle and Rossendale	5,773	4,648
West Lancashire	1,084	1,156
Chorley and South Ribble	—	343
Bolton	49	512
Bury	(411)	832
North Manchester	13,268	1,616
Central Manchester	18,755	10,510
South Manchester	2,967	23,083
Oldham	(1,934)	10,081
Rochdale	2,416	982
Salford	2,103	7,354
Stockport	2,032	1,018
Tameside and Glossop	1,095	(1,711)
Trafford	627	759
Wigan	1,660	2,479
Total	73,745	76,387
Special Health Authorities for the London Postgraduate Teaching Hospitals		
Hospital for Sick Children	—	17,787
National Hospital for Nervous Diseases	17,064	2,124
Moorfields Eye Hospital	—	—
Bethlem Royal Hospital and Maudsley Hospital	(27,984)	27,984

District health authorities	1986-87 £	1985-86 £
National Heart and Chest Hospital	10,556	14,884
Royal Marsden Hospital	21,993	7,927
Hammersmith and Queen Charlotte's Hospitals	49,048	71,257
Eastman Dental Hospital	—	—
Total	70,677	141,963

Leicester General Hospital (Renal Extension)

Mr. Vaz: To ask the Secretary of State for Social Services if he will list representations received on the partial opening of the renal extension at Leicester general hospital.

Mrs. Currie: I have received no representations other than those from the hon. Member. The new kidney unit at Leicester general hospital is expected to open later this year. The opening was always intended to be staged. Twenty-four of the 30 available beds should open initially as soon as the district is able to recruit the necessary staff; the others will follow according to workload demand. Trent RHA, of which Leicester is a part, already provides a higher level of renal service than the national guidelines recommend. No separate representation has been received.

Hospital Beds

Dr. Owen: To ask the Secretary of State for Social Services what is the proportion of all hospital beds occupied by patients who are *(a)* over 65 years and under 75 years and *(b)* over 75 years.

Mrs. Currie: The estimated figures requested for National Health Service hospitals in England in 1985—the latest year for which information is available—are *(a)* 18 per cent. and *(b)* 34 per cent. respectively. Further information on the use of National Health Service resources by age group is available in DHSS Statistical Bulletin 4/87, a copy of which has been placed in the Library.

Iatrogenic Illness

Dr. Owen: To ask the Secretary of State for Social Services how many people in England and Wales were admitted to hospital as a result of iatrogenic illness in the latest year for which figures are available.

Mrs. Currie: The information requested about iatrogenic illness is not collected centrally. Such figures as are available, which relate to discharges or deaths are given in the attached table.

Estimated number of discharges (including deaths in hospital) of in-patients with diagnosis as shown, NHS hospitals, England 1984-85

	1984	1985
Post-operative infection—main diagnosis	7,120	6,890
Post-operative infection—subsidiary diagnosis	9,090	8,720
Aplastic anaemia—main diagnosis	3,290	2,820

Road Accident Casualties

Dr. Owen: To ask the Secretary of State for Social Services if he will list for each year since 1979 the number of road accident casualties admitted to hospital, the average length of hospital stay, and the cost to the National Health Service.

Mrs. Currie: The total cost to NHS hospitals of treating casualties arising from all road traffic accidents is estimated to be £121 million for 1985. I regret that accurate figures for previous years are not available. The other information requested is given in the table.

Estimated number of in-patient discharges[1] and mean duration of stay of road traffic accident cases in NHS hospitals, England, 1979 to 1985

Year	Estimated number	Mean duration of stay (days)
1979	66,750	[2] 12·4
1980	65,070	[2] 12·6
1981	63,090	[2] 11·9
1982	63,690	12·0
1983	59,710	12·0
1984	59,190	11·6
1985	55,870	12·5

[1] Including deaths in hospital.
[2] Data relates to cases in England and Wales.

Local Office Project

Mr. Robin Cook: To ask the Secretary of State for Social Services what is the additional cost to the Government of contracting out work on the local office project to private consultants; and what information he has on rates of pay of those employed by Computer Sciences Corporation and Arthur Andersen and Company by reference to those of equivalent staff of his Department.

Mr. Portillo: The cost of the development work on the local office project being performed by private consultants is being met from within the Department's existing budgets. Although scales of fees have been negotiated between the Department and the two firms, it is not possible to provide meaningful comparisons with Civil Service scales, because of insufficient Civil Service staff with equivalent skills and ability to deliver to the same timescale, and the different terms of service which will apply.

Mr. Robin Cook: To ask the Secretary of State for Social Services what steps have been taken, or will be taken, to ensure that the work carried out by the Computer Sciences Corporation and Arthur Andersen and Company will be of the required quality to meet the needs of his Department.

Mr. Portillo: All local office project work performed by Computer Science Corporation and Arthur Andersen is subject to the established quality assurance procedures. These are designed to ensure that every product is delivered according to prior specification and will meet the user's requirements.

Mr. Robin Cook: To ask the Secretary of State for Social Services what consultations have taken place with the Civil Service unions on the contracting out of work on the local office project.

Mr. Portillo: Civil Service unions have been regularly consulted and informed on contracting out work on the local office project at both departmental and local level.

Maternity Services

Ms. Harman: To ask the Secretary of State for Social Services which health authorities have implemented the recommendations of the Maternity Services Advisory Committee.

Mrs. Currie: The reports of the Maternity Services Advisory Committee made a number of recommendations. Most districts have implemented the advice given or have plans to do so. Where districts have not fully implemented the recommendations, they have concluded that existing practices are already working well.

Following publication of the reports in 1985, the Department sought information from health authorities on a number of issues arising from the reports with a view to establishing a base from which to measure progress on implementation through the accountability review process. A copy of the findings of this exercise has been placed in the Library.

Data Protection

Mr. Cohen: To ask the Secretary of State for Social Services how many subject access requests under the terms of the Data Protection Act his Department has received; what was his estimate of this number; whether he is reconsidering the subject access fee charged by his Department as a result; and whether he will make a statement.

Mr. Portillo: Up to 1 March 1988, 270 subject access requests had been received. It had been estimated that the Department might receive some 200,000 requests per year. At present the Department does not charge a fee.

Hospital Car Service

Sir Peter Emery: To ask the Secretary of State for Social Services if he will list those health authorities which reimburse drivers in the hospital car service at a rate below that agreed by the General Council for National Health Service staff.

Mrs. Currie: This information is not held centrally.

Alarms

Mr. Jack: To ask the Secretary of State for Social Services if he will introduce a Bill to enable local authorities to charge a fee to private residents for the connection of their private alarms to local authorities control centres; and if he will make a statement.

Mr. Portillo: No. Local social services authorities already have powers to charge for the connection of private alarms to their control centres. The powers of housing authorities to charge for connection in these circumstances are a matter for my right hon. Friend the Secretary of State for the Environment.

One-Parent Families

Mr. Jacques Arnold: To ask the Secretary of State for Social Services what was the number of one-parent families in the United Kingdom recorded by the most recent statistics; and what was the number recorded in 1971.

Mr. Portillo: Comparable information for the whole of the United Kingdom is not available. But within Great Britain there were an estimated 940,000 one-parent families in 1984 which is the lastest year for which the statistics are available. The estimated number in 1971 was 570,000. The definition used, and other particulars, are contained in an article in "Population Trends No. 45 (Autumn 1986)", a copy of which is in the Library.

Attendance Allowance (Orkney and Shetland)

Mr. Wallace: To ask the Secretary of State for Social Services (1) how many people in *(a)* Shetland and *(b)* Orkney receive a retirement pension combined with the higher rate attendance allowance;

(2) how many people in *(a)* Shetland and *(b)* Orkney receive widow's benefit combined with a higher rate attendance allowance.

Mr. Scott: I regret that the information is not available.

Mr. Wallace: To ask the Secretary of State for Social Services how many people in *(a)* Shetland and *(b)* Orkney receive invalidity benefit combined with higher rate attendance allowance.

Mr. Scott: Two and five, respectively, at 2 March 1988.

Abortions

Mr. Amos: To ask the Secretary of State for Social Services if he will give a breakdown of the numbers of abortions performed in the Northern regional health authority at gestation of *(a)* 18, *(b)* 19, *(c)* 20, *(d)* 21, *(e)* 22 and *(f)* 23 or more weeks, by the district health authority in which they were performed; and if he will express the figures as a rate per thousand women in their main child-bearing years in that district health authority.

Mr. Newton: No. Abortion statistics by district health authority of termination are not released for reasons of maintaining confidentiality.

Single Payments

Mr. Robin Cook: To ask the Secretary of State for Social Services what was the average monthly expenditure on single payments between August and October 1985.

Mr. Portillo: The average monthly, that is four-weekly, expenditure on single payments in the 12-week period ending on 22 October 1985 was £24,473,644.

Mr. Madden: To ask the Secretary of State for Social Services if he will provide for each office of his Department in west Yorkshire, grouped according to the main conurbations, information on single payments for the years 1983 to 1988 in the form of his reply of 15 February, *Official Report*, columns 503-504.

Mr. Portillo *[holding answer 29 February 1988]:* I have placed in the Library tables giving the information requested.

Cook-chill System (Wakefield)

Mr. O'Brien: To ask the Secretary of State for Social Services if he has considered the request of Wakefield district health authority for an investigation into the value for money exercise on the introduction of cook-chill system for providing food; and if he will make a statement.

Mrs. Currie: Wakefield health authority's resolution asks the Secretary of State

"to institute a public enquiry into the lengthy decision making process prior to the implementation of the cook-chill system of catering in Wakefield".
Its request is still under consideration.

Mr. O'Brien: To ask the Secretary of State for Social Services what information he has received relating to *(a)* the transportation of solid meal components in a refrigerated state and *(b)* fluids being transported warm, to wards in the Wakefield health authority area under the cook-chill system; if any assessment has been made as to whether this practice conforms to the procedures recommended by his Department; and if he will make a statement.

Mrs. Currie: I have received no information of the type suggested. Any assessment as to whether such practices conform to the principles contained in the Department's guidelines is primarily a matter for the Wakefield health authority advised as necessary by the Yorkshire regional health authority.

Mr. O'Brien: To ask the Secretary of State for Social Services if he has received the report of Wakefield district health authority on the annual deficit of £263,000 arriving from the introduction of the cook-chill system; if he will make provision to cover this deficit; and if he will make a statement.

Mrs. Currie: I have received no such report. There is no question of central funding being made available to meet the costs of the introduction of cook-chill. That is a matter for local management.

Regional Secure Units

Mr. Bermingham: To ask the Secretary of State for Social Services whether the research study on the regional secure units funded by his Department has been completed; and if he will make a statement.

Mrs. Currie: A survey of regional secure services funded by the Department has been carried out. A report is being prepared.

Marta Owen

Mr. Tony Lloyd: To ask the Secretary of State for Social Services what recent steps he has taken to monitor the progress of the closure of Swinton house hospital, Salford, and of the provision of care for Marta Owen; and if he will make a statement.

Mrs. Currie: Arrangements for the closure of Swinton house and the relocation of its patients, including Marta Owen, are a matter for the Salford health authority in conjunction with the North Western regional health authority. Where appropriate, interim provision will be made for patients leaving Swinton house until long-term arrangements for their care are settled.

Housing Benefit

Mr. Boyes: To ask the Secretary of State for Social Services what is the percentage loss in income in the Houghton and Washington area due to housing benefit reductions for those households earning *(a)* £60 per week, *(b)* £80 per week and *(c)* £150 per week.

Mr. Portillo: I regret that the information is not available.

Sir Brandon Rhys Williams: To ask the Secretary of State for Social Services, further to his reply to the hon. Member for Kensington, *Official Report*, 4 February, columns 737-42, and to the figures for the lone parent earning £60 per week in table 'D', whether one-parent benefit is to be excluded from set income for the new housing benefit calculation; and what rate of lone parent premium was used for his calculations.

Mr. Scott: I regret my reply given to my hon. Friend on 4 February at columns *737-42* should be amended as follows: Table D showing the new system from April 1988 for a single person with gross weekly earnings of £60 and children aged 4 and 6 gross should indicate £81·95 in net weekly spending power with no rent or rate rebates.

One parent benefit is taken into account for calculating housing benefit. The lone-parent premium used was £8·60.

NHS Staff

Rev. Martin Smyth: To ask the Secretary of State for Social Services if he will publish a table showing how many *(a)* district general managers, *(b)* consultants, *(c)* nursing staff and *(d)* domestic staff in the National Health Service are (i) members of ethnic minorities and (ii) women in each district health authority in England and Wales; and what is the total number of people in each category.

Mrs. Currie: Information about the numbers of staff employed in each health district in England in the groups and categories mentioned is not readily available and to provide it would entail a special exercise which would be disproportionate in terms of cost. The NHS is an equal opportunities employer and health authorities have the obligation of ensuring that policies to this end are implemented.

Hospitals (Ministerial Visits)

Mr. Rooker: To ask the Secretary of State for Social Services how many hospitals in Birmingham have received official visits from Ministers since 11 June 1987.

Mrs. Currie: None. An invitation has been accepted and a visit is planned to take place later this spring.

Emphysema

Mr. Lofthouse: To ask the Secretary of State for Social Services if he has now received the Industrial Advisory Council's report on its investigation into the cause of emphysema among coal miners; and if he will make a statement.

Mr. Scott: We have received the report of the Industrial Injuries Advisory Council's investigation into bronchitis and emphysema. It is receiving careful consideration and a statement will be made shortly.

Benefits

Sir Brandon Rhys Williams: To ask the Secretary of State for Social Services what is his latest estimate of the expenditure savings *(a)* during 1988-89 and *(b)* after the end of transitional protection, as a result of the benefit changes to be implemented in April; and if he will also show how much of the savings is due to *(a)* the 20 per cent. minimum rates contribution, *(b)* housing benefit changes,

(c) the new capital rule for housing benefit and family rebate and *(d)* the replacement of single and other payments by the social fund.

Mr. Scott: We estimate that the structural changes to the benefit system in April 1988 will involve additional public expenditure in 1988-89 of some £430 million compared with a straight uprating of the old schemes; there will also be a saving of some £490 million on rate rebates, which are not classified as public expenditure. It is not possible to make realistic estimates of the effect after the end of transitional protection, which will not be for several years.

The saving from requiring householders to pay 20 per cent. of their domestic rates bill, net of the cost of the compensation for this liability built into the income support, housing benefit and family credit rates, is some £80 million. The overall saving from the housing benefit changes is some £650 million; of this, roughly £80 million is attributable to the new capital rule.

Gross expenditure on loans and grants from the social fund will be broadly in line with expected outturn on single payments in the current year.

Eye Tests

Dame Jill Knight: To ask the Secretary of State for Social Services what is the average cost of an eye test for a hospital ophthalmic out-patient.

Mr. Newton: I regret that this information is not collected centrally.

Electorates

Mr. William Ross: To ask the Secretary of State for Social Services if he will give the average number of electors per constituency in *(a)* the United Kingdom, *(b)* England, *(c)* Scotland, *(d)* Wales and *(e)* Northern Ireland at the latest available date.

Mrs. Currie: The information requested is as follows:

Area	*Total number of electors on the 1987 register*	*Average number of electors per constituency*
United Kingdom	43,666,375	67,179
England	38,393,203	69,585
Scotland	3,994,893	55,485
Wales	2,175,168	57,241
Northern Ireland	1,103,111	64,889

Mr. William Ross: To ask the Secretary of State for Social Services if he will list in the *Official Report* those constituencies in the United Kingdom which have electorates greater than 75,000 and those which have electorates less than 40,000 at the latest available date, showing in each case the number of electors.

Mrs. Currie: The information requested is as follows:

Parliamentary constituency	*Electors on 1987 register*
Constituencies with electorate greater than 75,000	
Isle of Wight	99,760
Milton Keynes	98,215
East Berkshire	88,884
Eastleigh	88,664
East Hampshire	87,476
Horsham	87,229
Huntingdon	87,195
Devizes	87,145
Swindon	87,140
Wokingham	86,587
Westbury	85,708
South Colchester and Maldon	85,302
Peterborough	85,244
Cirencester and Tewkesbury	85,181
Crosby	85,099
North West Surrey	84,295
Ryedale	84,205
The Wrekin	83,796
Chelmsford	83,696
Woking	83,453
North Colchester	83,391
South Suffolk	83,143
Waveney	82,920
Dudley West	82,884
South West Cambridgeshire	82,692
Stroud	82,340
Stratford-on-Avon	82,255
Feltham and Heston	81,999
Chichester	81,862
Harrow East	81,842
Aldershot	81,791
Mid Bedfordshire	81,697
North Wiltshire	81,670
Mid Worcestershire	81,581
Portsmouth North	81,350
Brigg and Cleethorpes	81,214
Mid Sussex	81,138
Hornsey and Woodgreen	81,122
Bridlington	81,072
South Derbyshire	81,041
Billericay	80,588
Grantham	80,366
South Staffordshire	80,338
Windsor and Maidenhead	80,272
Richmond (Yorkshire)	80,255
Central Suffolk	80,204
Langbaurgh	80,201
Romsey and Waterside	80,179
York	80,159
Cheltenham	80,121
Faversham	80,062
Beverley	79,958
South West Bedfordshire	79,927
West Hertfordshire	79,886
North Hertfordshire	79,689
Northavon	79,610
Chorley	79,514
Arundel	79,468
Meriden	79,436
South Norfolk	79,359
South Hams	79,356
Basingstoke	79,116
West Gloucestershire	78,982
Halesowen and Stourbridge	78,979
Rutland and Melton	78,921
Solihull	78,855
Houghton and Washington	78,821
Guildford	78,783
North Shropshire	78,240
Blaby	78,155
Bosworth	78,131
South Worcestershire	78,129
Braintree	78,025
Tonbridge and Malling	77,956
Honiton	77,942
Lincoln	77,939
Aylesbury	77,933
Fareham	77,910
Gloucester	77,899
Harwich	77,827
Worthing	77,719
Rugby and Kenilworth	77,640

Parliamentary constituency	*Electors on 1987 register*
Bury St. Edmunds	77,615
Winchester	77,527
Poole	77,481
Wallsend	77,465
Havant	77,412
Erewash	77,381
Woodspring	77,255
Warrington, South	77,245
Sheffield, Hillsborough	77,236
Tunbridge Wells	77,205
Weston-Super-Mare	77,172
West Lancashire	77,054
Rochford	77,048
Salisbury	77,045
Macclesfield	77,018
Northampton, South	76,948
Canterbury	76,931
Portsmouth, South	76,814
Tottenham	76,713
Harrogate	76,607
Suffolk Coastal	76,547
South West Hertfordshire	76,535
Warrington, North	76,517
Sunderland, North	76,503
Hertford and Stortford	76,470
Witney	76,221
St. Albans	76,206
Dudley, East	76,154
Newbury	76,145
Stockton, South	76,136
Wansdyke	76,108
Boothferry	76,084
Exeter	76,053
Bournemouth, East	75,906
Rossendale and Darwen	75,894
New Forest	75,780
Sunderland, South	75,762
Harborough	75,686
Ealing, Southall	75,660
Scarborough	75,628
Blackburn	75,586
Don Valley	75,452
Torridge and West Devon	75,373
Batley and Spen	75,334
Staffordshire Moorlands	75,318
Bournemouth, West	75,290
North Luton	75,270
Tynemouth	75,180
South West Norfolk	75,152
Taunton	75,035
Stoke-on-Trent, North	75,029
North East Cambridgeshire	75,026
Constituencies and electorates less than 40,000	
Tweedale, Ettrick and Luaderdale	38,283
Meirionnydd Nant Conwy	31,972
Caithness and Sutherland	31,519
Orkney and Shetland	31,332
Western Isles	23,685

Mr. William Ross: To ask the Secretary of State for Social Service if he will list the 12 largest constituencies by area in the United Kingdom, showing their electorates at the latest available date.

Mrs. Currie: The information requested is as follows:

Parliamentary constituency	[1] *Hectares*	*Electors on the 1987 register*
Ross, Cromarty and Skye	954,680	52,808
Inverness, Nairn and Lochaber	870,708	67,336
Caithness and Sutherland	788,297	31,519
Argyll and Bute	681,362	49,272
North Tayside	485,104	54,464
Galloway and Upper Nithsdale	441,883	53,994
Penrith and Border	327,984	71,930
Western Isles	308,717	23,685
Brecon and Radnor	301,269	49,936
Fermanagh and South Tyrone	265,463	69,997
Kincardine and Deeside	261,106	64,219
Mid Ulster	257,098	68,341

[1] These figures relate to land and inland water.

NI Fund

Mr. Madden: To ask the Secretary of State for Social Services what is the most recent advice he has received from the Government Actuary as to the minimum target balance of the national insurance fund as a proportion of annual benefit expenditure.

Mr. Portillo: The Government Actuary stated in 1983 that the national insurance fund's minimum target balance should be one sixth of the year's estimated benefit expenditure. (Report on the draft Social Security Benefit Up-Rating Order 1983. Cmnd. 8969.) This has never been a fixed target, but a prudent limit below which the balance should not be allowed to fall.

Poverty Levels

Rev. Martin Smyth: To ask the Secretary of State for Social Services what information he has as to the number and percentage of people in ethnic minorities who are below the poverty level; what are the comparable figures for those who are not members of ethnic minorities; and if he will make a statement.

Mr. Portillo: This Government, like Governments, do not accept that a poverty line can be drawn. No information on ethnic minorities is contained in the national census, the annual family expenditure survey or DHSS administrative statistics.

Income Support Scheme

Mr. Gordon Brown: To ask the Secretary of State for Social Services whether, further to his answer of 15 February to the hon. Member for Dunfermline, East, *Official Report*, column *492*, he will break down the £420 million extra expenditure under the income support scheme in 1988-89 into expenditure incurred by transitional protection and expenditure not incurred by transitional protection; and in each case how much of this expenditure is attributable to compensation for the 20 per cent. rates contribution.

Mr. Scott *[holding answer 3 March 1988]:* Of the £420 million, extra expenditure on transitional protection will be £200 million and that on structural changes £220 million.

Extra expenditure on income support in 1988-89 to compensate for the 20 per cent. rates contribution will be £280 million. This relates entirely to the structural effect. However, in calculating the amount of benefit payable at the point of the change to income support, compensation for the rates contribution is also to be built into the supplementary benefit levels. But for this the cost of

transitional protection would have been reduced by £70 million and the total additional expenditure in 1988-89 would have reduced from £420 million to £350 million.

Brighton Health Authority

Mr. Tony Banks: To ask the Secretary of State for Social Services what was the number of student and pupil nurse training places in the Brighton health authority; and what level of expenditure was allocated for training purposes for each year since 1979.

Mr. Newton *[holding answer 4 March 1988]:* I am sorry that I cannot give the hon. Member the information he seeks, since it is not held centrally. Details about the number of student and pupil nurse training places and the level of expenditure for training purposes for each year since 1979 should be available from Brighton health authority, and the hon. Member may wish to contact the district chairman.

Myalgic Encephalomyelitis

Mr. Tony Banks: To ask the Secretary of State for Social Services (1) what steps have been taken to ensure that officials of his Department have an adequate awareness of myalgic encephalomyelitis when assessing appropriate benefit claims:

(2) what training is given to staff in his Department to help them to identify myalgic encephalomyelitis sufferers claiming sickness or other benefits to which they may be entitled.

Mr. Scott *[holding answer 4 March 1988]:* For incapacity benefits, entitlement depends on a medical opinion that a claimant is incapable of work; for disability benefits there are medical criteria which are related to the effect of the disabling condition rather than its cause. People can thus qualify for these benefits even if the specific cause of their symptoms cannot readily be identified and the Departmental officials who deal with their claims are not therefore required to have a knowledge of particular diagnostic conditions.

DEFENCE

Services (Recruitment Guidelines)

Mr. Hume: To ask the Secretary of State for Defence what rules or guidelines govern recruitment to the armed services in respect of persons *(a)* with convictions, *(b)* convictions of murder and *(c)* on parole.

Mr. Freeman: When considering applications from individuals who have been convicted of an offence the services are bound by the Rehabilitation of Offenders Act 1974. The Act lays down, according to sentence passed, those convictions which can and cannot be deemed to be "spent" under the Act and if the designated period of time has elapsed since the individual was convicted it is not necessary to advise the recruiting staff of it. Therefore, a candidate could quite legitimately enter the armed forces having at some time in the past been convicted of an offence.

Even in cases where a conviction is not spent, entry is not automatically refused. Recruiting staff many, after giving due consideration to the offence committed, the individual's conduct since and any other relevant information they have before them, decide to accept the candidate. However, if the individual is still subject to any form of supervision order, it is unlikely he or she would be accepted; this would include an individual who had been convicted of murder and was released on licence.

Members' Visits

Mr. Cohen: To ask the Secretary of State for Defence if he will publish in the *Official Report* the rules governing visits to sites within his responsibility by right hon. and hon. Members; when they were last updated; and why.

Mr. Freeman: Right hon. and hon. Members may by mutual agreement with local armed forces units visit defence establishments within their constituency; and similar arrangements may be made for Front Bench defence spokesmen in respect of defence establishments outside their constituency. Hon. and right hon. Members may also visit defence establishments as part of all-party parliamentary groups whose plans are drawn to the attention of hon. and right hon. Members.

These arrangements are intended to assist hon. and right hon. Members in the conduct of their parliamentary duties, while minimising disruption to the normal conduct of military activities and maintaining the political impartiality of the armed forces.

Fylingdales

Mr. Cohen: To ask the Secretary of State for Defence if he will make it his policy to organise within the next few months a parliamentary visit to Fylingdales; and if he will make a statement.

Mr. Freeman: I am always prepared to consider suggestions from hon. Members for visits to defence establishments by groups of parliamentarians. I shall bear the hon. Member's interest in mind.

D Notice Committee

Mr. Dalyell: To ask the Secretary of State for Defence, pursuant to his answer of 12 February, *Official Report*, column 387-8, what action has been taken as a result of the permanent under secretary in his Department drawing the letter from the vice chairman of the D Notice Committee, Mr. J. M. Ramsden, dated 21 January, to the attention of those in the Government concerned with the relevant matters; and if he will make a statement.

Mr. Younger: My ministerial colleagues and I have noted the contents of Mr. Ramsden's letter of 2 February. We are pleased that the media side of the Defence Press and Broadcasting Committee had decided to continue to participate in the D Notice system, on which the Government place great value.

Administrative and Executive Grades

Mr. Dalyell: To ask the Secretary of State for Defence which administrative and executive grades are in receipt of special pay additions; where they are located; and what are the total numbers by grade at each location.

Mr. Sainsbury: Special pay additions for administrative and executive grades have been introduced at AWE Aldermaston and Burghfield. The grades involved are administrative assistant, administrative officer, executive

officer and higher executive officer. It is not the practice to disclose details of the number or deployment of staff employed in these areas.

Psychological Warfare

Mr. Livingstone: To ask the Secretary of State for Defence how many members if the armed forces and civil servants from his Department were engaged in psychological warfare in Northern Ireland each year from 1972 to 1987.

Mr. Freeman: It is not the policy to comment on operational matters.

Mr. Livingstone: To ask the Secretary of State for Defence how many members of the armed forces and civil servants from his Department were trained in psychological warfare in each year from 1972 to 1987 in England, in the United States of America, or in both.

Mr. Freeman: The Ministry of Defence no longer uses the term "psychological warfare". In common with the rest of NATO, the Ministry of Defence uses the term "psychological operations" and runs courses intended to familiarise Ministry of Defence personnel with the background to and the concept of psychological operations. Records of Ministry of Defence personnel attending psychological operations training courses are only held from 1983. The figures for those personnel attending such courses in the United Kingdom are as follows:

Year	*Numbers Attending*
1983-84	[1]11
1984-85	12
1985-86	14
1986-87	9
1987-88	10

[1] Including one civil servant.

A small number of armed forces personnel have also attended psychological operations training courses run in the USA. Records of numbers of such personnel exist from 1982 only, and are shown below:

Year	*Numbers Attending*
1982	2
1983	1
1984	0
1985	0
1986	1
1987	3

Mr. Colin Wallace

Mr. Livingstone: To ask the Secretary of State for Defence in what capacity Mr. Colin Wallace served in the Ulster Defence Regiment whilst a senior information officer in Northern Ireland.

Mr. Freeman: Mr. Wallace served as a part time 2nd lieutenant in 1 (County Antrim) UDR.

Captain Fred Holroyd

Mr. Livingstone: To ask the Secretary of State for Defence whether Captain (retired) Fred Holroyd was offered any other post in military intelligence in Northern Ireland or elsewhere before he was medically downgraded in July 1975.

Mr. Freeman: It is not our normal practice to discuss the postings of individual officers.

Mr. Livingstone: To ask the Secretary of State for Defence on what basis Captain (retired) Fred Holroyd was referred for medical examination at the military wing of the Musgrave Park hospital, Belfast, in 1975, and later transferred for medical examination at the Royal Victoria hospital, Netley, Southampton, in 1975; and if he will make a statement.

Mr. Freeman: It is not my Department's policy to discuss the details of individual medical cases which are medical in confidence.

Mr. Livingstone: To ask the Secretary of State for Defence, pursuant to his answers of 11 December, *Official Report*, columns 311 and 312, what representations have been received from Captain (retired) Fred Holroyd, his legal representative, or from his civilian doctors, for access to his medical records; and if he will make a statement.

Mr. Freeman: I have nothing further to add to the reply I gave to the honourable member on 11 December 1987, at column 312.

Vanguard (Lost Components)

Mr. Dalyell: To ask the Secretary of State for Defence, pursuant to the answer of 26 February, *Official Report*, column 378, (1) how each of the various pieces of Vanguard submarine lost overboard on 5 to 6 February were secured to the deck of the ship;

(2) what progress has been made in the attempts to recover the five Vanguard submarine sections lost on 5 to 6 February; and if he will make a statement.

Mr. Sainsbury: Until the results of the inquiry into the incidents are known, I have nothing to add to my statements to the House on 15 and 26 February, at columns 448-9 and 378-80 respectively.

Complaints (Redress of Grievance)

Mr. Ashley: To ask the Secretary of Defence how many complaints seeking redress of grievance have been made in each of the last five years; how many have been successful; how many complaints related to injustice; and in how many of the cases there was a request for a payment because of injuries for which a legal action might have been brought but for section 10 of the Crown Proceedings Act 1979.

Mr. Freeman: Submissions for redress of grievances made under the terms of the service discipline Acts may be dealt with by commanding officers, or at any of the higher levels of command, the service boards of the Defence Council. No central records are kept of the total number of submissions made. However, information relating to submissions considered by the service boards is as follows:

Year	*Number of submissions considered*	*Number in which redress was granted in whole or in part*
1983	21	5
1984	33	8

Year	Number of submissions considered	Number in which redress was granted in whole or in part
1985	61	25
1986	62	13
1987	83	10
1988 (to date)	6	—

Notes:
1. Figures only available from 1985 for submissions to the Admiralty Board.
2. Five submissions are still under consideration.

All complaints relate to what the complainant considers to be be injustice. As far as can be established from available records, four submissions considered by the service boards in the last five years have requested payments in circumstances where, but for the operation of section 10 of the Crown Proceedings Act 1947 a legal action might have been pursued.

Cemeteries

Mr. Tony Banks: To ask the Secretary of State for Defence (1) when the War Graves Commission last inspected the graves in the Woodgrange Park cemetery in the London borough of Newham; and how many complaints have been directed by the commission to the cemetery owners;

(2) what measures are adopted by his Department to ensure that cemetery owners acting as agents of the Commonwealth War Graves Commission maintain proper standards of care;

(3) if he will list those cemeteries in London which charge for maintaining war graves and those cemeteries which do not;

(4) if any charges have been paid to the current owners of the Woodgrange Park cemetery for maintaining war graves; and if he will make a statement.

Mr. Freeman: These are matters for the Commonwealth War Graves Commission and I have asked the director general to write to the hon. Member.

Ex-Marine Martin Kettrick

Mr. Ashley: To ask the Secretary of State for Defence if he will outline the procedure that was followed regarding the complaint of ex-Marine Martin Kettrick for redress of grievance; who assessed the complaint; and how the opinion of Martin Kettrick was presented.

Mr. Freeman: As an ex-member of the Royal Marines, Mr. Kettrick submitted his complaint directly through the Department of the Commandant General Royal Marines. In accordance with normal practice, information concerning the complaint, its origins, and all relevant circumstances was assembled by the relevent secretariat division for presentation to the Admiralty Board. The opinion of Mr. Kettrick, as expressed in the full text of his complaint, formed part of that presentation. The case was considered at length by the Admiralty Board and a decision then taken on behalf of the Defence Council.

Mr. Ashley: To ask the Secretary of State for Defence whether, in the consideration of the case of ex-Marine Martin Kettrick, the fact that section 10 of the Crown Proceedings Act 1947 has now been abolished was taken into account; what assessment was made of the actuarial level of the pensions that Martin Kettrick received from the Army in relation to what he might have received had he been successful in a civil court; and if there was any assessment of the possibility that Martin Kettrick's injuries arose from the negligence of others.

Mr. Freeman: The Crown Proceedings (Armed Forces) Act 1987 is non-retrospective and section 10 of the Crown Proceedings Act 1947 remains a bar in Mr. Kettrick's case to a civil action in the courts in which questions of negligence and level of damages would otherwise have been determined. Nevertheless, in considering Mr. Kettrick's case full account was taken, and assessments made, of these and all other relevant factors including the value of the pension and other benefits which he continues to receive under the no-fault system available to members of the armed forces.

Maritime Tactical Nuclear Weapons

Mr. Cohen: To ask the Secretary of State for Defence (1) if Britain's maritime tactical nuclear weapons are all assigned to NATO; and whether they can be withdrawn from NATO command to be used under national command;

(2) what is the strategy for employment of Britain's maritime tactical nuclear weapons.

Mr. Ian Stewart: All the United Kingdom's nuclear forces are committed to NATO, in support of the strategy of flexible response, although they remain at all times under the control of the British Government and are capable of being employed independently when supreme national interests are at stake.

National Joint Ocean Surveillance Information Centre

Mr. Cohen: To ask the Secretary of State for Defence (1) if the National Joint Ocean Surveillance Information Centre is designed to be capable of operating as a back-up to the United States ocean surveillance information system;

(2) when the National Joint Ocean Surveillance Information Centre first became operational;

(3) what is the number of *(a)* Royal Navy personnel, *(b)* United States military personnel, *(c)* United States civilian personnel and *(d)* British civilian personnel assigned to the United Kingdom National Joint Ocean Surveillance Information Centre.

Mr. Ian Stewart: I have nothing to add to the answer I gave the hon. Member on 14 December 1987, at column 411.

Eurogroup Defence Ministers

Mr. Cohen: To ask the Secretary of State for Defence when and where the next meeting of Eurogroup Defence Ministers is scheduled to take place; if he is planning to attend the meeting; and if he will make a statement on the agenda for the meeting.

Mr. Ian Stewart: My right hon. Friend the Secretary of State for Defence will attend the next Eurogroup meeting which takes place on 25 May. A range of items will be discussed.

NATIONAL FINANCE

Income Tax

Mr. Gordon Brown: To ask the Chancellor of the Exchequer what would be the cost of reducing the higher tax rate of 60 per cent. to *(a)* 50 per cent., *(b)* 45 per cent., and *(c)* 40 per cent. in 1988-89.

Mr. Norman Lamont: The direct revenue costs, in a full year at 1988-89 levels of income, of reducing the higher tax rates to the levels specified are given in the table below:

Top rate of tax Percentage	*Direct revenue cost £ million*
50	530
45	1,000
40	1,650

The estimates are based on projections of the 1984-85 survey of personal incomes in line with the forecasts in the Autumn Statement and are therefore provisional. The costs assume indexation of the current income tax bands and allowances to 1988-89 levels according to the statutory provisions. The estimates assume that the wife's earnings election is made where it is beneficial, but no other allowance is made for possible changes in taxpayers' behaviour.

Personal Ownership

Mr. Andrew Mitchell: To ask the Chancellor of the Exchequer if he will make a statement on the growth of personal ownership in Britain since 1979.

Mr. Norman Lamont: I refer the hon. Gentleman to the answer which I gave to my hon. Friend the Member for Darlington (Mr. Fallon) on 29 October, at column *435*.

VAT

Mr. Heddle: To ask the Chancellor of the Exchequer what information he has as to the date by which the final verdict of the European Court is likely to be known in respect of the case between the European Commission and the United Kingdom Government in respect of value added tax zero-rating policy on domestic and non-domestic construction work.

Mr. Lilley: The European Court of Justice has not yet given an indication of a likely date for delivery of its judgment; best estimates suggest that it may not deliver judgment before April or May at the earliest.

Forestry

Mr. Simon Hughes: To ask the Chancellor of the Exchequer what representations he has received on tax incentives for forestry.

Mr. Norman Lamont: My right hon. Friend has received a number of representations.

Shareholders

Mr. Butler: To ask the Chancellor of the Exchequer what information he has regarding the number of shareholders within the United Kingdom.

Mr. Norman Lamont: I refer the hon. Gentleman to the answer which I gave to my hon. Friend the Member for Darlington (Mr. Fallon) on 29 October, at column *435*.

Luncheon Vouchers (Civil Servants)

Mr. Galbraith: To ask the Chancellor of the Exchequer what is his estimate of the annual cost of providing weekly luncheon vouchers of *(a)* £5, *(b)* £6 and *(c)* £7 per employee for each civil servant in the London pay area; and what is his estimate of the cost of similar services for all civil servants outside London.

Mr. Brooke: The table below gives estimates, excluding administrative costs, based on the numbers of civil servants at 1 January 1987.

£ million

Pay area	*Weekly luncheon vouchers*		
	£5 per employee	*£6 per employee*	*£7 per employee*
London	32·3	38·8	45·3
Outside London	124·1	148·9	173·8

Mr. Galbraith: To ask the Chancellor of the Exchequer if he will consider providing luncheon vouchers as a means of topping up any pay offer in response to the 1988 pay claim by the National Union of Civil and Public Servants; and if he will make a statement.

Mr. Brooke: No.

Britoil

Mr. David Shaw: To ask the Chancellor of the Exchequer if he will publish in the *Official Report* the text of his letter of 29 February to the hon. Member for Linlithgow (Mr. Dalyell) about Britoil, referred to in the *Official Report*, column 1168, on 3 March.

Mr. Lawson: The text of the letter is as follows:

"In my statement to the House on 23 February I said that the details of the arrangement which the Government had reached with BP were set out in an exchange of letters between BP and the Treasury, and that I was placing copies of those letters in the Library. In response to your subsequent question, I referred you to the letter written by BP.

After my statement, you raised a point of order to the effect that the undertakings to which I had referred were not set out in the documents. You suggested that this was a gross abuse of the House. Your point of order referred only to the letter from Sir Peter Middleton and not to the letter from Sir Peter Walters, which was of course the letter to which I had referred in my reply to you and which contained BP's undertakings. Both letters were, in fact, deposited in the Library at the same time, and I assume that you overlooked the letter from Sir Peter Walters when you went to inspect the documents.

I recognise that your accusation of 'Ministerial abuse of the House' was made in good faith; but it was a very serious charge indeed and one wholly without foundation. I am sure you will recognise that it is only proper that you should set the record straight, in Hansard, by a further point of order."

Taxation

Mr. Nigel Griffiths: To ask the Chancellor of the Exchequer whether, in the manner of the answer given on 1 July 1986, *Official Report*, column 509, he will publish a table showing his estimate for the current financial year of the numbers of people who will be liable to pay income tax, higher rate tax and employee's contributions to

national insurance, divided into the main categories on the basis of the combined rates of deduction from income for which they will be liable.

Mr. Norman Lamont *[holding answer 15 February 1988]:* The table gives estimates of employees liable to income tax and national insurance contributions (NIC) in 1987-88 by the combined marginal rate of tax and NIC. Cases where the main source of income derives from self-employment have been excluded. Estimates are derived from projections of the 1984-85 survey of personal incomes which does not contain details of NIC. These have been imputed from earnings levels on the simplifying assumption that all employees are contracted in to the earnings-related part of the national insurance scheme and do not pay the reduced rate for married women optants. Other estimates could only be produced at disproportionate cost.

Employees liable to income tax and NIC by marginal rate

Combined Tax and NIC Marginal rate per cent.	*No. of employees Thousands*	[1]*Taxable Income £ per annum*	*Earnings of individual £ per week*
5	600	0	39-65
7	100	0	65-100
9	100	0	100-295
27	600	1-17,900	Under 39
32	1,400	1-17,900	39-65
34	2,400	1-17,900	65-100
36	12,100	1-17,900	100-295
[2]27	1,100	1-17,900	above 295
[3]40	400	17,901-20,400	all ranges
[3]45	300	20,401-25,400	all ranges
[3]50	100	25,401-33,300	all ranges
[3]55	100	33,301-41,200	all ranges
[3]60	100	above 41,200	all ranges
All	19,400	—	—

[1] For married couples taxable income is the combined income of the husband and wife except where there is a wife's earnings election, when the wife's earnings are treated separately as her taxable income.
[2] Above the upper earnings limit (£295 per week) for National Insurance contributions, the marginal rate of NIC is zero.
[3] For higher rate taxpayers the marginal rate of NIC is zero, except for a few cases where the wife's earnings are below the upper limit or much of the income comes from investments.

Revenue Contributions

Mr. Gordon Brown: To ask the Chancellor of the Exchequer if he will estimate the annual receipts derived from payment of *(a)* income tax, *(b)* capital gains tax, *(c)* natonal insurance and *(d)* value added tax paid by the top (i) 1 per cent. and (ii) 5 per cent. and (iii) 10 per cent. of earners and the bottom (1) 1 per cent. (2) 5 per cent. and (3) 10 per cent. of earners.

Mr. Norman Lamont *[holding answer 23 February 1988]:* I regret that information is not available in the form requested and could be produced only at disproportionate cost. However, the Central Statistical Office published an analysis of the distribution of taxes and benefits by households in the July 1987 edition of "Economic Trends."

Licensed Premises (Sports Centres)

Mr. Wigley: To ask the Chancellor of the Exchequer what incentives are offered through tax rebates and tax concessions to licensed premises within sports centres both in the public and private sector to encourage the reinvestment of profits in enhanced sporting facilities; and if he will make a statement.

Mr. Norman Lamont *[holding answer 3 March 1988]:* There are no special reliefs or concessions for licensed premises within sports centres and normal tax rules apply.

Sole Traders

Mr. Corbett: To ask the Chancellor of the Exchequer whether he will take steps to waive the earnings limit for 714s certificates for those sole traders starting a business with assistance from the enterprise allowance scheme.

Mr. Norman Lamont *[holding answer 3 March 1988]:* The 714s certificate was introduced in 1982 to enable those who did not qualify for a full exemption certificate because of a history of unemployment to obtain limited exemption from deduction at source on their earnings. It is difficult to see why the recently unemployed who receive financial assistance under the enterprise allowance scheme should be given a further advantage over the recently unemployed who do not.

Mr. Corbett: To ask the Chancellor of the Exchequer when the earnings limit of £150 a week, excluding the cost of materials, was set in relation to sole traders applying for a 714s certificate; what the figure would now be if it had been increased in line with rises in average earnings; and what plans he has to raise the limit.

Mr. Norman Lamont *[holding answer 3 March 1988]:* The £150 limit came into effect on 1 December 1982 and, if increased in line with average earnings, would now stand at £215. I have no plans at present to raise the limit.

NORTHERN IRELAND

Irish Army Air Corps

Mr. Beggs: To ask the Secretary of State for Northern Ireland how often Irish Army Air Corps aircraft have

landed at Aldergrove airport in each of the last three years; what are the reasons for these landings; and to what extent this practice has developed as a result of the Anglo-Irish Agreement.

Mr. Stanley: It is not the practice to give details of flight movements at military establishments.

However, use of Aldergrove airport by the Irish Army Air Corps is essentially in the context of the Anglo-Irish Agreement.

Ian Richard Thain

Mr. Hume: To ask the Secretary of State for Northern Ireland on what date his Department learned that Ian Richard Thain had applied for or was being offered parole, and by what agency his Department was informed.

Mr. Stanley: My Department was first informed by the Ministry of Defence on 13 February 1986 that Private Thain's petition for early release on parole had been lodged by his solicitor.

My Department was informed by the Home Office on 13 November 1986 of Private Thain's forthcoming release from prison.

RUC (Photographs)

Mr. Livingstone: To ask the Secretary of State for Northern Ireland if he will place in the Library any guidelines issued to the Royal Ulster Constabulary concerning the release of official photographs for media use.

Mr. Stanley: I understand that the instructions on the use of official photographs are contained in the RUC code, an internal document for police use only. Any question of releasing these instructions would be a matter for the Chief Constable of the Royal Ulster Constabulary.

Security Statistics

Mr. McNamara: To ask the Secretary of State for Northern Ireland if security statistics for Northern Ireland for the second half of 1987 are now available, together with details of persons charged with terrorist-type offences and convictions for scheduled offences for the year.

Mr. Stanley *[holding answer 2 March 1988]:* Yes, the statistics together with those since 1971 are as follows:

Statistics on Security

PART I

Statistics of Terrorist Activity

Yearly totals for 1971-1987

Statistics for terrorist activity comprise the following:

(i) Number of shooting incidents.
(ii) Number of explosions.
(iii) Number of bombs and devices neutralised.
(iv) Weight of explosives in bombs and devices neutralised.
(v) Number of armed robberies and amount stolen.
(vi) Number of malicious fires.
(vii) Number of deaths and injuries of RUC/RUC 'R', Army and civilians.

PART II

Statistics of Security Forces' Activity

Yearly totals for 1971-1987

Statistics for security forces' activity comprise the following:

(i) Number of houses searched.
(ii) Number of weapons, pounds of explosives and rounds of ammunition found.
(iii) Number of people charged with terrorist type offences (murder, attempted murder, explosives offences, firearms offences, armed robbery and other offences relating to the security situation, for example, arson, membership of illegal organisation and so on.

PART III

Statistics of Persons Convicted of Scheduled Offences

Yearly totals for 1983-1987

Statistics on security
Part I—Statistics of terrorist activity
Yearly figures: 1971-1987

	1971	*1972*	*1973*	*1974*	*1975*	*1976*	*1977*	*1978*	*1979*
Shooting Incidents[1]	1,756	10,628	5,018	3,206	1,803	1,908	1,081	755	728
Explosions	1,022	1,382	978	685	399	766	366	455	422
Bombs Neutralised	493	471	542	428	236	426	169	178	142
Weight of explosives in lbs[2]									
Explosions	10,972	47,462	47,472	46,435	13,753	17,596	2,839	5,343	11,181
Neutralised	3,001	19,978	32,450	27,094	11,159	16,252	2,188	5,860·5	4,530
Armed Robberies	437	1,931	1,215	1,231	1,201	813	591	442	434
Amount stolen	303,787	790,687	612,015	572,951	572,105	545,497	446,988	232,650	568,359
Malicious Fires[3] [4]	—	—	587	636	248	453	432	269	315
Deaths:									
Civilian	115	321	171	166	216	245	69	50	51
Army/UDR	48	129	66	35	20	29	29	21	48
RUC/RUC 'R'	11	17	13	15	11	23	14	10	14
Injuries:									
Civilian	1,838	3,813	1,812	1,680	2,044	2,162	1,027	548	557
Army/UDR	390	578	548	483	167	264	188	135	153
RUC/RUC 'R'	315	485	291	235	263	303	183	302	165

[1] Figures in ( ) refer to shots heard only and not included in the total.
[2] Estimated weight only.
[3] Consolidated figures not available for earlier years.
[4] No figure for April-June 1981.

Part I—continued

	1980	1981	1982	1983	1984	1985	1986	1987
Shooting incidents[1]	642	815 (327)	382 (165)	290 (134)	230 (104)	196 (41)	285 (107)	489 (185)
Explosions	280	398	219	266	193	148	172	236
Bombs neutralised	120	131	113	101	55	67	82	148
Weight of explosives in lbs[2]								
Explosions	9,059	9,261	11,199	6,923	8,545	11,711	11,309	5,767
Neutralised	6,405	9,168	7,300	7,503	6,114	7,715	9,463	8,818
Armed robberies	412	587	580	622	627	459	724	858
Amount stolen	496,825	854,929	1,392,202	830,258	701,903	655,690	1,207,152	1,900,098
Malicious fires[3][4]	275	536	499	528	840	740	906	506
Deaths:								
Civilian	50	57	57	44	36	25	37	66
Army/UDR	16	23	28	15	19	6	12	11
RUC/RUC 'R'	9	21	12	18	9	23	12	16
Injuries:								
Civilian	530	878	328	280	513	468	773	780
Army/UDR	77	140	98	88	86	33	55	104
RUC/RUC 'R'	194	332	99	142	267	415	622	246

[1] Figures in ( ) refer to shots heard only and not included in the total.
[2] Estimated weight only.
[3] Consolidated figures not available for earlier years.
[4] No figure for April-June 1981.

Statistics on security
Part II—statistics of security forces' activity
Yearly figures: 1971-87

	1971	1972	1973	1974	1975	1976	1977	1978	1979
Houses searched[1]	17,262	36,617	74,556	71,914	30,092	34,939	20,724	15,462	6,452
Finds									
Firearms	717	1,264	1,595	1,260	825	837	590	400	301
Ammunition (rounds)	157,944	183,410	187,399	147,202	73,604	70,306	52,091	43,512	46,280
Explosives	2,748	41,488	38,418	26,120	11,565	21,714	3,809	2,108	1,996

Persons charged with terrorist type offences[2]

	[3]1972	1973	1974	1975	1976	1977	1978	1979
Murder	13	71	77	138	120	131	60	45
Attempted murder	16	85	76	88	121	135	79	39
Firearms offences	242	631	545	460	353	301	225	177
Explosives offences	86	236	161	100	215	146	79	40
Theft Act	111	186	239	314	188	203	151	159
Other	63	205	276	97	279		392249	210
Total	531	1,414	1,374	1,197	1,276	1,308	843	670

[1] Includes occupied and unoccupied houses searched.
[2] These figures are not available in consolidated form for earlier years.
[3] 31 July to 31 December.

Part II—Continued

	1980	1981	1982	1983	1984	1985	1986	1987
Houses searched[1]	4,106	4,104	4,045	1,497	1,282	812	1,273	1,523
Finds								
Firearms	203	409	317	200	197	238	215	267
Ammunition	28,078	47,127	41,452	32,451	27,211	13,748	29,061	19,796
Explosives	1,810	7,536	5,066	3,762	8,534	7,373	5,386	12,974
Persons charged with terrorist type offences[2]								
Murder	63	48	50	75	41	24	12	28
Attempted Murder	59	72	96	60	68	52	28	21
Firearms Offences	112	155	173	150	155	105	128	132
Explosives Offences	39	39	41	48	21	37	31	22
Theft Act	128	158	130	119	94	65	70	109
Other	149	446	196	161	149	239	386	156
Total	550	918	686	613	528	522	655	468

[1] Includes occupied and unoccupied houses searched.
[2] These figures are not available in consolidated form for earlier years.

Notes on the Tables:

1. The offence classifications are based on those used by the Crown and Peace Office in its annual return.
2. The tables relate to persons convicted at the Belfast Crown Court. This covers all scheduled offences tried on indictment.
3. Some jury trials are included in cases where the Attorney-General certified out of the scheduled mode of trial, that is non-terrorist serious offences.
4. Where a person had been convicted of more than one offence only the most serious or that which received the longest sentence is recorded in the statistics.

Convictions for scheduled offences

Offence	*Number convicted*					*Sentence (January–December 1987)*								
	1983	*1984*	*1985*	*1986*	*1987*	*Non-Custodial sentence*	*Young offenders centre training schools*	*Less than 5 years*	*5 years and less than 7 years*	*7 years and less than 10 years*	*10 years and less than 15 years*	*15 years and less than 20 years*	*20 years and over*	*Life*
Murder	14	11	38	26	10	0	0	0	0	0	0	0	0	10
Attempted murder	14	13	20	7	11	0	0	1	0	1	6	2	1	0
Conspiracy to murder	7	10	10	17	15	1	1	1	1	2	6	3	0	0
Manslaughter	3	5	2	9	2	0	0	0	1	0	1	0	0	0
Wounding with intent to do grevious bodily harm	7	1	8	19	8	5	0	1	1	0	1	0	0	0
Causing grevious bodily harm	7	3	2	13	10	6	1	3	0	0	0	0	0	0
Assault occasioning grevious bodily harm	18	11	6	5	13	7	3	3	0	0	0	0	0	0
Causing explosion	9	6	13	5	7	1	0	0	1	4	0	1	0	0
Placing explosives	0	0	1	0	0	0	0	0	0	0	0	0	0	0
Possessing explosives with intent	12	20	16	20	21	4	0	0	2	1	2	7	5	0
Other explosives offences	5	2	6	5	3	2	0	0	1	0	0	0	0	0
Possessing a firearm with intent	28	37	55	46	81	34	8	13	11	3	6	5	1	0
Possessing a firearm	0	8	53	20	16	14	0	2	0	0	0	0	0	0
Carrying a firearm with intent	22	15	18	19	12	11	0	0	1	0	0	0	0	0
Other major firearms offences	53	4	6	6	5	3	0	0	1	1	0	0	0	0
Minor firearms offences	0	0	3	0	0	0	0	0	0	0	0	0	0	0
Robbery	191	132	160	156	159	55	13	52	29	6	4	0	0	0
Aggravated robbery	0	1	4	1	2	0	0	2	0	0	0	0	0	0
Membership of illegal organisations	14	11	8	3	2	2	0	0	0	0	0	0	0	0
Attempted robbery	0	11	20	0	0	0	0	0	0	0	0	0	0	0
Soliciting support for proscribed organisation	0	3	0	0	0	0	0	0	0	0	0	0	0	0
Unlawful collection of information	7	2	4	5	8	5	1	1	0	1	0	0	0	0
Illegal training	0	0	0	0	1	1	0	0	0	0	0	0	0	0
Kidnapping	2	1	8	9	1	1	0	0	0	0	0	0	0	0
Blackmail	0	0	0	0	3	0	0	0	1	2	0	0	0	0
Contributing to resources of a proscribed organisation	5	1	1	1	2	2	0	0	0	0	0	0	0	0
Burglary	0	10	16	0	0	0	0	0	0	0	0	0	0	0
Aggravated burglary	0	0	3	0	0	0	0	0	0	0	0	0	0	0
Hijacking	45	37	28	41	56	43	8	5	0	0	0	0	0	0
Attempted hijacking	0	1	1	0	0	0	0	0	0	0	0	0	0	0
Arson	32	17	32	59	74	52	7	10	4	0	1	0	0	0
Possession of an offensive weapon	4	1	2	0	0	0	0	0	0	0	0	0	0	0
Petrol-bomb offences	21	20	88	64	79	52	14	13	0	0	0	0	0	0
Escape offences	5	1	0	0	1	0	0	1	0	0	0	0	0	0
Criminal damage	1	0	2	5	20	10	2	8	0	0	0	0	0	0
Intimidation	2	0	1	2	16	4	3	9	0	0	0	0	0	0
Assisting offenders	6	2	1	4	3	2	0	1	0	0	0	0	0	0
Withholding information	12	1	3	9	6	6	0	0	0	0	0	0	0	0
Possessing prohibited articles	1	13	2	3	9	6	0	1	2	0	0	0	0	0
Conspiracy to arm terrorists	2	0	1	0	0	0	0	0	0	0	0	0	0	0
Common law riot	1	19	3	5	23	17	3	3	0	0	0	0	0	0
Total	550	430	645	584	679	346	64	130	56	21	27	18	7	10

RUC Special Branch

Mr. Livingstone: To ask the Secretary of State for Northern Ireland what has been the total number of police officers and civilians serving in, or responsible to, the RUC special branch in each year from 1968 to to the latest available date.

Mr. Stanley *[holding answer 29 February 1988]:* In the particular operational circumstances of Northern Ireland this information is confidential.

Diplock Courts

Mr. Andrew Smith: To ask the Secretary of State for Northern Ireland how many prisoners currently serving sentences in Northern Ireland have been convicted in Diplock courts; and how many *(a)* Catholics and *(b)* Protestants have been convicted and acquitted in Diplock courts.

Mr. Stanley *[holding answer 26 February 1988]:* The only information readily available indicates that on 1 February there were 1,155 prisoners in Northern Ireland who had been convicted of scheduled offences, although in a proportion of cases, where there was no connection with terrorism, they would have been dealt with by normal jury trial. Five hundred and eighty six of these gave their religion as Roman Catholic; and 549 as Protestants. There were 20 "others".

Figures are not available showing the religious persuasion of all those convicted in the Diplock courts, or of those who were acquitted.

Firearms

Mr. William Ross: To ask the Secretary of State for Northern Ireland if he will list in the *Official Report* such information as is available to him as to *(a)* the make, *(b)* the type and *(c)* the calibre of the firearms used by terrorist organisations in Northern Ireland during the last five years.

Mr. Stanley *[holding answer 26 February 1988]:* The following information can be made available:

Types of weapon used by terrorist organisations in Northern Ireland in the last five years

Pistols
Revolvers
Rifles
Heavy machine guns
Sub machine guns
General purpose machine guns
Shotguns

Most common calibres of the firearms used by terrorist organisations in Northern Ireland in the last five years

1. ·22 LR (Long Rifle)
2. 7·65 mm
3. 9 mm Short
4. 9 mm Parabellum
5. ·380
6. ·38 Smith and Wesson
7. ·38 Spl (Special)
8. ·357 Magnum
9. ·30 M1 Carbine
10. 7·62 × 39 mm
11. 7·62 NATO
12. 12 Gauge Shotgun
13. ·223 (5·56 mm)

Mr. William Ross: To ask the Secretary of State for Northern Ireland how many legally held *(a)* shotguns, *(b)* rifles, *(c)* handguns and *(d)* other firearms were stolen from their civilian owners in Northern Ireland in each of the last five years, where the owners were not members of the part-time Ulster Defence Regiment or Royal Ulster Constabulary Reserve; and if he has any information as to how many were stolen by paramilitary and terrorist organisations.

Mr. Stanley *[holding answer 26 February 1988]:* Information in the form requested is not readily available and could be obtained only at disproportionate cost.

Mr. William Ross: To ask the Secretary of State for Northern Ireland how many persons are known to have been killed in Northern Ireland in each of the last five years by persons who were using *(a)* a shotgun, *(b)* a hand gun, *(c)* a rifle and *(d)* another firearm which was legally held by the person using it, not being a member of the security forces; and of these deaths how many (i) were the victims of a relation or (ii) died during the commission of another crime.

Mr. Stanley *[holding answer 26 February 1988]:* The information requested is not readily available and could be obtained only at disproportionate cost.

ENVIRONMENT

Nottingham (Housing Waiting List)

Mr. Allen: To ask the Secretary of State for the Environment (1) further to his answer of 22nd February, what changes have been necessitated in the calculation of indicators for Nottingham as a result of the changes in Nottingham's housing waiting list;

(2) when he expects discussions between his Department and the Housing Corporation regarding changes in the Nottingham housing waiting list to be completed; and if he will make a statement as to the likely effects.

Mr. Waldegrave: As I explained in my earlier answer, waiting list figures are not used in the housing needs index. Discussions of the calculations and other indicators for Nottingham have, however, been concluded and the city's latest housing needs index score has been increased. The corrected figures will be taken into account in future decisions about the allocation of the Housing Corporation's programme; the error had no bearing on allocations to be made for 1988-89.

St. George's Hospital, Hyde Park

Mr. Chapman: To ask the Secretary of State for the Environment, pursuant to his reply to the hon. Member for Chipping Barnet, *Official Report*, 23 February, column *125*, why it is no longer his policy that the former St. George's hospital building, Hyde Park, should be restored and used in accordance with the decision expressed by his predecessor in December 1982; and if he will make a statement.

Mr. Waldegrave: As with all planning permissions, that given on appeal in 1982 in relation to St. George's hospital was an indication that the proposed works and use of the site were acceptable in planning terms. A planning approval is not an indication that other uses or works are unacceptable provided they, in turn, receive permission. As stated in my previous answer, it is for the owner of the site to decide which, if any, planning permissions and listed building consents should be implemented.

Palace of Westminster (Lavatories)

Mr. Harry Greenway: To ask the Secretary of State for the Environment if he will take steps to improve the standards of cleaning and maintenance of lavatories in the Palace of Westminster and associated buildings; and if he will make a statement.

Mr. Chope: If my hon. Friend is aware of any particular lavatory in the Palace of Westminster and associated buildings where he considers the standard of cleaning and maintenance to be inadequate, he should report this to the House authorities who carry out a daily inspection.

Inner Cities

Mr. Heddle: To ask the Secretary of State for the Environment what plans he has to encourage further investment in inner city revival.

Mr. Ridley: A new streamlined grant, city grant, will replace urban development grant and urban regeneration grant from 2 May. It will also incorporate private sector derelict land grant within the 57 urban priority areas.

City grant will be paid directly by my Department and will have simplified procedures aimed at giving quicker decisions. It will encourage developers to invest in projects providing jobs and homes in inner areas.

A consultation document inviting views on aspects of city grant is being issued today. I am placing copies in the Library.

Idle Land

Mr. Baldry: To ask the Secretary of State for the Environment what progress has been made in bringing idle land owned by public bodies back into use.

Mr. Ridley: Since the registers of unused and underused land were first compiled in 1981, some 50,000 acres of this land has been removed from the registers because it has been sold or brought into use by the owners. This has been achieved through publicity, financial discipline and the use of the power to direct disposal. These measures will continue to be applied; and provisions to improve their effectiveness are contained in the Local Government Bill.

I consider that publication of information by the public bodies themselves about the unused and underused land they own would provide a significant incentive to the efficient management of land assets, which the recently published Audit Commission report indicated was needed in the case of local authorities. And it would contribute to the public accountability of the bodies concerned.

I therefore intend that public bodies should regularly publish this information and as a first step I will be consulting the local authority associations on how local authorities are to do so.

Landlord and Tenant Act 1987

Mr. Heddle: To ask the Secretary of State for the Environment when he proposes to implement parts II, III and V of the Landlord and Tenant Act 1987.

Mr. Waldegrave: We intend to bring parts II, III and IV of the Landlord and Tenant Act 1987 into force during April, and to bring part V into force by the summer recess.

Urban Development Corporations

Mr. Patnick: To ask the Secretary of State for the Environment what plans he has for new urban development corporations.

Mr. Ridley: I propose to establish a new urban development corporation in the lower Don Valley, Sheffield, and to extend the remit of the Merseyside development corporation to cover further areas of land in Liverpool and the Wirral. These proposals will be subject to parliamentary approval of the necessary orders.

The lower Don Valley has recently been studied by consultants. The UDC would cover approximately 2,000 acres to the north-east of the city centre and account for public expenditure of about £50 million over seven years. I shall bring forward specific boundary proposals shortly and reach decisions in the light of the view of local interests.

I shall appoint consultants to look at areas identified on Merseyside and to advise on their development potential and boundaries. The areas would cover approximately 800 acres and expenditure could be between £50 million and £90 million over eight or nine years. Decisions on boundaries will be taken in the light of the results of the consultants' study and of the views of local interests.

Mr. Boyes: To ask the Secretary of State for the Environment if he will list for each urban development corporation the parliamentary constituencies contained within or overlapped by it.

Mr. Trippier: The constituencies contained within or overlapped by each UDC in England are as follows:

Black Country Development Corporation
- West Bromwich West
- West Bromwich East
- Walsall North
- Walsall South
- Warley West
- Warley East

London Docklands Development Corporation
- Bethnal Green and Stepney
- Bow and Poplar
- Newham South
- Southwark and Bermondsey

Merseyside Development Corporation
- Birkenhead
- Bootle
- Liverpool Riverside
- Wallasey

Teeside Development Corporation
- Hartlepool
- Redcar
- Middlesbrough
- Stockton North
- Stockton South

Trafford Park Development Corporation
- Stretford
- Worsley
- Davyhulme
- Salford East
- Eccles

Tyne and Wear Development Corporation
- Tyne Bridge
- Newcastle upon Tyne East
- Wallsend
- Tynemouth

Jarrow
South Shields
Sunderland North
Sunderland South

Housing Condition Surveys

Mr. Andrew Welsh: To ask the Secretary of State for the Environment how many housing condition surveys have been completed in England and Wales since 1970; what has been the cost of each at 1988 prices; and when he expects the next survey to be carried out.

Mrs. Roe: Four house condition surveys have been completed in England since 1970, but the sizes of sample and other arrangements have differed considerably in successive surveys. The extra-mural expenditure incurred in each survey was, at 1988 prices:

	£
1971	120,000
1976	431,000
1981	468,000
1986	1,533,000

We plan to hold the next English house condition survey in 1991. House condition surveys in Wales are a matter for my right hon. Friend the Secretary of State for Wales.

Dog Licences

Miss Fookes: To ask the Secretary of State for the Environment how many representations he has received on dog licences.

Mr. Chope: Since publication of the Local Government Bill on 26 June 1987, some 1,700 letters have been received from hon. Members and others. In addition, the Department has received some 8,700 printed postcards or letters prepared by organisations concerned with dogs.

Crown Suppliers

Mr. Boyes: To ask the Secretary of State for the Environment (1) pursuant to his reply to the hon. Member for Tatton (Mr. Hamilton), *Official Report*, 9 February, column 126, if an employee of the Crown Suppliers will receive all pension rights under the principal Civil Service pension scheme, including benefits payable in respect of premature retirement, in the event of the sale of the Crown Suppliers; and if he will make a statement;

(2) pursuant to his reply to the hon. Member for Tatton (Mr. Hamilton), *Official Report*, column 126, what specific steps will be taken to ensure that Crown Suppliers employees in any privatised regime will have pensions comparable with those which they now possess; and if he will make a statement.

Mr. Chope: Work on how best to effect the sale of the Crown Suppliers is at an early stage, and it is too soon to specify the precise steps which will be taken to give staff pension rights broadly comparable to those which they now possess.

Chapels (Listed Buildings)

Mr. Beith: To ask the Secretary of State for the Environment how many applications he has recently received for demolition or alteration of non-conformist chapels or former chapels which are listed buildings; and whether Brunswick Methodist chapel, Macclesfield, and Preston Unitarian chapel have been the subject of any such application.

Mr. Moynihan: Applications for listed building consent are made initially to local planning authorities, but must in certain circumstances be referred to the Department if the authority proposes to grant consent so that the case can be considered for call-in for decision by my right hon. Friend. All applications by local planning authorities themselves are automatically referred to the Department for decision.

Since 1 August 1987, 17 applications for listed building consent for the demolition (total or partial), alteration or extension of listed non-conformist chapels or former chapels have been referred to the Department. In 10 of these cases we decided not to intervene; this category included an application to convert the Brunswick Methodist chapel, Macclesfield, to office and residential purposes. In a further five cases we are still considering call-in; and two local planning authority applications are currently before us for decision.

In addition to the above applications, my right hon. Friend refuesed consent in January 1988, following a public inquiry, for the total demolition of he Old Methodist chapel, Swineshead, near Boston, Lincolnshire. This application was made in April 1987. The Preston Unitarian chapel was the subject of a local planning authority application for total demolition in February 1986. The authority was asked to investigate the possibility of selling the chapel on the open market as the Department was not satisfied that sufficient thought had been given to this possibility. Efforts to sell the building have not been successful to date.

Fishing Rates

Mr. Onslow: To ask the Secretary of State for the Environment what is his latest estimate of the total annual product of fishing rates in England and Wales.

Mr. Chope: I regret the information is not held centrally and could be collected only at disproportionate cost.

London Docklands

Mr. Heddle: To ask the Secretary of State for the Environment if he will publish in the *Official Report* details of the sequence of events which have caused him to delay his decision in the matter of the London Docklands East Docklands Compulsory Purchase Order 1985; and if he will now publish his decision.

Mr. Trippier: The order covers an unusually large number of plots owned by a wide diversity of local authority, statutory undertakers and private interests. It has been necessary for the Department to consult other Government Departments under the Acquisition of Land Act 1981 and to seek agreement from the parties affected on the dimensions of those plots where compulsory acquisition is to be confirmed in part. My right hon. Friend's decision is expected imminently.

Pollution (Archaeological Sites)

Mrs. Ray Michie: To ask the Secretary of State for the Environment whether the policy that the polluter should

pay for the cost of removing pollution applies to anyone developing an archaeological site; and if he will make a statement.

Mr. Moynihan: Whilst I think the analogy with the "polluter pays" principle is false in this context, both the Department and English Heritage encourage developers to contribute towards the cost of archaeological investigation in advance of development. A code of practice prepared nearly two years ago by the British Archaeologists and Developers Liaison Group has been a valuable stimulus to this successful voluntary approach. In addition, the Government contribute some £6 million a year in grants towards rescue archaeology projects through their heritage agency, the Historic Buildings and Monuments Commission. Local planning authorities can impose conditions on planning permissions affecting land considered to be of archaeological interest to ensure that access is given to archaeologists, and a similar requirement is often a condition of consent to development affecting scheduled monuments.

Water Supplies (Nitrate Levels)

Mr. O'Brien: To ask the Secretary of State for the Environment what information he has on private water supplies where the nitrate levels are above recommended levels.

Mr. Moynihan: I refer the hon. Member to the answer given to the hon. Member for Bootle (Mr. Roberts) on 12 February, at columns *382-83*, by the Parliamentary Under-Secretary of State my hon. Friend the Member for Broxbourne (Mrs. Roe).

Office Development (Ruthin)

Mr. Martyn Jones: To ask the Secretary of State for the Environment when the office development already funded to replace the present agricultural department accommodation in Ruthin will proceed.

Mr. Chope: The intention is to provide a new Crown building, including accommodation for the Welsh Office Agricultural Department, in Ruthin, but a date for the start of construction had not yet been decided.

New Towns

Mr. Boyes: To ask the Secretary of State for the Environment if he will publish the proposed or actual wind-up dates for all the new towns.

Mrs. Roe: In England, firm wind-up dates have been set for the new town development corporations at:

Aycliffe and Peterlee 31 March 1988.
Washington 31 March 1988.
Peterborough 30 September 1988.

Target wind-up dates, which will be reviewed with the relevant local authorities nearer the time, for the remaining corporations are:

Warrington and Runcorn 30 September 1989.
Telford 30 September 1991.
Milton Keynes 31 March 1992.

My right hon. Friend has no responsibility for new town development corporations in Scotland or Wales.

Mr. Boyes: To ask the Secretary of State for the Environment if he will publish in the *Official Report* the names, profession, and salary of people appointed to each urban development corporation.

Mr. Trippier: Board membership for each English urban development corporation is as set out, together with information on each individual's other interests. The remuneration of chairmen and deputy chairmen is shown alongside the names of each: payments reflect the time commitment made. Members of the London Docklands development corporation receive a flat rate of £4,535, and members of all other corporations £3,625.

Black Country Development Corporation

Mr. Bill Francis (Chairman £9,117). Former Director, Trafalgar House and Gas Ltd.
Mrs. Jean Denton (Deputy Chairman £12,376). Counsellor, Burson-Marseller.
Mr. Joe Adams. Councillor, Sandwell MBC.
Mr. Eric Alison. Councillor, Walsall MBC.
Mr. Roger Carey. Chief Executive Director, Slough Estates plc.
Mr. Charles Darby. Chairman and Managing Director Bass Mitchels and Butler.
Mr. Roy Kettle. Chairman, CI Group plc.
Mr. Graham MacKenzie. Chairman, TI Group Specialised Tube Business Area.
Mr. Ray Partridge. Councillor, Sandwell MBC.
Mr. Paul Sabapathy. Finance Director, IMI Refiners Ltd.
Mr. Michael Worley. Chairman and Managing Director, William King & Sons Ltd.

London Docklands Development Corporation

Sir Christopher Benson (Chairman £27,226). Vice-Chairman and Managing Director, MEPC plc.
Mr. Alan Benjamin. Director CAP Group plc.
Sir Andrew Derbyshire. Chairman, Robert Mathew, Johnson-Marshall London Ltd.
Sir Christopher Foster. Commercial Advisor, British Telecom.
Sir John Garlick. Former Permanent Secretary, Department of Environment.
Mr. Jonathan Mathews. Councillor, Tower Hamlets BC.
Mr. Lewis Moss. Senior Partner Moss and Partners
Mr. Wyndham Thomas. Chairman and Chief Executive Inner City Enterprise. Former General Manager, Peterborough New Town.

Merseyside Development Corporation

Mr. Philip Carter (Chairman £18,234). Former Managing Director, Littlewoods Organisation. Chairman Everton FC, President The Football League, Chairman Merseyside Tourism Board.
Mr. John Smith (Deputy Chairman £6,188). Chairman, Sports Council, Chairman, Liverpool FC.
Professor Graham Ashworth. Professor of Urban Environmental Studies, Salford University.
Mr. Brian Thaxter. Local Director of Barclays Bank plc, Liverpool.
Professor Patrick Minford. Professor of Applied Economics, Liverpool University.
Mr. Clive Lewis. Senior Partner, Clive Lewis and Partners.
Mr. Thomas Glover. Councillor, Sefton BC.
Mr. John Hale. Councilor, Wirral BC.
Dr. John Ritchie. Chief Executive of the Development Corporation.

Teesside Development Corporation

Mr. Ron— Norman (Chairman £18,234). Chairman and Director, R. Norman Ltd.
Lord Dormand (Deputy Chairman £6,188). Former MP for Easington.
Mr. Michael Carr. Councillor, Middlesborough BC.
Mr. Alan Cherry. Managing Director, Countryside Properties Ltd.
Mrs. Dianna Eccles. Director, Sainsbury's Ltd.
Mr. Bryan Hanson. Councillor, Cleveland CC.
Mr. Roger Kingdon. Chief Executive, The Davy Corporation.
Mr. Andrew Russell. Director, Casco Property Ltd.
Mr. John Sutcliffe. Chairman. North Housing Trust Ltd.
Mr. Laurie Wild. Councillor, Stockton-on-Tees BC.

Trafford Park Development Corporation

Mr. Peter Hadfield (Chairman £18,234). Former Chairman and Managing Director, Bass North West Ltd.
Mr. Anthony Russell (Deputy Chairman £6,188). Former

Chairman Lankro Chemicals Group.
Mr. Barry Brotherton. Councillor, Trafford BC.
Mr. Peter Collins. Chairman and Managing Director Petros Development Company.
Mr. William Moores. Councillor, Salford BC.
Mr. Hugh Richards. Former Senior Partner W. H. Robinson & Co.
Mr. Hamish Stewart. Personnel Director, Carborundum Abrasives plc.
Mr. Colin Warbrick. Councillor, Trafford BC.

Tyne and Wear Development Corporation
Mr. Paul Nicholson (Chairman £13,676). Chairman and Managing Director, Vaux Group.
Mr. John Ward (Deputy Chairman £6,188). Regional Director, Barclays Bank plc.
Mr. Graeme Anderson. Executive Deputy Chairman, Northern Engineering Industries.
Mr. John Barnsley. Senior Partner, Price Waterhouse.
Mr. John Donnelly. Councillor, Sunderland BC.
Mr. John Hall. Managing Director, Cameron Hall Developments.
Dr. Ralph Iley. Director Group Development, Cookson Gp plc.
Mr. Joe Mills. Regional Secretary, Transport and General Workers Union.
Mr. Bert Moore. Councillor, Newcastle City C.
Mr. Septimus Robinson. Councillor, South Tyneside BC.

Phoenix Initiative

Mr. Boyes: To ask the Secretary of State for the Environment what proposals the Phoenix initiative has rendered for the Tyne and Wear Development Corporation regarding its future in terms of private sector investment.

Mr. Trippier: None.

Rating Reform

Mr. Canavan: To ask the Secretary of State for the Environment what is his latest estimate of the total number of people who will not pay the poll tax.

Mr. Howard: I do not believe evasion will be a serious problem, and I have explained why on a number of occasions to the Standing Committee considering the Local Government Finance Bill. The most recent was on 25 February at columns 1000-1.

Inner City Renewal Project, Bow

Mr. Simon Hughes: To ask the Secretary of State for the Environment when his Department will grant the necessary approval to permit work to proceed on the inner city renewal project for the Monteith estate in the Bow neighbourhood of the London borough of Tower Hamlets.

Mr. Trippier: This project requires a number of consents. These are being considered urgently by the Department and a letter will be sent to the London borough of Tower Hamlets shortly.

Windsor Castle

Mr. Heddle: To ask the Secretary of State for the Environment what discussions the Property Services Agency has had regarding the structural condition of Windsor castle; with whom; and if he will make a statement.

Mr. Chope: In January this year some cracking occurred in the north-west quadrant of the Round Tower at Windsor castle, which houses the Royal archives. It is possible that the recent period of exceptionally heavy rainfall increased pressures within the earth mound which supports the tower giving rise to movement. Engineers of the Property Services Agency and specialist consultants have been monitoring the situation closely since the occurrence and no further movement has taken place. A comprehensive geo-technical survey, including borehole investigation, has been planned and will beging this week. Preliminary results will be available during May and I will write to my hon. Friend at that time.

The Royal Household is being kept closely in touch with developments.

Model Yacht Sailing Association and London Archers

Mr. Tracey: To ask the Secretary of State for the Environment whether suitable equivalent new premises have been found for the Model Yacht Sailing Association and the London Archers as a result of the necessary demolition of the old ones.

Mr. Moynihan: A new clubhouse will be built at the north end of the Paddock area in Kensington Gardens to house both of these long-established clubs. Work should start on 1 April and the new premises be completed and ready for occupation by 1 June. I aim to minimise any disruption of the clubs' normal summer activities.

Crown Suppliers (Fuel Branch)

Mr. Boyes: To ask the Secretary of State for the Environment if he will produce a table in the *Official Report* showing the savings to the Government for each of the last five years from the activities of the Crown Suppliers fuel branch.

Mr. Chope *[holding answer Friday 4 March 1988]*: Over the last five years TCS prices for liquid fuel have been below the average in an independent index comprising prices among large fuel buyers. On this basis the savings on liquid fuel purchased were as follows:

	£ million
1987	11·2
1986	7·8
1985	5·7
1984	3·8
1983	2·5

SCOTLAND

Soroya (Monofilament Nets)

Mr. Austin Mitchell: To ask the Secretary of State for Scotland what action he proposes to take against the Grimsby vessel Soroya for carriage of monofilament nets pending his appeal against the court decision on the illegality of this regulation; and how many other vessels he has proceeded against since the court decision.

Lord James Douglas-Hamilton: A report is shortly to be submitted by the Department of Agriculture and Fisheries for Scotland against the skipper of the vessel concerning the alleged carriage of these nets. The matter will be referred to the procurator fiscal in Aberdeen for consideration of proceedings. The Lord Advocate has decided that all appropriate cases involving monofilament gill nets will be proceeded with notwithstanding the appeal which the Crown has lodged against the decision of the sheriff at Stranraer.

As far as other vessels are concerned, the numbers of those proceeded against are not centrally held and cannot be obtained except at disproportionate cost.

Training Exercise

Mr. Redmond: To ask the Secretary of State for Scotland if he will name the Home Defence training exercise held in Scotland in 1986 to train regional government staff for wartime duties; what number and grades of officials from each Department participated in the exercise; and which local government staff, public and private utility staff and staff from other agencies with designated war appointments took part in the exercise.

Lord James Douglas-Hamilton: No such exercise was held in Scotland in 1986.

Roads (Fife)

Mr. Menzies Campbell: To ask the Secretary of State for Scotland what has been the amount of Government expenditure on the construction, maintenance and repair of motorways and trunk roads in Fife since 1979; and what is the estimated expenditure for these purposes in each of the next five years.

Lord James Douglas-Hamilton: The information requested for expenditure in Fife since 1979 is shown in the table. The White Paper on public expenditure (Cm. 288-II) gives details of the Government's proposals for Scotland for the period to 1990-91, but no decisions have been taken on how planned trunk road expenditure should be allocated by scheme or by region.

Expenditure (£ million)

Financial year	*New construction and improvements*	*Maintenance (including structural maintenance)*
1979-80	1·139	0·686
1980-81	2·304	0·604
1981-82	3·789	0·914
1982-83	3·857	1·165
1983-84	5·303	1·894
1984-85	6·014	1·099
1985-86	6·164	1·221
1986-87	4·030	1·708
1987-88 estimate	2·010	1·258

Forfar Bypass

Mr. Bill Walker: To ask the Secretary of State for Scotland how many drivers have been charged with road traffic offences following incidents or accidents on the Forfar bypass since it was opened to traffic; how many of those charged have been brought before the courts; and how many of those appearing in court were over 70 years of age.

Lord James Douglas-Hamilton: I regret that the information requested is not available.

Clothing Grants

Mr. Dalyell: To ask the Secretary of State for Scotland what guidance he gives to local authorities on the frequency of clothing grants.

Mr. Michael Forsyth: Assistance with clothing under section 54 of the Education (Scotland) Act 1980 is available only where a pupil is unable to take full advantage of the education offered because of the inadequacy or unsuitability of his clothing. This is a matter for decision by education authorities in the circumstances of individual cases and no central guidance has been issued.

Sheep

Ms. Quin: To ask the Secretary of State for Scotland if he will give the number of sheep farmed in each county of Scotland in the following years: 1975, 1980, 1983, 1986 and 1987.

Mr. Michael Forsyth: The total number of sheep recorded in the annual June agricultural census for each of the Scottish local government islands areas and regions is set out in the table. After the 1986 census, 6,000 very small scale holdings with a total of 203,000 sheep were excluded from subsequent annual censuses.

Total sheep in Scottish Islands areas and regions (June census, thousands)

	1975	*1980*	*1983*	*1986*	*1987*
Islands Areas					
Shetland	234	243	261	286	248
Orkney	75	77	92	116	116
Western Isles	199	201	198	201	135
Regions					
Highland	1,215	1,175	1,201	1,287	1,261

	1975	1980	1983	1986	1987
Grampian	563	586	644	662	702
Tayside	732	726	744	799	807
Fife	106	103	102	101	104
Lothian	240	237	244	237	248
Borders	1,190	1,250	1,263	1,303	1,347
Central	354	355	377	397	410
Strathclyde	1,553	1,623	1,668	1,774	1,835
Dumfries and Galloway	1,074	1,145	1,230	1,354	1,387
SCOTLAND	7,536	7,720	8,024	8,515	8,600

Note:
Individual figures may not agree with totals due to rounding.

Housing Condition Survey

Mr. Andrew Welsh: To ask the Secretary of State for Scotland if his Department has any plans to carry out a housing condition survey in Scotland; if he will estimate the cost of such a survey; and if he will make a statement.

Lord James Douglas Hamilton: Local authorities have ample powers to carry out surveys of their areas to establish housing conditions. We are keeping the possibility of a national house condition survey under review but we are not, as yet, convinced of its merits. In particular, it is unlikely that such a survey would yield results at below district level unless the sample size was large, and consequently expensive. Our best assessment is that a national survey would cost over £5 million.

Rates (Aberdeen)

Mr. Robert Hughes: To ask the Secretary of State for Scotland if he will publish in the *Official Report* the amount of rates paid in Aberdeen by non-domestic ratepayers in the current financial year, the amount of rates to be paid by non-domestic ratepayers in the first year of the community charge, and the proportion of such payments which will be available to Aberdeen city district council.

Mr. Lang: The amount of rates paid in Aberdeen by non-domestic ratepayers in 1987-88 is estimated at £73 million. It is not possible to calculate the amount of rates to be paid by non-domestic ratepayers in the first year of the community charge as this will depend on decisions not yet taken and information not yet available. For the same reason it is not possible to calculate the proportion of such payments which will be available to Aberdeen city district council; but the proportion for 1987-88 is estimated at 25 per cent.

Capital Spending (Aberdeen)

Mr. Robert Hughes: To ask the Secretary of State for Scotland what criteria he used in allocating the capital spending of Aberdeen city district council for the forthcoming financial year; and if he will review the position in the light of representations received.

Mr. Lang: The allocation of resources for capital expenditure by local authorities, including Aberdeen city district council is determined, within the resources available, on the basis of their relative needs. In the light of the financial plans they submit each year, the relative needs of authorities are assessed taking account of a number of factors, including the capital costs of individual projects, their current expenditure consequences, the previous spending patterns and performance of the authorities and their forecasts of capital receipts. Account is also taken of the provisional allocations previously issued; it is, in general likely to be disruptive to depart very far from them but there can often be a need to adjust them to reflect particular changes in circumstances.

The resources available for distribution as capital allocations for 1988-89 are finite. They were allocated in full with the Scottish Office finance division letter of 22 February 1988.

Hospital and Community Health Services

Mr. Robin Cook: To ask the Secretary of State for Scotland what expenditure in Scotland on the hospital and community health services was, in each year since 1982-83, adjusted by the hospital and community health services pay and prices deflator.

Mr. Michael Forsyth: No separate price index is maintained for hospital and community health services in Scotland.

NHS (Contracting Out)

Mr. McLeish: To ask the Secretary of State for Scotland what discretion has been give by him to health boards in Scotland on implementation of his circular on the contracting out of ancillary services.

Mr. Michael Forsyth: The Scottish Home and Health Department's letter of 11 December set boards a specific programme of competitive tendering within a specified timetable. All boards are expected to carry that out.

Mr. McLeish: To ask the Secretary of State for Scotland if he will place in the Library a copy of the letter received from Fife health board in response to his circular on the contracting out of ancillary services.

Mr. Michael Forsyth: No. Correspondence between the Scottish Home and Health Department and health boards is not normally made available to other parties.

Mr. McLeish: To ask the Secretary of State for Scotland if he will make a statement on the consultations held with each health board prior to the placing of the advertisement in *The Scotsman* on behalf of the Scottish Health Service in which notice of information about tendering for in-house ancillary services for health boards was given.

Mr. Michael Forsyth: The advertisement was placed by health boards acting jointly. No consultations by the Scottish Home and Health Department were involved.

Mr. McLeish: To ask the Secretary of State for Scotland if he will give details in the *Official Report* of any external, management, financial or marketing consultants advising him on privatisation or contracted-out programmes.

Mr. Rifkind: The only firms of this nature currently advising me are the following. Their advice is being sought in connection with the privatisation of the electricity supply industry or of the Scottish Transport Group:

Quayle Munro Ltd., Merchant Bankers.
Barclays de Zoete Webb Ltd., Merchant Bankers.
British Linen Bank Ltd., Merchant Bankers.
Merz and McLellan, Consulting Engineers.
Coopers and Lybrand, Chartered Accountants.
McGrigor Donald, Solicitors.

Mr. McLeish: To ask the Secretary of State for Scotland if he will give an estimate of the savings he envisages from the contracting out of ancillary services in each health board for 1988-89, 1989-90 and 1990-91.

Mr. Michael Forsyth: It is impossible to predict accurately the level of savings likely to be achieved through competitive tendering. This will depend on the levels of bids submitted.

Mr. McLeish: To ask the Secretary of State for Scotland when he next plans to meet the Scottish Trades Union Congress and Health Service unions to discuss the contracting out of health board ancillary services.

Mr. Michael Forsyth: I will be replying shortly to an invitation from the Scottish Trades Union Congress to meet to discuss a number of matters including competitive tendering for support services.

Mr. McLeish: To ask the Secretary of State for Scotland if he will list in the *Official Report* the responses from Scottish health boards to his circular on the contracting out of ancillary services.

Mr. Michael Forsyth: I refer the hon. Member to my reply of 24 February, at column *231*, to the hon. Member for Kilmarnock and Loudon (Mr. McKelvey).

Mr. McLeish: To ask the Secretary of State for Scotland what action he will take against any health board refusing to contract out their ancillary services.

Mr. Michael Forsyth: The question does not arise, since no board has declined to proceed with the programme of competitive tendering for certain ancillary services.

Mr. McLeish: To ask the Secretary of State for Scotland if he will give the cost of placing the advertisement in *The Scotsman* on behalf of the Scottish health service in which information about tendering for in-house ancillary services for health boards was given.

Mr. Michael Forsyth: The cost of placing the advertisement in *The Scotsman* was £277.

Mr. McLeish: To ask the Secretary of State for Scotland if he will list in the *Official Report* the companies which have shown an interest in competing for ancillary service contracts.

Mr. Michael Forsyth: This information is not available centrally.

Mr. Gordon Brown: To ask the Secretary of State for Scotland on what basis his Parliamentary Under-Secretary of State responsible for health announced on Radio Scotland on 27 February that all Scottish health boards have agreed to invite tenders for in-house services.

Mr. Michael Forsyth: All health boards accept that they must implement the programme of competitive tendering on which my right hon. and learned Friend has decided.

Acute Beds (Fife)

Mr. McLeish: To ask the Secretary of State for Scotland if he will detail his reasons for adopting option D as the basis for acute bed provision in Fife.

Mr. Michael Forsyth: In deciding on option D I took a view of what was best for patients throughout Fife, taking account of travelling time, the location of population, cost and the demands on the Scottish hospital building programme.

Mr. McLeish: To ask the Secretary of State for Scotland how much expenditure is required for the acute bed proposals in Fife contained in option D; and if he will make available this level of expenditure.

Mr. Michael Forsyth: At present the only expenditure at issue is the Dunfermline development of option D, the cost of which is estimated at £27 million.

The question of substantial capital funding will not arise for a year or two. If approval in principle is granted, that will indicate a firm intention of finance expenditure.

Mr. McLeish: To ask the Secretary of State for Scotland what timetable he now envisages for *(a)* the submission of Fife health board's option D proposals for acute bed provision in Fife, *(b)* ministerial decision, *(c)* agreement of financial allocations and programme and *(d)* implementation at local level.

Mr. Michael Forsyth: I have asked Fife health board to make a new submission for approval in principle to the Dunfermline development of option D and expect the board to do this as soon as possible, to facilitate an early decision. Allocation of capital funds for the development would then be considered in the context of the capital building programme.

It would be for the health board to progress the implementation of projects within the procedures subsequent to approval in principle.

Fife Health Board

Mr. McLeish: To ask the Secretary of State for Scotland why Fife health board has not yet appointed a new general manager to fill the vacancy created by the resignation of Mr. Lee; and whether the post will be redesignated.

Mr. Michael Forsyth: This is a matter for Fife health board. I understand that the board is making every effort to find a suitable person to fill the vacant post of general manager.

Mr. McLeish: To ask the Secretary of State for Scotland if he will list in the *Official Report* the meetings held between the Parliamentary Under-Secretary of State responsible for health, the hon. Member for Stirling (Mr. Forsyth) and the chairman of Fife health board since 1 July 1987 to the present, including dates and subjects discussed.

Mr. Michael Forsyth: I have had two meetings with the chairman of Fife health board since 1 July 1987—on 15 October 1987 and 1 February 1988. On both occasions we discussed a range of matters affecting the Health Service.

Health Boards

Mr. McLeish: To ask the Secretary of State for Scotland if he will list in the *Official Report* the membership of each health board, detailing names, nominating body, date appointed and known political affiliation.

Mr. Michael Forsyth: I refer the hon. Member to my reply of 24 July 1987 at columns *427-32*, to the hon. Member for Strathkelvin and Bearsden (Mr. Galbraith) and my reply of 3 November 1987 at columns *685-9*, to the hon. Member for Cumbernauld and Kilsyth (Mr. Hogg).

Mr. McLeish: To ask the Secretary of State for Scotland if he will list in the *Official Report* any chairman or members of Scottish health boards who have direct pecuniary or other interests in private health care.

Mr. Michael Forsyth: Such information is not collected or held centrally. The general obligation of chairmen and members to declare any interests related to specific contracts is set out in the National Health Service (Health Boards: Membership, Procedure and Payment of Subscriptions) (Scotland) Regulations 1975.

Hospitals

Mr. McLeish: To ask the Secretary of State for Scotland if he will publish capital expenditure amounts for hospital building programmes for each of the health boards in 1988-89, 1989-90, and 1990-91.

Mr. Michael Forsyth: I refer the hon. Member to the answer I gave on 3 March at column *667*, to my hon. Friend the Member for Dumfries (Sir H. Monro) about 1988-89. Capital expenditure figures are not published for the two following years though health boards are given indicative provisional allocations for planning purposes.

Seals

Mr. Strang: To ask the Secretary of State for Scotland whether he will institute a study of the number of grey and common seals killed annually on the east coast of Scotland; and whether he will consider seeking to amend the Conservation of Seals Act 1970 to secure the indigenous grey and common seal populations.

Mr. Michael Forsyth: My right hon. and learned Friend has no plans to put in hand such a study. It would be expensive and the results likely to be unreliable. There is no legal requirement on the public to report the number of seals shot outwith the close season, during which shooting can only take place under licence or to prevent seals causing damage to fisheries.

My right hon. and learned Friend does not consider that the available evidence would justify an amendment to the Conservation of Seals Act for the purpose proposed. It is estimated by the Environment Research Council that the size of the Scottish population of grey seals is expected to be 92,500, an annual increase of 5 per cent. over the period 1985 to 1987. The minimum size of the common seals is estimated to be some 18,100 animals.

Mr. Strang: To ask the Secretary of State for Scotland how many salmon netting stations are located around the east coast of Scotland; how many seals are shot around these stations; and how many seals are killed around all fish farms annually.

Mr. Michael Forsyth: Comprehensive information on the numbers of salmon netting stations around the Scottish coast and annual records of the number of seals killed around netting stations and fish farms are not kept centrally.

Mr. Strang: To ask the Secretary of State for Scotland what is the current population of common seals on the east coast of Scotland.

Mr. Michael Forsyth: The Department of Agriculture and Fisheries for Scotland obtains advice from the Natural Environment Research Council as to estimates of seal populations.

The most recent estimates obtained from the council in respect of common seals were provided by surveys carried out by the sea mammal research unit in 1984. These showed a minimum total population in that area of some 1,000 animals.

Sheep (Radioactivity)

Dr. David Clark: To ask the Secretary of State for Scotland under what authority unmarked sheep were allowed to be moved in August 1986 from the restricted areas of Scotland.

Mr. Michael Forsyth: Consents were given on my right hon. and learned Friend's behalf by the Department of Agriculture and Fisheries for Scotland under section 2(1) of the Food and Environment Protection Act 1985.

Dr. David Clark: To ask the Secretary of State for Scotland, pursuant to the answer of 12 February, *Official Report*, column 371, how many *(a)* rams, *(b)* ewes and *(c)* lambs were allowed to be moved from the restricted areas of Scotland following the Chernobyl accident in each month from June 1986 to April 1987.

Mr. Michael Forsyth: The information requested is as follows:

1986	*Rams*	*Ewes*	*Lambs*
June	nil	nil	nil
July	nil	nil	nil
August	7	nil	8,404
September	79	nil	nil
October	50	nil	nil
November	nil	nil	nil
December	nil	nil	nil
1987			
January	nil	nil	nil
February	nil	nil	nil
March	nil	nil	nil
April	nil	nil	nil

Rating Reform

Mr. McAllion: To ask the Secretary of State for Scotland what is his estimate of the cost of publishing and delivering an explanatory booklet on the community charge to every household in Scotland.

Mr. Lang: The cost to my Department of preparing, printing and distributing the explanatory booklet for the current community charge information campaign is £246,367.

Ships and Piers (EC Aid)

Mr. Macdonald: To ask the Secretary of State for Scotland what levels of European Economic Community

aid and have been available for ship replacement and pier construction undertaken by the Scottish Transport Group in the past five years; and if he will list the specific projects for which such aid has been received, together with the amounts involved in each case.

Mr. Rifkind: Since 1 January 1985 assistance from the EEC's European regional development fund for ferry vessels and infrastructure has been available at 50 per cent. of the gross cost of the project concerned. Prior to that date the standard rate was 30 per cent. but this was varied on occasion depending on the nature of the project. Since 1983 the Scottish Transport Group's subsidiary, Caledonian MacBrayne Ltd., have been awarded assistance from the fund as follows:

Year	*Location*	*Project*	*Award (£)*	*Percentage of cost*
1984	Uig/Tarbert/Lochmaddy[1]	New ferry vessel and conversion of terminals to roll-on/roll-off	3,280,000	40
1985	Tobermory	Pier improvements	110,000	50
1985	Gourock	Pier improvements	175,000	50
1985	Rothesay	Pier improvements	37,000	50
1985	Oban	Pier improvements	750,000	50
1985	Largs/Cumbrae, Fishnish/Lochaline	Two new ferry vessels	850,000	50
1986	Lochranza/Claonaig	New ferry vessel	425,000	50
1987	Lochaline	Extension of slipway	43,000	50
1987	Colintraive/Rhubodach	New ferry vessel	425,000	50
1987	Oban/Mull/Colonsay	New ferry vessel	3,300,000	50

[1] Terminals at Uig and Lochmaddy owned by Highland regional council and Western Isles islands council respectively.

Skoal Bandits

Mr. Harry Ewing: To ask the Secretary of State for Scotland if he will list in the *Official Report* the Ministers in his Department, together with their responsibilities, at the time of the decision to give financial assistance to United States Tobacco for the manufacture of Skoal Bandits.

Mr. Rifkind: In November 1984, when the offer of assistance was made, the Secretary of State for Scotland was my right hon. Friend the Member for Ayr (Mr. Younger). The other Ministers, and their responsibilities, were:

Rt. hon. Lord Gray of Contin.
Responsibilities: Agriculture; fisheries; forestry; the Highlands and Islands Development Board; Scottish Tourist Board; and the co-ordination of Government action in relation to the Highlands and Islands.

The hon. Member for Eastwood (Mr. Stewart).
Responsibilities: Industrial and regional development; manpower services; matters relating to oil development; new towns; education including primary, secondary and higher education, but excluding universities; public libraries; youth and community services; sport and recreation; and the arts.

The former hon. Member for Argyll and Bute (Mr. MacKay).
Responsibilities: Health boards and the Common Services Agency; hospital services; general practitioner services; community health services; ambulance services; health education; services for the elderly, children, the disabled and the mentally handicapped; list D schools; children's hearings; and the after-care of offenders.

The former hon. Member for Edinburgh, South (Mr. Ancram).
Responsibilities: Police and fire services; civil law and criminal justice; prisons; Scottish courts administration; local government; town and country planning; housing; roads and transport; water, sewage and pollution; urban renewal; building control; and ancient monuments and historic buildings.

TRANSPORT

Severn Bridge

Mr. Butler: To ask the Secretary of State for Transport if, pursuant to his answer to the hon. Member for Warrington, South of 24 February, *Official Report*, column 203, on the second Severn bridge, he will revise the forecast in his answer of 14 December, *Official Report*, columns 421-22, of the level of tolls required to meet the objective of the Severn Bridge Act 1965 to take account of the forecasts of the division of traffic flow.

Mr. Peter Bottomley: When we decide that forecast traffic growth warrants the construction of the second bridge, and how it is to be financed, we shall have to consider their implications for the finances of the present crossing.

Enforcement Officers

Mr. Butler: To ask the Secretary of State for Transport how many enforcement officers he employed in *(a)* 1979 and *(b)* the latest available year; and whether he has any plans to increase their numbers.

Mr. Peter Bottomley: The Department employed 1,401 enforcement officers in 1979 and 1,560 in 1987. These officers are:

	1979	*1987*
Traffic examiners	241	235
Vehicle examiners	327	352
VED enforcement officers	833	973

There are no plans to increase the numbers of enforcement officers.

Mr. Butler: To ask the Secretary of State for Transport how many prosecutions were brought by enforcement officers in each year from 1979 to the latest available year.

Mr. Peter Bottomley: The number of prosecutions brought by the Department's traffic area offices between 1978-79 and 1986-87 in enforcing heavy goods and passenger operator and vocational driver licensing and other requirements relating to road safety were as follows:

	Number
1978-79	10,700
1979-80	14,100
1980-81	13,500
1981-82	12,500

	Number
1982-83	14,900
1983-84[1]	9,300
1984-85	13,500
1985-86	15,000
1986-87	16,300

[1] The period of the reporting year was changed resulting in a six-month report.

The number of prosecutions sought by the Department between 1979 and 1987 for vehicle excise duty offences including those settled out of court were as follows:

	Number
1979	172,000
1980	210,000
1981	169,000
1982	198,000
1983	253,000
1984	291,000
1985	305,000
1986	343,000
1987	348,000

Departmental Buildings

Mr. Cran: To ask the Secretary of State for Transport if he will list the location and status of all buildings within his Department located in London and the annual cost of rents, rates and maintenance of each.

Mr. Peter Bottomley: I would refer my hon. Friend to the reply given on Wednesday 2 March 1988, at column 584, to his question referring to the Department of the Environment. The Department of Transport occupies accommodation in 58 buildings in the Greater London area, ranging from the main HQ building at 2 Marsham Street down to driver testing centres.

Accident Statistics

Mr. Robert B. Jones: To ask the Secretary of State for Transport if he will set out a table listing *(a)* the percentage of total motorway traffic represented by and *(b)* the percentage of vehicles involved in motorway accidents which are (i) heavy goods vehicles and vehicles drawing a trailer and (ii) buses and coaches.

Mr. Peter Bottomley: The information requested, based on road accident injury statistics for GB in 1986, is as follows:

	Heavy goods vehicles Percentage	Buses and coaches Percentage
Percentage of motorway traffic	15·9	0·8
Percentage of vehicles involved in motorway accidents	14·1	0·8

Heavy goods vehicles include articulated vehicles and goods vehicles drawing a trailer. The percentage of vehicles involved in motorway accidents, which are heavy goods vehicles or other vehicles drawing a trailer, is 15·4. However, traffic figures are not available, separately, for other vehicles drawing a trailer.

Mr. Robert B. Jones: To ask the Secretary of State for Transport whether he will list for each of the first six months for 1987 *(a)* the number of buses and coaches involved in accidents on motorways and *(b)* the number which were travelling in the fast lane at the time.

Mr. Peter Bottomley: The number of buses and coaches involved in accidents on motorways in GB in the first six months of 1987 is as follows:

	Number
January	6
February	3
March	7
April	4
May	12
June	6

The lane in which the vehicle was travelling at the time of the accident is not recorded on the police road accident report form.

Mr. Simon Coombs: To ask the Secretary of State for Transport if he will list the road death rates of each of the countries in the EEC, expressed as deaths per 100,000 population, for the latest available year; and if he will list the equivalent figures for 10 years earlier.

Mr. Peter Bottomley: The information is as follows:

EC comparisons of road deaths[1] per 100,000 population

	1976	1986
Belgium	25	20
Denmark	17	[3]15
Federal Republic of Germany	24	15
France	28	22
Greece	14	16
Irish Republic	17	11
Italy	17	[3]13
Luxembourg	28	22
Netherlands	18	11
Portugal	35	[3]26
Spain	17	18
United Kingdom	[2]12	10

[1] In accordance with the commonly agreed international definition, most countries define a fatality as being due to a road accident if death occurs within 30 days of the accident. The official road accident statistics of some countries, however, limit the fatalities to those occuring within shorter periods after the accident. Deaths and death rates in the table have been adjusted according to the factors used by the Economic Commission for Europe and the European conference of Ministers of Transport, to represent standardised 30-day deaths.

[2] Great Britain only.

[3] 1985 Data.

Data Protection

Mr. Cohen: To ask the Secretary of State for Transport how many subject access requests under the terms of the Data Protection Act his Department has received; what was his estimate of this number; whether he is reconsidering the subject access fee charged by his Department as a result; and whether he will make a statement.

Mr. Peter Bottomley: By 1 March the Department had received 1,197 subject access inquiries, 1,185 were inquiries made of the Driver and Vehicle Licensing Centres' 78 million driver and vehicle licence records held there on computer. 270,000 transactions are handled each day at the centre. No prior estimate had been made of the number of subject access inquiries. We have no plans to reconsider the levels of fees charged.

Transport Safety

Ms. Primarolo: To ask the Secretary of State for Transport with which institutions he has discussed the voluntary improvement of transport safety standards during the last month.

Mr. David Mitchell: Safety standards are one aspect of most of the discussions I and my hon. Friends have with outside bodies.

Mr. Frank Cook: To ask the Secretary of State for Transport if he intends to bring forward new guidelines for transport safety; and if he will make a statement.

Mr. Peter Bottomley: We keep safety standards in transport regularly under review and will continue to develop proposals when the need arises.

King's Cross and St. Pancras

Mr. Dykes: To ask the Secretary of State for Transport if he has had recent discussions with representatives of British Rail and British Rail Properties Limited on the outline plans to redevelop the King's Cross and St. Pancras station complexes.

Mr. David Mitchell: No. This is a commercial matter for British Rail.

Traffic Law Review

Mr. Cran: To ask the Secretary of State for Transport when he expects the team set up by his Department to review traffic law to announce its findings; and what priority he attaches to achieving a change in the law relating to road traffic offences.

Mr. Peter Bottomley: We expect to receive Dr. North's report of his road traffic law review very shortly. We shall give urgent consideration to its recommendations.

Ferry Safety

Mrs. Mahon: To ask the Secretary of State for Transport when he last met representatives of ferry staff to discuss safety standards.

Mr. Channon: I have had no recent meetings with ferry staff on this subject.

Mr. Meacher: To ask the Secretary of State for Transport what assessment he has made of the health and safety implications of longer shift patterns aboard British ferries.

Mr. Channon: Working arrangements on board United Kingdom-registered ferries operating out of United Kingdom ports vary considerably, according to the companies and routes involved. I understand that proposals for new working arrangements for certain routes are now under discussion between the seafarers trades unions and the company concerned. Whatever arrangements may result will, of course, need to comply with the statutory officers manning requirements and with the statutory requirement that the watch system shall be such that the efficiency of watchkeepers is not impaired by fatigue.

Near Misses

Dr. Reid: To ask the Secretary of State for Transport what representations he has received seeking an inquiry into the near misses of aircraft recently occurring over United Kingdom airspace.

Mr. Peter Bottomley: We and the Civil Aviation Authority (which is responsible for air traffic control and air safety) have received a number of representations about recent airmisses. The chairman of the CAA asked the Department's chief inspector of accidents to investigate the airmiss over Kent on 6 February. The CAA is itself investigating that and other air misses under its usual procedures.

My right hon. Friend also asked the chairman to review urgently the procedures for investigating and reporting airmisses and the chairman reported to him on 3 March 1988. I refer the hon. Member to the answer given to the hon. Member for Brentwood and Ongar (Mr. McCrindle) the same day.

Mr. Dunnachie: To ask the Secretary of State for Transport what representations he has received seeking an inquiry into the recent near misses of aircraft in United Kingdom airspace.

Mr. Peter Bottomley: My right hon. Friend the Secretary of State received a number of representations following the recent reports of airmisses and asked the chairman of the Civil Aviation Authority to review urgently the arrangements for reporting and investigating them. I draw the hon. Member's attention to the reply given by my right hon. Friend on 3 March 1988 to the member for Brentwood and Ongar (Mr. McCrindle) setting out the chairman's response.

Regional Airports

Mr. Wareing: To ask the Secretary of State for Transport what information he has on whether non-London airports are operating at their full potential.

Mr. Peter Bottomley: Passenger traffic statistics suggest that a number of non-London airports are operating below their capacity, although others, such as Manchester and Birmingham, are close to the capacity of their present passenger terminals.

Speed Limiters

Mr. Squire: To ask the Secretary of State for Transport whether he intends to bring forward legislation requiring speed limiters to be fitted to heavy goods vehicles.

Mr. Peter Bottomley: Such limiters would have to be set at 60 mph—the motorway speed limit for heavy goods vehicles of over 7·5 tonnes gross weight. The latest national speed survey has shown an encouraging reduction in lorry speeds on motorways. If this trend continues it will reduce the need to consider the fitting of speed limiters.

Channel Tunnel

Ms. Mowlam: To ask the Secretary of State for Transport what action he is taking to ensure that regions north of London are able to benefit fully in terms of transport infrastructure, from the Channel tunnel project.

Mr. David Mitchell: I refer the hon. Member to the reply that I gave to the hon. Member for Halifax (Mrs. Mahon) on 2 March, at column 599-600.

Smoke Hoods

Mr. Colvin: To ask the Secretary of State for Transport when he last met the chairman of the Civil Aviation Authority to discuss the establishment of an internationally agreed specification for airline passenger protection smoke hoods.

Mr. Peter Bottomley: My right hon. Friend met the chairman of the Civil Aviation Authority in December 1987 to discuss the authority's decision not to introduce regulations requiring the mandatory carriage of passenger smoke hoods. He informed my right hon. Friend then of the international collaboration on this matter between the Civil Aviation Authority and other leading aviation authorities. That collaboration is continuing and may in time lead to an internationally agreed specification.

Drinking and Driving

Mrs. Clwyd: To ask the Secretary of State for Transport what representations he has received seeking a reduction in the blood alcohol level for drinking and driving offences; and what response he has made.

Mr. Peter Bottomley: We are pressed at different times to reduce the permitted blood alcohol content to various levels including nil below the present limit of 80 mg of alcohol in 100 ml of blood.

With more than half of all drinking and driving offenders convicted at around twice the existing limit, the current priority is to secure greater compliance with the law as it stands.

British Transport Police

Mr. Evennett: To ask the Secretary of State for Transport when he last met members of the British Transport police authority, and what subjects were discussed.

Mr. David Mitchell: My right hon. Friend has not had any meetings with the British Transport Police Committee.

Vehicle Excise Duty

Mr. French: To ask the Secretary of State for Transport (1) pursuant to his reply of 29 June 1987, *Official Report*, column *35*, to the hon. Member for Bristol, North-West (Mr. Stern) if he will make a statement on the effectiveness of the intensive local campaigns to discourage the evasion of vehicle licence duty;

(2) pursuant to his reply of 29 June 1987, *Official Report*, column *35*, to the hon. Member for Bristol, North-West (Mr. Stern) for the most recent date for which figures are available, how many successful prosecutions have been brought by police following the intensive local campaigns against evasion of vehicle licence duty during 1987-88.

Mr. Peter Bottomley: The evidence shows that campaigns are an effective way of deterring VED evasion. Eleven campaigns have so far been held in the financial year 1987-88. Four more are under way.

Checks of DVLC's computer register show that 172,000 vehicles recorded as unlicensed before the 11 campaigns were launched were licensed afterwards. This represents £12·8 million revenue which might otherwise have been lost.

So far, some 3,000 of the 5,286 evaders who ignored the warnings given during the campaigns have been successfully prosecuted, yielding a further £380,000 in fines, back-duty orders and costs.

Seat Belts (Coaches)

Mr. Cran: To ask the Secretary of State for Transport whether any estimate has been made as to the number of lives that may have been saved over the last five years had passengers in motor coaches been required to wear seat belts; and if he has any plans to require coach manufacturers to fit seat belts in their vehicles.

Mr. Peter Bottomley: The Department has not made such an estimate. The available information on coach accidents could not support more than a broad indication of the numbers and types of casualty that might have been avoided by wearing seat belts.

From 1 October 1988 seat belts must be fitted in new coaches to seats most at risk, such as the front seats. The Department is investigating the possibility of extending this requirement to existing modern coaches.

Airport Charges

Mr. McTaggart: To ask the Secretary of State for Transport if he will give a list of the landing and take-off charges for a Boeing 727 at each airport in Britain; and whether there are different scales for British Airways and other operators.

Mr. Peter Bottomley: Information on charges is not compiled in this form. Detailed data for most airports will shortly be published in the Aerodrome Owners Association 1988 handbook, a copy of which will be placed in the Library. All the larger airports operate under public use licences, which require the aerodrome to be available to all persons on equal terms and conditions.

Nuclear Materials (Flasks)

Mr. Cohen: To ask the Secretary of State for Transport if he will place in the Library a full copy of the report by the Central Electricity Generating Board's consulting engineers Ove Arup about the safety of flasks used for carrying nuclear materials; and if he will make a statement.

Mr. David Mitchell: Any such reports are the property of the Central Electricity Generating Board and it is for it to decide whether or not they can be made available.

Car Telephones

Mr. Pike: To ask the Secretary of State for Transport what recent reports he has received regarding the use of car telephones; and if he will introduce new regulations regarding their use.

Mr. Peter Bottomley: None. We have no plans to introduce legislation controlling use of in-car telephones. Existing legislation already places the responsibility on drivers to have proper control of their vehicles at all times. A motorist who fails to do so as a result of distraction or lack of concentration is liable to prosecution. The revised

Highway code advises drivers not to use a hand held telephone while their vehicles are moving, except in an emergency.

Roads (Expenditure)

Mrs. Maureen Hicks: To ask the Secretary of State for Transport if he has any plans for further road investment.

Mr. Channon: I am adding two new major projects to my road programme:

—a £50 million grant for the construction of a new road through the Black Country, linking the Black Country development corporation area to the M5 and M6: and

—a £59 million scheme to improve the A13 between Limehouse and Dagenham to assist the redevelopment of Docklands and east London and linking in to the London Docklands Development Corporation's docklands highway.

These new schemes will provide better transport links to stimulate new enterprise and jobs in these two inner-city areas. They are in addition to the £2 billion of schemes —two fifths of the total—already in my trunk road programme, which will directly assist the regeneration of inner cities throughout the country. More such schemes will follow.

Mr. Jack: To ask the Secretary of State for Transport if he will publish in the *Official Report* the numerical criteria used to determine the proportion of local authority block grants allowed for expenditure on roads.

Mr. Peter Bottomley: Local authorities receive support for roads expenditure through two grants, which form part of aggregate exchequer grant (AEG). The criteria for determining AEG are set out in section 54(4) of the Local Government Planning and Land Act 1980.

Capital expenditure on roads of more than local importance is supported by transport supplementary grant (TSG). TSG is allocated on the basis of accepted estimated expenditure selected from bids included in highway authorities' annual transport policies and programme (TPPs). Criteria used include cost/benefit analyses and previous years' plan progress.

Like most other local authority spending, transport current expenditure and the financing costs of capital expenditure not financed by TSG are supported through block grant. This is distributed according to the expenditure of each authority in relation to its grant related expenditure assessment (GRE). GREs are built up from components for each service including roads. The roads maintenance GRE formula contains a number of factors, including road lengths and traffic volume. Details are published in the "Rate Support Grant Report (England) 1988-89" (HC. 163) and in the Department of Environment's "Technical Handbook of Grant Related Expenditure 1988-89".

Transport Supplementary Grant

Mr. Jack: To ask the Secretary of State for Transport if he will list in the *Official Report* the amount of transport supplementary grant per head of the population for each of the county and metropolitan borough councils for the years 1986-87 to 1988-89.

Mr. Peter Bottomley: The table lists values of transport supplementary grant (TSG) per head of population in 1986-87, 1987-88 and 1988-89 for each local highway authority in England. TSG is awarded on the relative merits of each authority's proposed programme of highway improvements not on the basis of population.

Transport Supplementary Grant

Metropolitan districts

(£) per capita

Authority	*1986-87*	*1987-88*	*1988-89*
Bolton	0·34	7·85	5·13
Bury	4·37	1·92	5·85
Manchester	6·59	5·04	6·97
Oldham	0·41	1·23	5·09
Rochdale	1·33	1·21	1·38
Salford	6·26	13·75	16·07
Stockport	6·45	0·98	0·62
Tameside	2·09	1·15	1·44
Trafford	7·42	6·64	2·97
Wigan	7·39	5·38	7·55
Knowsley	1·17	0·86	1·48
Liverpool	5·43	4·61	2·56
St. Helens	0·42	0·80	3·38
Sefton	0·40	0·69	0·57
Wirral	0·94	1·12	3·67
Barnsley	3·17	2·12	1·80
Doncaster	1·42	0·78	1·63
Rotherham	0·91	0·66	0·88
Sheffield	4·48	3·91	0·71
Gateshead	0·33	3·84	9·62
Newcastle upon Tyne	3·77	6·08	8·12
North Tyneside	0·34	2·18	1·98
South Tyneside	8·69	6·15	2·29
Sunderland	4·90	3·68	5·30
Birmingham	3·89	3·88	3·89
Coventry	2·86	5·21	6·26
Dudley	0·41	2·14	2·30
Sandwell	1·61	1·96	3·05
Solihull	0·34	1·36	2·52
Walsall	5·51	5·21	6·03
Wolverhampton	9·30	11·23	13·74
Bradford	7·12	9·88	3·64
Calderdale	0·33	0·63	1·09
Kirklees	3·56	2·05	3·50
Leeds	0·29	0·78	2·14
Wakefield	0·45	0·58	0·85

Shire Counties

Authority	*1986-87*	*1987-88*	*1988-89*
Avon	1·81	2·09	4·55
Bedfordshire	3·77	5·06	6·24
Berkshire	4·62	4·28	3·66
Buckinghamshire	1·28	3·38	1·15
Cambridgeshire	2·73	7·20	3·55
Cheshire	3·11	2·02	1·44
Cleveland	5·40	3·95	5·67
Cornwall	2·78	3·35	5·06
Cumbria	0·58	1·60	2·88
Derbyshire	1·60	0·82	0·74
Devon	2·75	3·22	3·50
Dorset	8·19	3·57	6·77
Durham	2·58	4·01	3·23
East Sussex	1·72	1·41	3·08
Essex	3·56	5·35	5·77
Gloucestershire	1·69	1·84	2·08
Hampshire	3·66	2·79	2·69
Hereford and Worcester	2·99	2·60	3·02
Hertfordshire	4·49	1·83	3·14
Humberside	2·43	2·31	5·32
Isle of Wight	8·00	7·18	5·83
Kent	2·97	3·89	6·17
Lancashire	3·46	4·62	3·39
Leicestershire	4·31	5·07	5·65
Lincolnshire	1·69	3·12	2·01
Norfolk	1·48	3·00	2·95
Northamptonshire	9·42	7·98	5·84

Authority	1986-87	1987-88	1988-89
Northumberland	3·73	3·58	1·81
North Yorkshire	5·15	5·10	2·75
Nottinghamshire	1·72	1·84	2·02
Oxfordshire	0·92	1·42	1·24
Shropshire	3·77	3·32	4·46
Somerset	3·01	2·88	7·15
Staffordshire	3·20	2·95	2·76
Suffolk	4·14	1·44	2·79
Surrey	2·48	3·02	2·21
Warwickshire	2·59	3·04	3·63
West Sussex	5·31	4·49	3·93
Wiltshire	2·70	2·64	0·66

London Boroughs

Authority	1986-87	1987-88	1988-89
City of London	78·70	93·92	38·13
Barking and Dagenham	0·66	5·38	19·15
Barnet	0·55	1·58	1·31
Bexley	7·83	2·06	2·95
Brent	1·99	1·22	1·71
Bromley	0·86	1·44	13·07
Camden	0·30	0·59	0·71
Croydon	0·30	0·63	0·73
Ealing	5·59	6·54	6·56
Enfield	13·82	27·97	42·41
Greenwich	3·62	9·16	3·75
Hackney	1·22	1·07	2·28
Hammersmith and Fulham	1·06	0·78	0·43
Haringey	5·29	7·49	18·67
Harrow	6·17	7·98	17·72
Havering	7·65	5·38	1·34
Hillingdon	21·96	10·42	8·44
Hounslow	2·67	3·19	3·89
Islington	0·30	0·61	0·43
Kensington and Chelsea	2·87	1·90	0·50
Kingston upon Thames	26·64	35·38	2·47
Lambeth	0·53	1·18	1·01
Lewisham	0·30	1·29	4·18
Merton	7·14	16·53	15·35
Newham	6·03	5·58	1·67
Redbridge	1·18	4·60	1·77
Richmond upon Thames	1·39	1·27	1·15
Southwark	6·56	3·40	4·62
Sutton	2·95	4·97	4·61
Tower Hamlets	0·30	1·15	0·45
Waltham Forest	4·02	5·05	2·29
Wandsworth	8·94	9·44	2·15
Westminster	2·79	2·14	1·19

Mr. Jack: To ask the Secretary of State for Transport if he will list in the *Official Report* for each highway authority *(a)* the value of the first year return, *(b)* the total net present value and *(c)* the length of each road project which qualified for transport supplementary grant, in each year from 1986-87 to 1988-89.

Mr. Peter Bottomley: The table lists all local road schemes supported with transport supplementary grant (TSG) in 1986-87, 1987-88 and 1988-89 for which either a net present value or a first year rate of return is available. A number of other schemes for which economic costs and benefits are not available is also supported with TSG.

Schemes accepted for transport supplementary grant (TSG) where first year rate of return or net present value is known

Authority	Scheme		Accepted for TSG	First year rate of return (per cent.)	Net present value[1] (£ million)	Length (Km)
Barking	A124	Barking Town Centre/Northern Relief Road	1987-88, 1988-89	35	—	1·5
Bromley		Bromley High Street Relief Road—Section 2	1986-87, 1987-88, 1988-89	105	4·8	1·6
Sutton	A232	Croydon Road/B272 Hilliers Lane Junction Improvement	1988-89	29	2·5	0·6
Sutton	A24	London Road/A2043 Malden Road Junction Improvement	1988-89	25	1·3	0·6
Bolton	A666	St. Peters Way Extension/Topp Way Dualling	1987-88, 1988-89	12	1·6	1·8
Bury	A665	Blackburn Street Diversion, Radcliffe	1988-89	4	−0·6	1·0
Manchester		Man/Sal Irr E Section (Redhill Street-Fairfield Street)	1986-87, 1987-88, 1988-89	26	3·9	1·3
Manchester	A665	Man/Sal Irr (Cheetham Hill Road-Jubilee Street)	1988-89	1	−2·0	0·4
Manchester		Man/Sal Irr (Regent Road-Chester Road—Phase 1)	1987-88, 1988-89	11	4·4	1·2
Manchester		Man/Sal Irr (Regent Road-Gore Street)	1987-88, 1988-89			
Manchester	M56	Airport Access Road Stage 1 (Outwood Lane/M56 Spur Road)	1988-89	83	3·3	0·5
Oldham	A62	Manchester Street/Manchester Road Improvement	1988-89	26	8·9	2·6
Salford	A57	Regent Road Improvement (M602-Water Street)	1987-88, 1988-89	10	2·7	1·8
Salford	A6042	Man/Sal Irr Gore Street-Regent Road	1987-88, 1988-89	11	4·4	0·6
Salford	A5063	Trafford Road Improvement (M602-The Quays)	1988-89	19	1·1	0·9
Tameside	A635	Manchester Road-Stockport Road-William Street Gyratory, Ashton	1988-89	25	3·1	1·3
Wigan		Bradshawgate Diversion, Leigh	1987-88, 1988-89	—	0·6	0·9
Liverpool	A561	Park Road Relief Road—Phase 1	1988-89	10	3·7	5·5
St. Helens	A570	St Helens Inner Ring Road—Phase 4	1988-89	21	2·4	1·1
Gateshead	A695	Ryton Crawcrook Bypass	1987-88, 1988-89	29	6·1	5·9
Gateshead	A692	Redheugh Bridge Southern Approach Road Flyover	1988-89	26	3·9	0·4
Sunderland	A1231	Inner Ring Road	1987-88, 1988-89	—	2·7	0·8
Coventry	A46	Far Gosford Street Relief Road	1986-87, 1987-88, 1988-89	5	—	1·4
Coventry	A444	Foleshill/Holbrooks Bypass	1986-87, 1987-88, 1988-89	7	—	2·5
Dudley	A461	Queens Cross Improvements	1987-88, 1988-89	42	—	0·8
Sandwell	A461	Ocker Hill Roundabout, Sandwell	1987-88, 1988-89	80	—	0·1

Authority		Scheme	Accepted for TSG	First year rate of return (per cent.)	Net present value[1] (£ million)	Length (Km)
Sandwell	A41	Holloway Bank Canal Bridge	1988-89	11	—	0·3
Sandwell	A461	Great Bridge Relief Road—Phase 1	1987-88, 1988-89	50	—	0·2
Solihull	A34	Stratford Road, Monkspath, Dualling	1987-88, 1988-89	14	—	1·9
Wolverhampton	A4150	Wolverhampton Ring Road—Section 6A	1986-87, 1987-88	15	—	0·9
Wolverhampton	A449	Stafford Road Improvement—Section 3A & 3B	1986-87, 1987-88	10	—	1·8
Wolverhampton	A4150	Wolverhampton Ring Road—Section 6B	1986-87, 1987-88	10	—	1·3
Wolverhampton	A449	Stafford Road Improvement—Section 3C	1987-88, 1988-89	13	—	0·4
Wolverhampton	A4124	Wednesfield Bypass Junction Improvements	1988-89	38	—	0·4
Wolverhampton		Black Country Route—Sections 3, 4, 5A, 5B	1986-87, 1987-88, 1988-89	19	7·9	3·3
Bradford		Bradford City Ring Road—Stage III	1988-89	—	4·4	1·0
Bradford	A6037	Bradford Canal Road—Stage I	1986-87, 1987-88, 1988-89	—	0·7	0·7
Leeds		Leeds Inner Ring Road—Stage V	1988-89	46	17·4	0·4
Avon	A4032	Newfoundland Street, Bristol	1986-87, 1987-88, 1988-89	—	4·5	0·8
Avon		Avon RR (1A)-Hambrook-Badminton Road	1986-87, 1987-88,			
Avon		Avon RR (IB1)—Badminton Road-Westerleigh Road	1988-89	16	5·4	3·3
			1987-88, 1988-89			
Avon		Avon RR (III)-A420 Warmley-Marsham Way	1988-89	14	26·1	1·9
Avon	A370	M5-Town Centre Link, Weston-Super-Mare	1988-89	14	4·7	0·5
Bedfordshire	A505	Luton-Dunstable Relief Road	1986-87, 1987-88, 1988-89	—	8·1	4·5
Bedfordshire	A507	Shefford/Clifton/Henlow Bypass	1988-89	—	4·6	7·0
Buckinghamshire	A413	Amersham Bypass	1986-87, 1987-88, 1988-89	15	—	3·7
Cambridgeshire	A605	Elton-Chesterton BP	1988-89	24	5·0	5·9
Cheshire		Chester Western BP—Phase 1	1988-89	—	4·5	2·1
Cheshire	A49	Diversion (Phase 2), Warrington	1987-88, 1988-89	—	1·1	1·2
Cleveland	A66	South Bank Link Road	1987-88, 1988-89	—	3·0	2·4
Cleveland	A177	Durham Road Bypass	1988-89	16	3·3	1·6
Cornwall	A30	Penzance Primary Distributor	1986-87, 1987-88, 1988-89	8	1·2	4·6
Cornwall	A392	Newquay Gannel Link Road	1986-87, 1987-88, 1988-89	19	1·8	0·5
Cornwall	A39	Truro-Devoran I (Carnon Downs Bypass)	1987-88, 1988-89	6	0·2	1·4
Cumbria	A591	Staveley Bypass	1986-87, 1987-88, 1988-89	8	0·7	2·8
Derbyshire	A610	Ripley Bypass	1986-87, 1987-88, 1988-89	8	0·1	1·9
Derbyshire	A619	Tapton Bypass Chesterfield—Stages 1 and 2	1986-87, 1987-88, 1988-89	—	3·1	2·5
Derbyshire	A6007	Ilkeston Inner Relief Road	1986-87, 1987-88, 1988-89	—	5·3	1·3
Devon	A3064	Plymouth-St. Budeaux Bypass	1987-88, 1988-89	12	4·5	1·7
Devon	A380	Thorns Cross-Eagle Farm 1 (Olchard Lane-Eagle Farm)	1988-89	—	0·7	1·8
Dorset	A37	Dorchester Western Bypass	1986-87, 1987-88, 1988-89	—	0·1	2·0
Dorset	B3081	Gillingham Internal Relief Road	1988-89	6	0·7	1·6
Durham	A688	Canney Hill Bypass	1988-89	72	4·8	1·1
East Sussex	A22	Maresfield Bypass	1988-89	—	6·0	2·8
East Sussex	A267	Mayfield Bypass	1988-89	—	1·0	1·8
Essex	A414	Maldon Bypass	1988-89	—	2·6	2·4
Gloucestershire	B4066	Berkeley-Sharpness—Stage 2A (Berkeley Bypass)	1986-87, 1987-88	7	0·2	1·1
Hampshire	B3349	Hook Bypass Underbridge	1988-89	21	2·6	0·0
Hampshire		Blackwater Valley Route (North)	1987-88, 1988-89	8	4·5	6·5
Hereford and Worcester	A422	Worcester Southern Link	1986-87, 1987-88, 1988-89	39	1·3	4·6
Hereford and Worcester	A456	Bewdley Bypass	1986-87, 1987-88, 1988-89	16	8·4	5·2
Hertfordshire	A414	Stanstead Abbotts to Harlow	1988-89	—	2·6	3·8
Hertfordshire	A4008	Watford M1 Link and Southern Junction System	1987-88, 1988-89	—	27·9	3·4
Humberside	A180	Grimsby West Marsh Relief Road	1986-87, 1987-88, 1988-89	—	13·3	2·2
Humberside	A1173	Stallingborough Interchange to Kiln Lane	1986-87, 1987-88	—	1·0	1·7
Humberside	A1165	Hull Stoneferry Road 1	1987-88	—	0·2	0·8
Humberside	A1173	Immingham Kiln Lane to Kings Road	1986-87, 1987-88, 1988-89	—	4·0	1·7
Humberside	A165	Hull North Orbital Road	1986-87, 1987-88, 1988-89	—	4·9	1·2

Authority	Scheme	Accepted for TSG	First year rate of return (per cent.)	Net present value[1] (£ million)	Length (Km)
Humberside	A1163 Hull Drypool Link	1986-87, 1987-88, 1988-89	—	0·7	0·6
Humberside	A165 Ganstead Diversion	1986-87, 1987-88, 1988-89	—	1·0	1·5
Humberside	A165 Long Riston Bypass	1986-87, 1987-88, 1988-89	—	0·4	1·0
Humberside	A16 Grimsby New Baxtergate	1987-88, 1988-89	—	0·6	0·8
Humberside	A1163 Hull Wilmington Link	1987-88, 1988-89	—	5·4	1·1
Humberside	A1165 Hull Stoneferry Bridge	1988-89	—	0·4	0·3
Humberside	A1033 Hedon Bypass	1988-89	—	2·6	2·4
Humberside	A164 Castle Hill to Bentley	1988-89	—	0·4	4·6
Kent	A228 West Malling Bypass	1986-87, 1987-88, 1988-89	6	0·3	3·1
Kent	A253 Ramsgate Harbour Approach	1987-88, 1988-89	21	2·0	2·4
Kent	A249 Albion Place/Mote Road	1988-89	50	22·1	1·5
Kent	A206 Dartford Northern Bypass	1988-89	74	32·8	3·0
Kent	A293 Thanet Way Dualling	1987-88, 1988-89	9	1·6	28·0
Kent	A253 Lord of the Manor	1988-89	22	1·0	0·2
Lancashire	M65 Nelson-Colne (Main Works)	1986-87, 1987-88, 1988-89	23	32·8	1·7
Lancashire	A6068 Shuttleworth Hall Link Road	1986-87, 1987-88, 1988-89	37	10·5	1·7
Lancashire	A56 North Valley Link Road, Colne	1987-88, 1988-89	48	9·3	1·2
Lancashire	Burnley Inner Relief Road—Phase II	1988-89	28	4·6	0·7
Leicestershire	A6006 Asfordby Bypass	1987-88, 1988-89	15	0·8	0·7
Leicestershire	Leicester Southern Distributor III	1988-89	26	—	1·7
Lincolnshire	A52 Bicker Bypass	1986-87, 1987-88, 1988-89	8	0·3	2·3
Lincolnshire	A46 Dunholme Bypass	1987-88, 1988-89	12	0·1	1·9
Lincolnshire	A52 Donington Bypass	1988-89	8	0·2	1·7
Norfolk	A143 Kirby Cane/Geldeston Bypass	1988-89	—	−0·3	3·2
Norfolk	A1101 Outwell Bends	1988-89	5	0·0	2·1
Norfolk	A146 Trowse Bypass	1988-89	—	0·5	1·4
Northumberland	A1068 Ellington Bypass and Potland Link	1987-88	—	0·0	3·6
North Yorkshire	A658 Harrogate Knaresborough Southern Bypass	1987-88, 1988-89	—	9·7	10·2
North Yorkshire	A59 Green Hammerton Bypass	1988-89	—	0·3	3·0
North Yorkshire	A59 Far Laithe to Pacegate	1988-89	—	0·2	1·2
Shropshire	A49 Reabrook to Telford Way Link	1986-87, 1987-88, 1988-89	18	9·2	2·2
Shropshire	A591 English Bridge Gyratory	1986-87, 1987-88, 1988-89	51	3·0	0·4
Somerset	A358 Ashill to Southfields Roundabout (A303)	1988-89	3	0·7	4·4
Staffordshire	A525 Keele Bypass	1988-89	20	0·8	1·8
Staffordshire	A460 Cannock Eastern Bypass	1988-89	38	9·6	2·5
Suffolk	A143 Ixworth Bypass	1986-87, 1987-88	2	−0·4	4·0
Suffolk	A12 Saxmundham Bypass	1986-87, 1987-88, 1988-89	8	0·4	5·5
Suffolk	A12 Kessingland Bypass	1987-88, 1988-89	10	0·9	2·5
Suffolk	A144 Halesworth Relief Road	1988-89	5	0·0	1·0
Surrey	A22 Godstone Road Whyteleafe Junction	1988-89	33	1·1	0·5
Surrey	St. Johns Bypass	1987-88, 1988-89	—	1·1	0·5
Warwickshire	A4390 Stratford Southern Relief Road	1987-88, 1988-89	44	4·8	1·4
Warwickshire	A429 Wellesbourne Bypass	1988-89	20	0·4	2·1
West Sussex	A264 Horsham Northern Bypass	1986-87, 1987-88, 1988-89	—	4·2	5·7
West Sussex	A24 Farthings Hill	1986-87, 1987-88, 1988-89	6	0·1	1·3
West Sussex	A24 Dial Post	1987-88, 1988-89	7	0·1	1·7
West Sussex	A272 Cuckfield Bypass	1987-88, 1988-89	7	0·6	1·8
West Sussex	A264 Bewbush	1988-89	9	1·5	1·1

[1] 1979 prices discounted to 1979.

Road Improvements

Mr. Boyes: To ask the Secretary of State for Transport what programmes are being initiated to improve road quality standards throughout the United Kingdom; and if he will provide a table listing expenditure figures for all regions from 1979 to the latest available date.

Mr. Peter Bottomley: We have initiated a greatly enhanced programme of structural maintenance on national roads. Maintenance of other roads is a matter for local authorities. Where authorities continue to underspend we will be looking urgently for ways of improving the situation, in consultation with the local authority associations.

Rural Transport (Cornwall)

Mr. Matthew Taylor: To ask the Secretary of State for Transport what recent representations he has received concerning rural transport in Cornwall; and if he will make a statement.

Mr. David Mitchell: No recent representations have been received about rural transport services in Cornwall. Deregulation passed off smoothly there with services broadly maintained at reduced cost to the county. There are minibuses in many towns and the consequent increase in bus mileage overall has been of benefit to the people of Cornwall.

Train Drivers (Statistics)

Rev. Martin Smyth: To ask the Secretary of State for Transport what information he has as to how many train drivers employed by British Rail are *(a)* members of ethnic minorities and *(b)* women; and what is the total number of train drivers on British Rail's network.

Mr. Channon: I do not have this information. I am asking the British Railways Board to write to the hon. Member.

Motor Industry (Safety Standards)

Mr. Boyes: To ask the Secretary of State for Transport what plans and programmes are being considered to enhance and promote safety standards in the motor industry.

Mr. Peter Bottomley: Many improvements to vehicle safety are under consideration in the European Commission's working group of governmental and motor industry experts. Introductory dates are agreed only when new or amending directives are adopted. For example, last November agreement was reached to require anti-lock brakes on new heavy articulated vehicles and coaches, registered from 1 October 1991.

Written Answers to Questions

Tuesday 8 March 1988

WALES

Bistre Nursery School

Mr. Barry Jones: To ask the Secretary of State for Wales if he will pay an official visit to the Bistre (Buckley) nursery school to meet members of staff, members of the parent-teachers' association, members of the governing body and committee members of the voluntary bodies that use the school out of hours; if he will take steps to ensure that Bistre nursery school will remain open for the school years 1988-89, 1989-90 and 1990-91; and if he will make a statement.

Mr. Wyn Roberts: I refer the hon. Gentleman to the answers I gave him on 12 January.

Rate Support Grant (Fire Stations)

Mr. Barry Jones: To ask the Secretary of State for Wales if he will make it his policy to increase the rate support grant for Clwyd to enable the county to avoid both the closure of fire stations and cutbacks in fire stations, with specific reference to the Buckley and Queensferry fire stations; and if he will make a statement.

Mr. Peter Walker: It is primarily for the local authority to determine its own spending priorities from within available resources. However, the Home Secretary's approval under section 19 of the Fire Services Act 1947 (as amended by section 7 of the 1959 act) would be required before any reduction in fire cover in Clwyd could be implemented.

HOME DEPARTMENT

Prisons (Worship)

Ms. Harman: To ask the Secretary of State for the Home Department (1) what extra staffing will be required to make sure that at least two principal Sunday services are available to prisoners between the hours of 9 am and 11 am on Sunday mornings if proposals to close Roman Catholic chapels in prisons are implemented;

(2) what consultation there has been with all denominations, both within the prison service chaplaincy and within the local hierarchies of the denominations concerned in areas where prison establishments are situated, on the proposals to close Roman Catholic chapels in prisons;

(3) what proposals there are to close Roman Catholic chapels in prison establishments where there is more than one dedicated worship place.

Mr. Douglas Hogg: Since the early 1970s, with the full agreement of the Prison Service Chaplaincy and the Anglican and Roman Catholic Churches, a single shared chapel has been provided in all prison establishments except those very large prisons where two separate chapels are considered operationally necessary. There are no proposals for closing any of the existing Roman Catholic chapels and the question of extra staffing has not therefore arisen.

Prisons (Development Value)

Mr. Temple-Morris: To ask the Secretary of State for the Home Department (1) whether any consideration has been given to the development value of the present sites of Her Majesty's prisons at Cardiff, Reading and Swansea in the context of the prison building programme;

(2) what are the current site values as such and for development purposes of the present sites of Her Majesty's prisons at Cardiff, Reading and Swansea.

Mr. Douglas Hogg: It is recognised that sites such as those mentioned may have considerable redevelopment value. Under present rules the proceeds of any sale would not be available for prison building. Moreover, each establishment is well placed to perform its function as a local prison. The population pressures on the prison system are so great that there can be no question at present of selling any of them. Current site values have not therefore been assessed.

Domestic Violence

Mr. Cohen: To ask the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis on whether the police force order relating to domestic violence has been fully implemented, and as to whether a local referral point and nearest refuge to each police station has been identified; if he will list the number of domestic violence incidents for each police division since the police force orders to the end of February; in how many such cases police transport was provided; and if he will make a statement.

Mr. Douglas Hogg: Implementation of force orders within the Metropolitan police district is the responsibility of the commissioner. I understand from the commissioner that the implementation of the force order relating to domestic violence is being evaluated.

I also understand that local referral points for victims have been identified, together with a centralised emergency line to find the most appropriate refuge in each case; and that police transport is provided for victims wishing to go to a refuge. I regret that statistics in the form requested by the hon. Member are not available.

Oxford Prison (Syringes)

Mr. Cohen: To ask the Secretary of State for the Home Department if he will make a statement about the recent amnesty on syringes at Oxford prison; whether any of the syringes surrendered contained the AIDS virus; whether it is proposed to extent this amnesty to other prisons; and if he will make a statement.

Mr. Douglas Hogg: There has been no such amnesty.

Prisons (Conjugal Visits)

Mr. Cohen: To ask the Secretary of State for the Home Department if he will review current prison rules and regulations to allow conjugal visits; what information he has on the practice in this respect in prisons in other countries; and if he will make a statement.

Mr. Douglas Hogg: No. We do not have comprehensive information about the position abroad, but officials keep in touch with developments in other countries with respect to many aspects of prison administration, including visiting arrangements.

Prisons (Toilets)

Mr. Tony Lloyd: To ask the Secretary of State for the Home Department if he will make a statement on the provision of toilet facilities in Her Majesty's prisons.

Mr. Douglas Hogg: All accommodation at new prisons has access to night sanitation. At existing establishments there are some 22,000 places without access to night sanitation out of a total of about 42,000. The refurbishment programme is steadily reducing the number of places without access.

Mr. Tony Lloyd: To ask the Secretary of State for the Home Department if he will make a statement on the provisions of toilet facilities in the remand wing of Her Majesty's prison, Lincoln.

Mr. Douglas Hogg: Refurbishment of the toilet facilities in the remand wing of Her Majesty's prison, Lincoln is due for completion this summer and will increase their provision by 75 per cent.

Criminal Injuries Compensation Board

Mr. Nicholas Winterton: To ask the Secretary of State for the Home Department how many cases are currently being considered by the Criminal Injuries Compensation Board.

Mr. John Patten: The latest available figures from the board show that about 76,000 applications were awaiting resolution at the end of January 1988.

Mr. Nicholas Winterton: To ask the Secretary of State for the Home Department (1) how many cases have been *(a)* considered and *(b)* awarded payments by the Criminal Injuries Compensation Board in each year since it was established.

(2) how many staff and assessors have been employed by the Criminal Injuries Compensation Board in each year since it was established.

Mr. John Patten: The following table lists the numbers of applications resolved and awards made by the board in each year since its inception in August 1964. Details of the numbers of staff in post at 1 April each year are available from 1977 only, and are set out in the table with details of staff complements from 1964 to 1976. The table also shows the number of board members at 1 April each year.

	Applications resolved	*Awards made*	*Staff*	*Board Members*
1964-65 (8 months)	130	114	11	4
1965-66	1,375	1,164	30	6
1966-67	2,717	2,404	40	6
1967-68	3,869	3,490	58	7
1968-69	5,985	5,060	58	9
1969-70	6,817	5,614	65	9
1970-71	5,893	4,901	65	9
1971-72	9,449	8,102	79	9
1972-73	9,837	8,322	99	9
1973-74	10,564	9,024	99	9
1974-75	12,506	10,708	106·5	10
1975-76	13,599	11,500	119·5	13
1976-77	16,393	13,951	116·5	13
1977-78	16,432	14,052	126	14
1978-79	19,607	16,357	132·5	15
1979-80	21,113	17,460	156·5	16
1980-81	26,277	20,138	155	19
1981-82	22,557	17,350	163	19
1982-83	26,098	19,733	163	19
1983-84	29,705	21,133	182	20
1984-85	27,450	19,771	189	22
1985-86	29,965	22,534	203·5	25
1986-87	29,605	21,925	214·5	26

Offenders (Electronic Tagging)

Mrs. Virginia Bottomley: To ask the Secretary of State for the Home Department if he will make a statement on plans to evaluate electronic tagging as an alternative to custody.

Mr. John Patten: The next step is to make a technical assessment of the various systems in use in North America and those which could be produced by British firms. This is being set in hand.

TV-am (Franchise)

Mr. Skinner: To ask the Secretary of State for the Home Department what steps he is taking to ensure that the Independent Broadcasting Authority carries out the terms of the Broadcasting Act 1981 in relation to the TV-am franchise and Saudi Arabian investment in that company; and if he will make a statement.

Mr. Renton: It is for the Independent Broadcasting Authority to determine the way in which it discharges its responsibilities under the Broadcasting Act 1981.

Television Franchises

Mr. Bermingham: To ask the Secretary of State for the Home Department if he will make it his policy not to reach any final decision on the method by which independent television company franchises are to be allocated in the

next round until *(a)* the Home Affairs Select Committee has reported on its present inquiry into broadcasting and *(b)* consultation has taken place on his proposals in the form of a White Paper.

Mr. Renton: The Government are considering a range of matters on the future of broadcasting, and we have in mind the possibility of a White Paper. We shall take careful account of the views of the Home Affairs Select Committee. Legislation will be required to give effect to any changes in the existing broadcasting structure, including any changes in the method for awarding ITV franchises.

Custody

Mr. Bermingham: To ask the Secretary of State for the Home Department what steps he is taking to try and reduce the use of custodial remands in England and Wales.

Mr. John Patten *[holding answer 1 March 1988]:* Work is being done by the probation service and the Vera Institute of Justice on providing better information on defendants to magistrates through bail information schemes; resources are being provided over the next three financial years for about nine new bail hostels; and my noble and learned Friend the Lord Chancellor is preparing improved training on bail decisions for magistrates. My right hon. Friend has made clear the Government's view that custody should be used only where it is necessary. The extension of custody time limits to all of Wales and a number of counties in England, with effect from 1 April, will provide a discipline against undue delay in bringing to trial those defendants who are remanded in custody.

TRADE AND INDUSTRY

Industrial and Provident Societies

Mr. John Townend: To ask the Chancellor of the Duchy of Lancaster (1) if he will take steps to require any industrial and provident society which competes commercially with bona fide customers which announces a scheme to secure a stock market flotation, to ensure that the promotion of such a scheme complies with the provisions of the Companies, Financial Services and Prevention of Fraud (Investment) Acts;

(2) if he will take steps to prevent any industrial and provident society from issuing misleading advertisements relating to the stock market value of its shares when *(a)* its members have not been consulted on a change of status to enable a stock market flotation to proceed and *(b)* its campaign creates a major distortion of competition between it and other properly constituted commercial enterprises;

(3) if he will refer to the Director General of the Office of Fair Trading the question whether the issue of discounted bonus shares over a three-year period linked to tied customer purchases distorts open market competition and therefore should be ruled an anti-competitive practice, with particular reference to the issue of such shares by an industrial and provident society;

(4) if he will consider taking action under the Prevention of Fraud (Investment) Act 1988 against Unichem Ltd. in respect of its proposal to offer additional shares to members at £1 each which it states will be worth not less than £12 when Unichem is converted from an industrial and provident society to a plc.

Mr. Maude: My Department has received and is considering allegations that the issue of certain advertisements by Unichem Ltd. may have infringed the Prevention of Fraud (Investments) Act 1958. It is for the Director General of Fair Trading to consider whether the issue of bonus shares on the terms proposed would constitute an anti-competitive practice under the Competition Act 1980.

David Abell of Suter

Mr. Ashdown: To ask the Chancellor of the Duchy of Lancaster if he will make a statement on investigations undertaken by his Department into the affairs of David Abell of Suter.

Mr. Maude: It is not my practice to comment on the affairs of an individual.

Restrictive Trade Practices

Mr. Page: To ask the Chancellor of the Duchy of Lancaster when the Green Paper on reform of the restrictive trade practices legislation will be published.

Mr. Maude: The Green Paper, "Review of Restrictive Trade Practices Policy" has been laid before the House today. It proposes fundamental reform of the current legislation in order to control seriously damaging cartels more effectively. Together with the conclusions announced in the departmental policy paper on mergers published on 3 March, this concludes the review of law and policy on mergers and restrictive trade practices announced in June 1986, by my right hon. Friend the Member for Southend, West (Mr. Channon).

In particular, the Green Paper proposes a general prohibition of business agreements whose effect is to prevent, restrict or distort competiton. This concentration on anti-competitive agreements means that the scope of the law is at once consistent with its objective. By contrast, the present legislation covers agreements of a particular legal form; it is therefore possible for it to cover agreements which have little effect on competition. This disadvantage and the present statutory requirements to furnish details of agreements of a specified form to the Office of Fair Trading (OFT) makes the present law unduly burdensome on business. The new law proposed in today's Green Paper, which is aimed at the effects of agreements, will be more precisely targeted on those agreements which are genuinely anti-competitive, and will have the added advantage for firms of being closely aligned with European cartel law.

There will be provision under the new system for the exemption of agreements which, though anti-competitive, are on balance beneficial. Applications for exemptions will be judged against a broad test, along the lines of article 85(3) of the treaty of Rome. Guidance notes will be published to help firms and their advisers.

It may be appropriate to draw up "block" exemptions for some categories of agreement, such as franchising, whereby agreements which satisfied certain conditions would become automatically exempt. This would allow some element of self-policing by firms.

As a general rule, it is our intention that exemptions will be granted sparingly; it is a central objective of the Government's economic philosophy to promote competition as far as possible — not to sanction anti-competitive behaviour. The same principle applies to

economic sectors and professional services which benefit from exemption from the present legislation. These exemptions will not be automatically carried across into new legislation without the merits of each case being thoroughly re-examined. The Government intend to end as many of the existing exemptions as possible.

We propose that decisions whether agreements are anti-competitive and decisions on applications for exemption will be taken by an administrative competition authority. This will be based on the OFT although the new legislation would require changes to the OFT's organisation and procedures. For this reason, the Green Paper simply refers to an "authority" throughout.

There will be rights of appeal from the authority to the Restrictive Practices Court, and provision for private actions.

The Green Paper also proposes more effective powers of investigation and enforcement and potentially heavy fines—up to 10 per cent. of total turnover—for those who breach the law. This is a particularly important feature of our proposals and an approach strongly urged on us by many of those who submitted comments during the review. It is envisaged that the authority will impose the fines, although decisions on fines would also be subject to appeal.

I hope that the business community will support these proposals; they reflect many of the comments made to us over the last year or so. This is a crucially important area for business and I believe that our proposals will benefit from thorough public debate. We are allowing a further period (up to 30 September) for comments on the basis of the Green Paper proposals, which I hope will be widely read.

Automotive Industry (Research and Development)

Mr. Boyes: To ask the Chancellor of the Duchy of Lancaster what incentives are being proposed to promote research and development in the United Kingdom auto industry.

Mr. Atkins *[holding answer 7 March 1988]:* The automotive industry is eligible to receive assistance through all the Department of Trade and Industry initiatives for innovation which were announced in the White Paper "DTI—the department for Enterprise". This was placed before the House on 12 January 1988 by the Chancellor of the Duchy of Lancaster.

North-east (Investment)

Mr. Boyes: To ask the Chancellor of the Duchy of Lancaster what measures and initiatives are being undertaken to attract investment capital and industry to the north-east: and if he will provide a table of capital investment in real terms, showing the percentage increase this sum represents from May 1979 to the latest available date.

Mr. Atkins *[holding answer 7 March 1988]:* My Department offers a range of incentives under its recently launched enterprise initiative which are designed to encourage industrial and commercial development in the north-east and elsewhere. The information sought by the hon. Member about capital investment is as follows. For the standard economic planning region of the north (which includes Cumbria as well as Northumberland, Tyne and Wear, Durham and Cleveland), the figures in the table imply the following percentage changes in manufacturing net capital expenditure from the 1979 base year figure of £613 million:

Calendar year	*Expenditure £ million (1979 prices)*	*Per cent. change since 1979*
1980	428	−30·2
1981	284	−53·7
1982	256	−58·2
1983	279	−54·5
1984	356	−41·9
1985	403	−34·3

STRIDE Programme

Ms. Quin: To ask the Chancellor of the Duchy of Lancaster if he will make a statement as to which regions of the United Kingdom are included within the European Commission's STRIDE programme.

Mr. Atkins *[holding answer 3 March 1988]:* The European Commission has yet to make any proposals for this programme.

EMPLOYMENT

EC (Internal Market)

Mr. Heddle: To ask the Secretary of State for Employment if he will make a statement on the extent and impact of the proposals contained in the European Commission's White Paper, "Europe without frontiers; Towards a Large Internal Market", in so far as his Department is concerned.

Mr. Cope: I refer my hon. Friend to the reply given him by my hon. Friend the Minister for Trade on Thursday 3 March 1988, at column 643. This Department has a particular interest in the employment effects arising from the removal of trade barriers, the effects on small firms, and proposals concerning the health and safety of workers.

Departmental Staff

Mr. Cran: To ask the Secretary of State for Employment how many members of staff within his Department are located within each region outside London; what percentage this constitutes of staff within his Department; and what were the comparable figures, in absolute and percentage terms in 1979.

Mr. Lee: It is estimated that the following numbers and percentages of staff were employed within the regions of the Department of Employment group at 1 January 1988. Comparable data for 1979 and a disaggregation of central London staff from those in the south-east as a whole are not available without disproportionate cost.

Department of Employment group staff in post at 1 January 1988

	Number	*Percentage of all staff*
Scotland	6,120	10·2
North-West	8,641	14·4
Northern	4,080	6·8
Yorkshire and Humberside	7,740	12·9
Wales	3,420	5·7
Midlands	8,641	14·4

	Number	Percentage of all staff
South-West	4,020	6·7
London and South-East	17,341	28·9
All	60,003	

Note:
The Department of Employment (DE) group comprises the Department itself (including the employment service), the Manpower Services Commission (MSC), the Health and Safety Executive and Commission (HSE and HSC) and the Advisory, Conciliation and Arbitration Service (ACAS). There are some minor variations in regional boundaries between different parts of the group.

Local Enterprise Agency Grant Scheme

Mr. Andy Stewart: To ask the Secretary of State for Employment if he has any plans to change the local enterprise agency grant scheme.

Mr. Cope: The local enterprise agency grant scheme (LEAGS) was introduced as a five-year pump-priming scheme to develop a network of viable enterprise agencies (LEAs) led and supported by the private sector. There are no plans to extend the scheme or alter its basic structure. However, it remains our intention that a network of viable agencies should be created which will continue with private sector support.

Following the announcement of Government plans in respect of the inner cities and representations from business in the community and several enterprise agencies, some modifications to the scheme will come into effect on 1 April 1988.

The changes are:

(i) The income ceiling up to which LEAs are eligible for LEAGS will be raised to £100,000 pa and will remain at this level for the remaining three years of the scheme:

(ii) During the year of a merger, newly merged LEAs will be allowed an income ceiling of £150,000 and will be able to receive up to 50 per cent. additional grant—for that one year only.

OVERSEAS DEVELOPMENT

Economic Development

Mr. John Marshall: To ask the Secretary of State for Foreign and Commonwealth Affairs what studies his Department has sponsored on the role of private enterprise in fostering economic development.

Mr. Chris Patten: In recent years the Department has sponsored studies covering the role of multinational corporations in assisting small-scale enterprises, privatisation in developing countries, and the role of British commercial banks in Commonwealth development. Related studies include trade and industrial strategies of the newly industrialised countries, export diversification for the African, Caribbean and Pacific countries, and the promotion of Indian handicrafts for export.

ENVIRONMENT

Trafford Park Development Corporation

Mr. Leighton: To ask the Secretary of State for the Environment what representations he has had from the Trafford Park urban development corporation for trade union representation on the board.

Mr. Trippier: None. Urban development corporation board members are chosen for their ability to do the job, not as representatives of particular interests.

London Docklands Development Corporation

Mr. Leighton: To ask the Secretary of State for the Environment what percentage of the dwellings built or started in the area of the London Docklands development corporation is for rent.

Mr. Trippier: Of the 8,000 dwellings completed in the LDDC area by 30 September 1987, a total of 16 per cent. were built for renting.

Mr. Leighton: To ask the Secretary of State for the Environment what was the average worth of land per acre when vested in the London Docklands development corporation; and at what average price it is now being sold to developers.

Mr. Trippier: The average value of land when it was vested in the UDA, including water areas and reflecting liabilities transferred, was approximately £50,000 per acre. Land prices currently range from £250,000 per acre to £3 million per acre, depending on size, location, planning use and LDDC expenditure on site preparation and infrastructure.

Mr. Leighton: To ask the Secretary of State for the Environment what is the remit of the London Docklands development corporation's social facilities programme unit.

Mr. Trippier: To carry forward the corporation's commitment to improvements in education, training, health, tourism, leisure, the arts and community development in docklands.

Mr. Spearing: To ask the Secretary of State for the Environment if he will estimate the enhancement of land values accruing to the London Docklands development corporation arising from the Beckton extension of the dockland's light railway and the approximate proportion of that increase which will need to be devoted to fund the construction of that extension.

Mr. Trippier *[holding answer 3 March 1988]:* The Secretary of State and the LDDC are satisfied that the enhancement will be sufficient to meet the costs of the railway's construction. Precise forecasts of land receipts are not possible and the estimates used are confidential for commercial reasons.

Isle of Dogs Enterprise Zone

Mr. Leighton: To ask the Secretary of State for the Environment what is the effective tax subsidy for businesses locating at the enterprise zone of the Isle of Dogs, calculated as a percentage.

Mr. Trippier: Industrial and commercial property in enterprise zones is 100 per cent. exempt from local authority rates. The rate revenue thus forgone by the authorities is reimbursed by the Government: up to 31 March 1987 a total of £10·5 million had been paid to the local authorities in whose areas the Isle of Dogs enterprise zone lies.

In addition, there is an allowance, for corporation and income tax purposes, of 100 per cent. of capital

expenditure on the construction, extension or improvement of industrial and commercial buildings in an enterprise zone. Not all businesses that locate in enterprise zones are in a position to avail themselves of this benefit. Information about tax revenue forgone as a consequence is not kept for individual zones.

Neighbourhood Revitalisation

Mr. Pike: To ask the Secretary of State for the Environment what additional funding his Department has allocated for neighbourhood revitalisation schemes.

Mrs. Roe: The National Home Improvement Council has been allocated grant in aid of approximately £2 million towards the costs of setting up neighbourhood revitalisation services schemes throughout England.

Mr. Pike: To ask the Secretary of State for the Environment if he will list those local authorities which have received allocations in their housing investment programme for neighbourhood revitalisation schemes.

Mrs. Roe: No specific capital allocations have been given to those local authorities co-operating with neighbourhood revitalisation services in setting up agency services schemes. The Department's regional controllers take the establishment of the N R S scheme into account in exercising their discretion over housing investment programme allocations.

Chlorofluorocarbons

Mr. Pike: To ask the Secretary of State for the Environment whether his Department has assessed the effects of the use of chlorofluorocarbons, used as a blowing agent in the manufacture of food packaging.

Mr. Moynihan: Scientific assessment of the effects of chlorofluorocarbons (CFCs) undertaken by the Department's stratospheric ozone review group is concerned with total emissions not individual uses. Rigid polystyrene foam, which is widely used in the food packaging industry, uses approximately 5 per cent. of global production of CFCs.

Ozone Layer

Mr. Wray: To ask the Secretary of State for the Environment what discussions he is having with the industries concerned in order to bring about an urgent voluntary agreement to ban substances and activities likely to damage the ozone layer.

Mr. Moynihan: Officials in the Departments of the Environment and of Trade and Industry hold regular meetings with representatives of British industry on implementing the Montreal protocol on substances that deplete the ozone layer. These meetings enable producers and users of chlorofluorocarbons and halons to report their plans for reducing the emissions of these chemicals and for switching to environmentally safe substitutes.

Local Government Finance

Mr. John M. Taylor: To ask the Secretary of State for the Environment whether he has any estimates of the effect of the alternative system of local government finance proposed recently by the Association of London Authorities on the level of local taxation outside London.

Mr. Howard: The ALA document does not itself offer estimates of the effect of its proposals on particular local authority areas, and does not provide sufficient information to enable others to calculate them in detail. However, the document proposes a combination of local income tax and domestic rates, with the latter equalised to reflect only variations in incomes between areas. Such an arrangement would make it virtually certain that the level of local taxation would increase in those parts of the country — particularly the north — where domestic rateable values are very low at present.

Gay and Lesbian Groups

Mr. Colvin: To ask the Secretary of State for the Environment whether he will discuss with the Association of London Authorities the level of expenditure by local authorities in London on support for gay and lesbian groups.

Mr. Chope: No. Clause 28 of the Local Government Bill will ensure that expenditure by local authorities for the purpose of promoting homosexuality will no longer be permitted.

Enterprise Zones (Report)

Mr. Cran: To ask the Secretary of State for the Environment what future policy initiatives he is considering in the light of the publication of his Department's consultant's report on "An Evaluation of the Enterprise Zone Experiment."

Mr. Trippier: I refer my hon. Friend to the answer given by my right hon. Friend to my hon. Friend the Member for Banbury (Mr. Baldry) on 17 December 1987 at column *618*.

Carpets (Houses of Parliament)

Mr. Macdonald: To ask the Secretary of State for the Environment when he expects to replace the artificial fibre carpets in the House and its associated buildings; and what steps he is taking to reduce the degree of static electricity in the meantime.

Mr. Chope: Most carpeting in the Palace of Westminster is made of an 80 per cent. wool and 20 per cent. nylon mix. There is a limited amount of synthetic fibre carpet, most of which has been modified to prevent static build-up. There are no plans to replace it.

Static electricity is exacerbated when there are low levels of humidity. The Crown Suppliers spray carpets with anti-static fluid when requested to do so.

Derelict Land

Mr. Alan Williams: To ask the Secretary of State for the Environment on how many occasions, where, and on what dates, his Department has initiated, or been actively involved in, derelict land clearance operations outside England, since 1969.

Mr. Ridley: In the period in question, the statutory responsibilities of the Secretary of State for the Environment for derelict land reclamation have been confined to England, though on occasions initiatives launched in England have been of benefit to other parts

of Great Britain and collaboration has always taken place between those involved in derelict land clearance programmes throughout Great Britain.

Ministerial Visits (Wales)

Mr. Alan Williams: To ask the Secretary of State for the Environment if he will publish in the *Official Report* a list of all the official visits to Wales by a Secretary of State for the Environment, in each year since 1969.

Mr. Ridley: This information is not available.

Rating Reform

Dr. Cunningham: To ask the Secretary of State for the Environment (1) what plans he has to commission management consultants to investigate the costs of collecting the community charge; and if he will make a statement;

(2) how much he plans to spend on research into the administration and collection of the community charge in *(a)* 1987-88 and *(b)* 1988-89; and if he will make a statement.

Mr. Ridley: Various estimates from different sources have emerged in recent months for the cost of preparing for and collecting the proposed community charge. My Department's forecasts have not changed. I am about to commission consultants to undertake a study of these costs, the reasons for the wide differences between authorities of similar size and factors which authorities should take into account in designing efficient new systems. The cost of this study, which will fall to be paid in 1988-89, will be up to £60,000.

Water Industry

Mr. Marlow: To ask the Secretary of State for the Environment how the water industry will be guided on the development of Government policy for the regulation of charges for water and sewerage services during preparations for its forthcoming reorganisation and privatisation.

Mr. Ridley: I am sending to the chairman of the Water Authorities Association and the president of the Water Companies' Association a series of letters setting out the details of various aspects of the policy settled in the light of the discussions and consultations that have taken place to date. I have placed a copy of the first of these letters, "Utility Company Charges Regulation for Core Services (WRP 1)," in the Libraries of both Houses. The main features of charges regulation will be as follows:

—Customers should be protected against the ability of the water authorities, as monopolies, to charge high prices;

—Existing statutory safeguards covering the structure of water charges will remain in force after privatisation. The utilities must avoid undue discrimination between classes of customers and charges must have regard to the utilities' costs of providing water and sewerage services;

—Charges increases are to be related to movements in the RPI, adjusted to take account of factors affecting the efficiency and financial requirements of the privatised water utilities;

—A new, independent Director General of Water Services will be appointed to oversee the "utilities charges and to protect customers' interests".

PRIME MINISTER

Tees and Hartlepool Port Authority

Q42. **Mr. Fallon:** To ask the Prime Minister whether she will make an official visit to Tees and Hartlepool port authority.

The Prime Minister: I have at present no plans to do so.

Marton

Q96. **Mr. Pawsey:** To ask the Prime Minister if she has any plans to make an official visit to Marton near Rugby.

The Prime Minister: I have at present no plans to do so.

Interdepartmental Working Parties

Mr. Madel: To ask the Prime Minister if she will list the number of Government interdepartmental working parties not at work, with the exception of those concerned with national security; and what subjects they are considering.

The Prime Minister: Interdepartmental working parties are a normal feature of government. They are necessary to secure the requisite degree of co-ordination. Records are not held centrally. In many cases the detailed arrangements for such interdepartmental co-ordination and the matters discussed are classified and may form the basis of advice to Ministers.

Engagements

Mrs. Virginia Bottomley: To ask the Prime Minister if she will list her official engagements for Tuesday 8 March.

Mr. Skinner: To ask the Prime Minister if she will list her official engagements for Tuesday 8 March.

Mr. Harry Greenway: To ask the Prime Minister if she will list her official engagements for Tuesday 8 March.

Mr. Jack: To ask the Prime Minister if she will list her official engagements for Tuesday 8 March.

Mr. Pike: To ask the Prime Minister if she will list her official engagements for Tuesday 8 March.

Mr. Wigley: To ask the Prime Minister if she will list her official engagements for Tuesday 8 March.

Mr. Ieuan Wyn Jones: To ask the Prime Minister if she will list her official engagements for Tuesday 8 March.

Mr. Stern: To ask the Prime Minister if she will list her official engagements for Tuesday 8 March.

The Prime Minister: This morning I had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today. This evening I hope to have an audience of Her Majesty the Queen.

EDUCATION AND SCIENCE

Inner Cities

Mr. Tony Lloyd: To ask the Secretary of State for Education and Science if he will list the achievements of his Department with respect to education in the inner cities.

Mr. Dunn: I refer the hon. Gentleman to the answer which I gave him on 1 December at column *539*. In addition, the city technology colleges programme

continues to expand, and the Department is to co-operate with the Department of Employment and the Manpower Services Commission as announced on 7 March 1988 in backing 12 new compacts between groups of employers and schools and colleges in inner cities.

Polytechnics (Women Staff)

Ms. Mowlam: To ask the Secretary of State for Education and Science what proportions of polytechnic teachers and heads of departments in polytechnics are women.

Mr. Jackson: At March 1986, the latest date for which information is available, 15·9 per cent. of full-time teachers, and 7·8 per cent. of full-time heads of departments in polytechnics in England and Wales were women.

City Technology Colleges

Mr. Dykes: To ask the Secretary of State for Education and Science if he will make a statement on new developments in the establishment of the city technology colleges.

Mrs. Rumbold: Sponsorship for five city technology colleges has now been announced. We are making good progress in discussions with a number of prospective sponsors.

Education Reform Bill

Mr. Thurnham: To ask the Secretary of State for Education and Science what recent representations he has received about the likely effects of the Education Reform Bill on higher education: and if he will make a statement.

Mr. Jackson: We have received many representations concerning the higher education provisions in the Education Reform Bill which, by clarifying responsibilities and accountability, pave the way for increased efficiency.

Research Councils

Dr. Reid: To ask the Secretary of State for Education and Science whether he will make provision for restructuring costs of the research councils an addition to the science budget, as recommended by the Advisory Board for the Research Councils in its discussion document "A Strategy for the Science Base."

Mr. Jackson: We shall be considering what additional resources might be required to implement such recommendations in the document as may be approved.

Postgraduates

Mr. Baldry: To ask the Secretary of State for Education and Science how the number of postgraduates in science has changed since 1979, in absolute and percentage terms.

Mr. Jackson: The information is as follows:

Full-time United Kingdom domiciled science postgraduates in Great Britain

	Thousands
1979	8·3
1986	11·1
Change	+2·8
Percentage change	+34

The subject classification for universities changed in 1985, so that the figures are compiled on slightly different bases.

Pupil Costs

Mr. David Porter: To ask the Secretary of State for Education and Science (1) how much was spent per pupil in primary schools in *(a)* England and *(b)* Suffolk in the most recent year for which figures are available; and what were the comparable figures for 1978-79 at constant prices;

(2) how much was spent per pupil in middle and high schools in *(a)* England and *(b)* Suffolk in the most recent year for which figures are available; and what were the comparable figures for 1978-79 at constant prices.

Mr. Dunn: The available information is as follows:

Net institutional recurrent expenditure[1] per pupil (£1985-86 prices)

	England		*Suffolk*	
	1978-79[2]	*1985-86*	*1978-79[2]*	*1985-86*
Primary schools[3]	690	815	680	770
Secondary schools[3]	1,000	1,175	890	1,030

Notes:

[1] Net institutional recurrent expenditure covers the cost of salaries and wages, premises and certain supplies and services. It does not include the cost of school meals, central administration and inspection, debt charges or revenue contributions to capital outlay.

[2] The cash prices for 1978-79 have been repriced to 1985-86 prices using the Gross Domestic Product (Market Prices) Deflator.

[3] Includes Middle Schools as deemed.

Language Teachers

Mr. Worthington: To ask the Secretary of State for Education and Science what action is being taken to ensure that there are adequate numbers of teachers trained for languages other than French.

Mrs. Rumbold: Education support grants are being made available from 1988-89 to help local education authorities to plan and implement diversification of modern language provision. We are holding a secondary teacher staffing this month—a year early—to establish up-to-date information on existing stocks of teachers, including those qualified to teach languages other than French. We are in the process of estimating likely demand for teachers for the national curriculum including modern languages. We monitor applications for initial teacher training closely. We are already featuring the need for modern language teachers in our teacher recruitment publicity.

NORTHERN IRELAND

Property Compensation

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he has any plans to change the policy of offering £50 as site value for a terraced house in an area scheduled for redevelopment in Northern Ireland.

Mr. Needham: There is no "policy" of offering £50 site value for a terrace house in an area scheduled for redevelopment in Northern Ireland. In accordance with the legislative framework applying to compensation for compulsory acquisition, settlement levels are governed by property values in an open market and by the particular circumstances of each individual case.

Mr. Beggs: To ask the Secretary of State for Northern Ireland how many home owners denied grant because of redevelopment proposals prior to a vesting order, can obtain adequate compensation; and what estimate he has made of the average ratio between expenditure on private improvements and the subsequent level of compensation.

Mr. Needham: Compensation for houses compulsorily acquired by the Housing Executive is governed by property values in an open market under the Housing (Northern Ireland) Order 1981. Data on the average ratio between expenditure on private improvements and the subsequent level of compensation are not available.

Mr. Beggs: To ask the Secretary of State for Northern Ireland when the level of compensation payable to owners of property which is to be acquired compulsorily, by vesting order if necessary, for redevelopment, was last reviewed; and if he will take steps to increase the level of compensation payable at present.

Mr. Needham: The Housing (Northern Ireland) Order 1981 consolidated the previous legislation on compensation for compulsory purchase for this purpose and maintained the existing practice of compensation being based on the market value of a particular property. The level of compensation follows the market and is therefore self-regulatory. I have no plan to change the current practice.

Antrim Area Hospital

Mr. Clifford Forsythe: To ask the Secretary of State for Northern Ireland if he will forecast the completion date of the Antrim area hospital; and if he will make a statement.

Mr. Needham: Contracts for the construction of the new Antrim hospital will be let at the end of this year and I expect building work to be complete by December 1992.

The new hospital will provide urgently needed, modern facilities for acute services for the people of Antrim, Larne, Ballymena, Carrickfergus and Newtownabbey as well as providing some specialised services for the whole of the northern area.

This is a vital development and I should like to take this opportunity to reaffirm my full commitment to the project.

Housing Condition Surveys

Mr. Andrew Welsh: To ask the Secretary of State for Northern Ireland how many housing condition surveys have been completed in Northern Ireland since 1970; what has been the cost of each at 1988 prices; and when he expects the next survey to be carried out.

Mr. Needham *[holding answer 7 March 1988]:* There have been three major surveys carried out since 1970, in 1974, 1979 and 1984. The Housing Executive is also working on a mini house condition survey for 1987, which is a mid-term analysis survey. The results are due in report form by the end of 1988. Details of the costs are as follows:

Year	Actual cost	Cost at January 1988 prices
	£	£
1974	83,200	339,000
1979	180,000	328,000
1984	248,400	284,700
1987 Mini House Condition Survey—budget £59,000		

Kincora Boys' Home

Mr. Livingstone: To ask the Secretary of State for Northern Ireland if, pursuant to his answer to the hon. Member for Brent, East of 25 February, he will call for a report from the Chief Constable of the Royal Ulster Constabulary as to the total number of Government employees interviewed in connection with investigations into the Kincora boys' home, and as to how many of these were officials of his Department at the time of the interview.

Mr. Tom King *[holding answer 2 March 1988]:* No.

ENERGY

Departmental Cash Limits

Dr. Michael Clark: To ask the Secretary of State for Energy whether he has any changes to announce to his Department's cash limits for 1987-88.

Mr. Parkinson: In addition to the £1 million reduction announced on 2 February 1988, at column 533, the cash limit for class VI, vote 2 has been reduced by a further £10 million to £240·272 million. This reduction is to help offset the increase in provision in class VI sought in a Spring Supplementary Estimate (HC. 284) to the non-cash limited vote 1.

FOREIGN AND COMMONWEALTH AFFAIRS

Arab-Israel Dispute

Mr. Latham: To ask the Secretary of State for Foreign and Commonwealth Affairs what are the boundaries of Jerusalem which are currently recognised by Her Majesty's Government; and whether they include those previously unoccupied areas on which new housing estates have been built since 1967, and which have been incorporated under Israeli law within the Jerusalem municipality.

Mr. Mellor: The status of the whole Jerusalem area, as defined by United Nations General Assembly resolution 303 (IV) of 9 December 1949, remains to be determined. All Israeli settlements in the territories occupied since 1967 are illegal.

Mr. Latham: To ask the Secretary of State for Foreign and Commonwealth Affairs what reports he has sought from the consul-general in Jerusalem about the refusal of Palestinian representatives to meet the United States Secretary of State on his recent visit; and if he will instruct the consul-general to urge those Palestinian representatives to convey their views on the peace process to Her Majesty's Government, for onward transmission to the Government of the United States of America.

Mr. Mellor: We have received full reports from all the appropriate posts about Mr. Shultz's recent visit to the

middle east. We hope that a way can be found for the Palestinians to put their views direct to Mr. Shultz. Meanwhile, we will continue to do all we can to help the parties to the Arab/Israel dispute bridge the gap between their respective positions.

Mr. Latham: To ask the Secretary of State for Foreign and Commonwealth Affairs whether he will list the specific claims to sovereignty over that area of the former British mandate in Palestine, now variously described as the West Bank or Judaea and Samaria, and currently under Israeli administration, which are *(a)* accepted and *(b)* noted by Her Majesty's Government.

Mr. Mellor: Since 27 April 1950 we have recognised Jordanian sovereignty over the West Bank. No other Government have formally claimed sovereignty to this area, except those parts which Israel purports to have incorporated within the municipal boundaries of Jerusalem.

Mr. Latham: To ask the Secretary of State for Foreign and Commonwealth Affairs what are the international boundaries on the Golan Heights which are currently recognised by Her Majesty's Government; and how they relate to those areas currently supervised by the United Nations under the 1974 disengagement agreements.

Mr. Mellor: The international boundary between Israel and Syria remains to be negotiated, but the armistice line established by the 1949 Syria-Israel armistice agreement has generally been accepted as the de facto boundary. The demilitarised zone, in which the United Nations disengagement observer force operates, lies well to the east of this line.

Mr. Latham: To ask the Secretary of State for Foreign and Commonwealth Affairs whether he will list the specific claims to sovereignty over the Gaza strip which are *(a)* accepted and *(b)* noted by Her Majesty's Government.

Mr. Mellor: No Government have made a specific, formal claim to sovereignty over the Gaza strip.

Mr. Yasser Arafat (Speech)

Mr. Latham: To ask the Secretary of State for Foreign and Commonwealth Affairs whether he will make a statement on the action of the British delegation *(a)* before and *(b)* during the speech to the United Nations Human Rights Commission in Geneva by Mr. Yasser Arafat; whether the action of the British delegation was co-ordinated in advance with that of the United States of America; and whether any protest has been made by the British delegation to the chairman of the Commission about *(a)* allowing Mr. Arafat to speak from the podium and *(b)* the violence of his language against another member state.

Mr. Mellor: We and other Western delegations expressed to the chairman of the Human Rights Commission our vigorous opposition to the proposal to extend exceptional privileges to Mr. Arafat, but the majority of members were in favour and the chairman ruled accordingly. A junior member of the United Kingdom delegation was present during Mr. Arafat's speech. The level of representation was discussed in advance with other Western delegations, but not specifically co-ordinated with that of the United States. We have made no protest about the content of Mr. Arafat's speech.

Gazans (Travel to Egypt)

Mr. Latham: To ask the Secretary of State for Foreign and Commonwealth Affairs what requests he has made, on humanitarian grounds, to the Egyptian Government to permit Gazans to travel to Egypt without a visa through the security fence, and to assist in the resettlement of overcrowded families within Egyptian territory in Sinai; and what response he has received.

Mr. Mellor: None.

NATIONAL FINANCE

EC (Internal Market)

Mr. Heddle: To ask the Chancellor of the Exchequer if he will make a statement on the extent and impact of the proposals contained in the European Commission's White Paper, "Europe without frontiers; Towards a Large Internal Market", in so far as the Treasury is concerned.

Mr. Brooke: I refer my hon. Friend to the answer by the Chancellor of the Duchy of Lancaster on 3 March at column *643*. The Treasury has a particular interest in proposals relating to public procurement procedures, capital movements, banking services and fiscal issues.

Inland Revenue and Customs and Excise

Mr. McLoughlin: To ask the Chancellor of the Exchequer whether the Inland Revenue and Customs and Excise will be implementing the Keith committee's recommendation that they extend nationwide their 1977 Leeds experiment for exchange of information between local revenue and value added tax offices.

Mr. Norman Lamont: Both the Revenue and Customs, in their published responses to volumes 1 and 2 of the report of the Keith committee on the enforcement powers of the revenue departments, proposed that the matching recommendations on local exchange of information should be accepted. With my authority, exchanges, which were formerly restricted to head office level as a result of a 1972 ministerial undertaking, will, from 1 April 1988, take place at local level also. The exchanges will concentrate on larger cases of suspected tax evasion.

Statutory authority for the exchange of information by Inland Revenue and Customs and Excise for the purpose of assisting them in the performance of their duties is already provided by section 127, Finance Act 1972. No new legislation is therefore required.

Value Added Tax

Mr. Robertson: To ask the Chancellor of the Exchequer if he will list all those goods and services whose exemption from value added tax is currently under review by the European Court of Justice.

Mr. Lilley: There are no goods or services whose exemption from value added tax in the United Kingdom is currently under review by the European Court; we are not aware of any such cases currently involving other member states.

Privatisation

Mr. Soames: To ask the Chancellor of the Exchequer if he will make a statement on his future plans for privatisation.

Mr. Norman Lamont: The Government have already announced their intention to privatise British Steel, and the water and electricity industries. There may also be other sales. No decision has been taken on the timing of future privatisations.

Mr. Soames: To ask the Chancellor of the Exchequer if he will list the bodies privatised since 1979 and the proceeds that Her Majesty's Government have accrued therefrom.

Mr. Norman Lamont: A list of bodies privatised from 1979-80 to 1986-87 can be found in the Government's public expenditure White Papers published since 1984. In 1987-88 Rolls-Royce, BAA and Royal Ordnance plc were privatised and the Government also sold their 31 per cent. residual shareholding in BP. The latest estimate of proceeds for these and other asset sales in 1987-88 is £5 billion.

International Debt

Rev. Martin Smyth: To ask the Chancellor of the Exchequer if he will publish a table of the debts owed to Western banks by Third world countries; and if he will make a statement.

Mr. Lilley: The data requested are to be found in table 4a of the quarterly report on international banking developments, published by the Bank for International Settlements.

Tobacco

Mr. Forth: To ask the Chancellor of the Exchequer if he has estimated the revenue effect of the proposed banning of oral tobacco products announced by the Parliamentary Under-Secretary of State for Health and Social Security, the hon. Member for Derbyshire, South (Mrs. Currie), *Official Report*, 26 February, column *362*.

Mr. Lilley *[holding answer 7 March 1988]:* The oral tobacco products covered by the proposed ban are not subject to any excise duty.

THE ARTS

Almeida Theatre

Mr. Butler: To ask the Minister for the Arts if he will make a statement on the implications for his arts funding policy of the Greater London Arts Association's refusal to continue funding the Almeida theatre, in the light of its record on ethnic minority employment.

Mr. Luce *[holding answer 7 March 1988]:* I understand that the Greater London Arts Association has not refused to fund the Almeida threatre, but that its performing arts committee has recommended a grant of £166,000 in 1988-89—12·3 per cent. less than the previous level. This has to be seen in the context of a 10 per cent. cut in the overall budget of the GLA. I note that a meeting has been proposed between the Arts Council and the GLA. I have asked to be informed of the outcome.

AGRICULTURE, FISHERIES AND FOOD

Research and Development

Mr. Wray: To ask the Ministry of Agriculture, Fisheries and Food if he will list the agricultural research and development bodies invited to give information and suggestions to the Barnes review; and if he will make a statement.

Mr. Donald Thompson: As explained in the reply given to the hon. Member for Falkirk, East (Mr. Ewing) on 3 March at column *674* there have been no formal consultations outside Government, but the following bodies responsible for agricultural research and development are among those from whom we have received views and information:

Agricultural and Food Research Council
Apple and Pear Development Council
British Flour Milling and Baking Research Association
British Food Manufacturing Industry Research Association
Campden Food Preservation Research Association
Home Grown Cereals Authority
Horticultural Development Council
Meat and Livestock Commission
Milk Marketing Board
Potato Marketing Board
Priorities Board for Research and Development in Agriculture and Food
Processors and Growers Research Organisation
Scottish Agricultural Colleges
Scottish Agricultural Research Institutes
Sea Fish Industry Authority
Sugar Beet Research and Education Committee

I would also refer the hon. Member to the reply given to the hon. Member for Bristol, South (Ms. Primarolo) on 1 March at column *546*.

Mr. Eadie: To ask the Ministry of Agriculture, Fisheries and Food if he will publish the Barnes review into research and development activities within his Departmental responsibility.

Mr. Donald Thompson: I refer the hon. Member to the reply given to the hon. Member for Bristol, South (Ms. Primarolo) on 1 March at column *546*.

Mr. Andrew Welsh: To ask the Minister of Agriculture, Fisheries and Food what definition he has of the term near market, as applied to agricultural research and development.

Mr. Donald Thompson: I refer the hon. Member to the reply given to the hon. Member for Bristol, South (Ms. Primarolo) on 1 March at column *547*.

Arctic Foxes

Mr. Tony Banks: To ask the Minister of Agriculture, Fisheries and Food (1) if he will make it his policy to take steps to apply the provisions of the Arctic Foxes Order (Northern Ireland) 1988 to the United Kingdom, as a whole;

(2) what information he has concerning the number of Arctic fox fur farms in the United Kingdom; and if he will make a statement.

Mr. Donald Thompson: I have information about premises farming Arctic fox for their fur from the licensing arrangements operated for mink farms and from the review of those arrangements in 1987. Arctic fox are farmed at three establishments of which two are in England and one in Scotland.

My Department is considering whether controls on the keeping of destructive non-indigenous animals should be extended to Arctic fox and other species. Organisations and the public have been invited to make representations by the end of the month.

Sheep

Ms. Quin: To ask the Minister of Agriculture, Fisheries and Food if he will give the number of sheep farmed in each county of England in the following years, 1975, 1980, 1983, 1986 and 1987.

Mr. Donald Thompson *[holding answer 7 March 1988]:* The information is given in the table. 1987 figures are not yet available.

	Total sheep and lambs			
	1975	*1980*	*1983*	*1986*
Cleveland	37,216	39,793	44,740	51,779
Cumbria	1,539,982	1,722,919	1,890,202	2,096,039
Durham	413,267	480,235	526,952	582,258
Northumberland	1,110,454	1,223,453	1,350,584	1,452,855
Tyne and Wear	6,722	9,081	9,210	9,579
Humberside	286,039	231,253	190,455	172,325
North Yorkshire-North Allerton	823,837	919,525	1,682,543	1,793,499
North Yorkshire-Beverley	602,199	674,762	21,123	20,641
South Yorkshire	35,494	45,111	54,501	62,710
West Yorkshire	112,820	142,516	161,192	194,778
Derbyshire	241,425	290,575	317,740	358,347
Leicestershire	300,750	319,547	350,962	374,562
Lincolnshire	312,741	286,732	255,949	258,853
Northamptonshire	352,506	363,497	386,181	411,283
Nottinghamshire	91,199	74,155	81,482	83,268
Cambridgeshire	51,377	47,937	53,493	62,492
Norfolk	88,100	99,994	107,460	122,852
Suffolk	54,557	46,655	44,915	51,092
Bedfordshire	32,970	39,761	44,397	52,588
Berkshire	42,775	51,780	52,109	60,822
Buckinghamshire	126,707	155,628	179,469	203,733
East Sussex	197,986	240,149	284,256	315,019
Essex	48,065	52,918	63,490	77,286
Greater London (East)	2,398	1,971	2,013	2,407
Greater London (South East)	2,782	2,813	2,975	3,010
Hampshire	104,645	131,154	158,575	204,063
Hertfordshire	26,489	26,070	31,056	38,862
Isle of Wight	10,782	18,521	22,229	27,234
Kent	591,789	616,807	633,075	638,974
Oxfordshire	163,118	175,359	185,213	211,797
Surrey	32,155	41,346	52,497	67,334
West Sussex	58,949	79,865	104,011	124,392
Avon	42,094	55,365	59,393	79,276
Cornwall	413,458	489,202	539,634	563,734
Devon	1,328,193	1,480,138	1,605,269	1,687,038
Dorset	102,784	141,452	156,271	188,848
Gloucestershire	279,837	311,869	357,831	385,887
Isles of Scilly	11	93	118	4
Somerset	385,025	444,163	497,340	510,115
Wiltshire	141,043	187,497	220,613	245,867
Hereford and Worcester	861,555	931,724	1,047,556	1,109,455
Shropshire	629,484	708,006	780,300	831,228
Staffordshire	149,366	192,553	221,093	251,281
Warwickshire	233,822	265,716	302,711	313,340
West Midlands	12,253	15,547	17,228	17,882
Cheshire	80,761	106,000	129,819	156,976
Greater Manchester	31,348	35,155	44,356	56,233
Lancashire	469,443	535,516	572,330	641,404
Merseyside	3,226	2,573	3,601	4,812

Source: June agricultural census.

DEFENCE

NATO Nuclear Planning Group

Mr. Cohen: To ask the Secretary of State for Defence if he will provide a full list of the projects within the decision of the NATO nuclear planning group meeting in October 1983 to modernise weapons.

Mr. Ian Stewart: SACEUR's proposals for implementing the 1983 Montebello commitment were presented to NATO Defence Ministers in 1985. The modernisation measures called for by SACEUR comprise the development of a stand-off tactical air-to-surface missile (TASM), the deployment of a follow on to the Lance surface-to-surface missile system, the introduction of improved nuclear artillery shells and the continued modernisation of NATO's dual capable aircraft.

Data Protection

Mr. Cohen: To ask the Secretary of State for Defence how many subject access requests under the terms of the Data Protection Act his Department has received; what was his estimate of this number; whether he is reconsidering the subject access fee charged by his Department as a result; and whether he will make a statement.

Mr. Sainsbury: A total of 2,317 subject access requests have been received by the major pay and personnel database centres in the Ministry of Defence; all were from current, past or potential employees. The figures so far are considered to be roughly in line with the forecast of between 0·01 per cent. and 0·1 per cent. of the target population per annum. The subject access fee charged has not been reconsidered at this time.

Women

Rev. Martin Smyth: To ask the Secretary of State for Defence how many *(a)* generals, *(b)* colonels, *(c)* majors, *(d)* captains, *(e)* warrant officers, *(f)* lieutenants and *(g)* non-commissioned officers in the British Army are women; what is the total number of people in each rank; and if he will make a statement.

Mr. Freeman: The information requested is as follows:

	Total.	*Female*
Officers		
General	9	0
Lieutenant General	12	0
Major General	64	0
Brigadier	243	3
Colonel	632	15
Lieutenant Colonel	1,833	30
Major	5,175	168
Captain	5,248	529
Lieutenant/2nd Lieutenant	3,515	374
(Officer Designate)	389	15
Servicemen/Women		
WO (Class 1 and 2)	8,194	107
Other NCO's	70,323	2,890
(Privates)	62,735	2,389
Total	158,372	6,520

Memoranda of Understanding (US-UK)

Mr. Warren To ask the Secretary of State for Defence how many memoranda of understanding exist between the United Kingdom and the United States of America arising from the Nunn amendment; what each covers; how many have been funded; and if he will make a statement.

Mr. Sainsbury: Ten MOU exist between the United Kingdom and United States of America involving Nunn amendment funding. They cover:

The NATO Frigate for the 1990s (NFR90)
NATO Anti-Air Warfare System (NAAWS)
The Modular Stand-Off Weapon (MSOW)
ADA Project Support Environment (ADA PSE)
Multifunctional Information Distribution System (MIDS)
Airborne Radar Demonstrator System (ARDS)
NATO Information System, Information Exchange
NATO Information System, Co-operative Q & A component development
Advanced Sea Mine (ASM)
Advanced Short Takeoff and Verticial Landing Technology (ASTOVL)

All the above MOU except the advanced sea mine and ASTOVL technology, involve other NATO nations in addition to the United States and United Kingdom. The United Kingdom has funded initial work under all of the above MOU with the exception of the modular stand-off weapon programme, for which funding will be considered once proposals from industry have been evaluated.

US Naval Airship Programme

Mr. Grylls: To ask the Secretary of State for Defence what involvement his Department has in the United States naval airship programme.

Mr. Sainsbury *[holding answer 4 March 1988]:* The Department has had no direct involvement in the United States naval airship programme, but has been fully supportive of British industrial participation.

Military Equipment

Dr. Thomas: To ask the Secretary of State for Defence if he will list those countries to which Her Majesty's Government will not authorise the sale of defence equipment.

Mr. Sainsbury *[holding answer 26 February 1988]:* It is our general policy to consider all applications for licences to export defence equipment on a case by case basis, taking into account our international obligations and declared policy towards individual countries.

SCOTLAND

Drug Addicts

Mr. David Marshall: To ask the Secretary of State for Scotland what is his best estimate of the number of persons suffering from drug-related problems in *(a)* Glasgow district council area and *(b)* Shettleston parliamentary constituency; what additional measures he proposes to take in order to tackle the problem in both areas; and if he will make a statement.

Mr. Michael Forsyth: Because of the nature of the activity it is very difficult to make precise estimates of the numbers of problem drug takers. The latest estimate is that there are between 5,000 and 7,500 intravenous drug misuers in the west of Scotland (mainly Glasgow). Figures are not collected in respect of individual parliamentary constituencies.

The Government remain committed to tackling the problem of drug misuse throughout Scotland and a wide range of positive measures have already been taken or are in hand. A further stage of the Government's information and education campaign against drug misuse in Scotland was launched on 1 February. From 1987-88 the total sum set aside in the health programme in Scotland specifically for the support of drug misuse services is over £1 million per annum. The sum allocated to Greater Glasgow health board under these arrangements in 1987-88 is £392,615. This is a major contribution to the encouragement and assistance of these services. The provision of such services is, however, primarily the responsibility of health boards and local authorities.

Data Protection

Mr. Cohen: To ask the Secretary of State for Scotland how many subject access requests under the terms of the

Data Protection Act his Department has received; what was his estimate of this number; whether he is reconsidering the subject access fee charged by his Department as a result; and whether he will make a statement.

Mr. Rifkind: No valid requests for access have been received from the general public. For forward planning, there was a working assumption of 500 requests per annum. I am not proposing to review the access fee. There have been no complaints or other evidence that the access fee accounts for the low level of interest shown.

Inverclyde Initiative

Dr. Godman: To ask the Secretary of State for Scotland, pursuant to his answer of 29 February to the hon. Member for Greenock and Port Glasgow, *Official Report*, column *433*, how much of the £8·75 million of public money spent on the Inverclyde initiative came from the Scottish Development Agency.

Mr. Lang: The sum of £8·75 million of public money spent by the Inverclyde initiative since its inception represents the total Scottish Development Agency expenditure to date.

Consultants

Mr. Darling: To ask the Secretary of State for Scotland how much money has been paid to management or financial consultants in 1985-86 and 1986-87 for work for *(a)* the Scottish Home and Health Department and *(b)* each health board.

Mr. Michael Forsyth: Amounts paid to management or financial consultants for work commissioned by the Scottish Home and Health Department were:

	£
1985-86	282,252
1986-87	[1]248,535

[1] Includes £118,000 for a project commissioned by the Home side of the Department.

Information available from the annual accounts of health boards relates to the total of fees paid to management consultants, to legal firms (other than for legal expenses connected with compensation claims) and to work study consultants. The amounts for each health board are shown in the table.

Health board	*1985-86* £	*1986-87* £
Argyll and Clyde	8,844	55,016
Ayrshire and Arran	33,570	7,049
Borders	13,930	2,017
Dumfries and Galloway	4,865	2,800
Fife	12,392	25,333
Forth Valley	22,902	26,287
Grampian	15,364	93,493
Greater Glasgow	3,832	—
Highland	2,907	19,170
Lanarkshire	125	—
Lothian	13,917	83,514
Orkney	1,637	645
Shetland	1,324	1,442
Tayside	61	255
Western Isles	14	2,219
Total	135,684	319,240

Caesarian Section Deliveries

Mr. Darling: To ask the Secretary of State for Scotland how many women in 1986-87, having had a caesarian section, were discharged from a National Health Service maternity unit into a private hospital in Lothian, Tayside and Greater Glasgow health board areas.

Mr. Michael Forsyth: I regret that the information requested is not held centrally.

Childbirth (Statistics)

Mr. Darling: To ask the Secretary of State for Scotland (1) how many women in 1986-87, having given birth, were discharged from a National Health Service maternity unit into a private hospital in Lothian, Tayside and Greater Glasgow health board areas;

(2) how many women in 1986-87 were admitted to National Health Service maternity units from private hospitals in Lothian, Tayside and Greater Glasgow health board areas.

Mr. Michael Forsyth: I regret that the information requested is not held centrally.

Health Boards (Income)

Mr. Darling: To ask the Secretary of State for Scotland (1) what was the total income received by each health board for dressings from private hospitals and clinics in each of the last 10 years;

(2) what was the total income received by each health board for dressings from private nursing homes in each of the last 10 years;

(3) what was the total income received by each health board for dressings from individual consultants in each of the last 10 years;

(4) what was the total income received by each health board for pharmaceutical preparations and medicines from private nursing homes in each of the last 10 years;

(5) what was the total income received by each health board for pharmaceutical preparations and medicines from private hospitals and clinics in each of the last 10 years;

(6) what was the total income received by each health board for pharmaceutical preparations and medicines from individual consultants in each of the last 10 years;

(7) what was the total income received by each health board in each of the last 10 years for the hire of National Health Service equipment to private registered nursing homes;

(8) what was the total income received by each health board in each of the last 10 years for the hire of National Health Service equipment to private hospitals;

(9) what was the total income received by each health board in each of the last 10 years for the hire of National Health Service equipment to individual consultants.

Mr. Michael Forsyth: Information held centrally on income received by health boards does not separately identify the items requested.

Private Beds

Mr. Darling: To ask the Secretary of State for Scotland if he will list the number of private beds in National Health Service hospitals in Scotland by each health board and hospital.

Mr. Michael Forsyth: The table shows the numbers of pay beds in National Health Service hospitals in Scotland.

Health board and hospital	*Number of pay beds*
Argyll and Clyde	
Inverclyde Royal	9
Dunoon and District	3
Vale of Leven	1
	13
Ayrshire and Arran	
Ayr County	2
Ballochmyle	2
Heathfield	1
North Ayrshire District General Hospital (Crosshouse)	5
Seafield Children's	1
	11
Borders	
Peel	1
Fife	
Victoria	1
Forth Valley	
Clackmannan County	1
Falkirk and District Royal Infirmary	1
RSNH, Larbert	2
Stirling Royal Infirmary	1
	[1]5
Grampian	
Aberdeen Maternity	2
Aberdeen Royal Infirmary	6
Woodend General	1
House of Daviot	4
Bilbohall, Elgin	1
Dr. Gray's, Elgin	1
Royal Aberdeen Children's Hospital	2
	[2]17
Greater Glasgow	
Canniesburn	11
Gartnavel District General	1
Royal Samaritan	4
Southern General	3
Victoria Infirmary	10
Western Infirmary	2
	[3]31
Highland	
Belford	1
Royal Northern Infirmary, Raigmore, Inverness	2
Caithness General	1
Lawson Memorial	1
	[4]5
Lothian	
City	1
Eastern General	1
Edinburgh Royal Infirmary	2
Princess Margaret Rose	6
Simpson Maternity	2
Western General	4
RHSC Edinburgh	2
Bangour General	1
	[5]9
Tayside	
Forfar	1
Perth Royal Infirmary	2
Bridge of Earn	2
Arbroath	1
Brechin	1
Stracathro	2
	[6]9
Total pay beds at March 1988 all of Scotland	*112

[1] Plus six emergency beds.
[2] Plus two emergency beds.
[3] Limited to 30 beds at any one time.
[4] Plus two emergency beds.
[5] Plus four emergency beds.
[6] Plus 14 emergency beds.

Mr. Darling: To ask the Secretary of State for Scotland if he will list the total income from private beds in National Health Service hospitals in 1986-87 for each health board area.

Mr. Michael Forsyth: The total income from private beds in National Health Service hospitals in each health board area in 1986-87 was as follows:

Health board	*Total income* £
Argyll and Clyde	169,615
Ayrshire and Arran	102,592
Borders	10,068
Dumfries and Galloway	—
Fife	2,081
Forth Valley	77,802
Grampian	172,438
Greater Glasgow	33,333
Highland	21,582
Lanarkshire	—
Lothian	131,044
Orkney	—
Shetland	—
Tayside	92,307
Western Isles	—
	812,862

Merit Awards

Mr. Darling: To ask the Secretary of State for Scotland if he will provide health boards with an additional allocation to cover the cost of merit awards; and if he will make a statement.

Mr. Michael Forsyth: No. The costs of distinction and meritorious service awards along with all other pay-related costs fall to be met from health boards' general allocations.

Mr. Darling: To ask the Secretary of State for Scotland if he will give individual health boards control over the granting of merit awards; and if he will make a statement.

Mr. Michael Forsyth: This would not be practicable. The objective of the present system is to ensure that the awards available for distribution are allocated fairly and equitably on a Great Britain basis and this could not be achieved if allocation was determined separately by individual health boards.

Mr. Darling: To ask the Secretary of State for Scotland what was the total value of merit awards for each health board in Scotland for each of the financial years from 1979-80 to 1987-88.

Mr. Michael Forsyth: The information requested is not collected centrally, but an estimate can be made from the number and value of awards at 30 November each year. Estimates are shown in the table for 1983-87; figures for earlier years are not readily available.

Estimated annual value of Distinction Awards awarded: as at 30 November

£'000s

Health Board	1983	1984	1985	1986	1987
Argyll and Clyde	123	151	137	144	186
Ayrshire and Arran	140	124	137	127	126
Borders	22	29	35	44	59
Dumfries and Galloway	103	97	103	121	154
Fife	72	84	99	109	130
Forth Valley	98	126	137	140	168
Grampian	396	430	458	541	662
Greater Glasgow	1,864	2,092	2,376	2,614	2,748
Highland	183	190	213	250	235
Lanarkshire	168	182	192	226	224
Lothian	1,027	1,179	1,256	1,390	1,507
Tayside	508	529	557	568	632
Orkney, Shetland and Western Isles	13	15	5	11	12
Common Services Agency and State Hospital	42	56	64	66	83
Scotland	4,759	5,283	5,770	6,350	6,926

Notes:
(1) The estimates are based on the value of awards multiplied by the whole time equivalent of the doctors and dentists receiving them. Honorary staff are given a notional WTE of 7/11.
(2) Other employers' costs, such as national insurance contributions for example, are not included in these estimates.

Medical Consultants

Mr. Darling: To ask the Secretary of State for Scotland if, further to his reply of 25 January, *Official Report*, column *54*, he will list how many consultants employed by the National Health Service in Scotland are *(a)* full-time, *(b)* maximum part-time and *(c)* part-time, by health board and specialty.

Mr. Michael Forsyth: The information requested is shown in the tables.

Consultants by specialty, contract and health board at 30 September 1987
Type of contract: Whole-time

Specialty	Specialty code	Argyll Clyde	Ayr and Arran	Border	Dumfries and Galloway	Fife	Forth Valley	Grampian	Greater Glasgow	Highland	Lanark	Lothian	Orkney	Shetland	Tayside	Western Isle
All Specialties		86	77	25	43	77	71	127	396	71	144	220	1	2	147	5
Surgical Specialties																
Cardiothoracic surgery	07	—	—	—	—	—	—	2	5	—	2	2	—	—	—	—
ENT surgery	03	1	—	—	2	2	1	1	6	2	4	2	—	—	4	—
General surgery	01	5	5	3	4	5	4	8	23	9	10	11	1	2	8	1
Neurosurgery	06	—	—	—	—	—	—	2	4	—	—	1	—	—	2	—
Ophthalmology	04	2	2	—	1	1	4	3	10	3	4	—	—	—	3	—
Orthopaedic surgery	02	5	3	2	2	4	4	5	13	3	11	4	—	—	10	—
Plastic surgery	08	—	—	—	—	—	—	1	1	—	—	2	—	—	1	—
Surgical paediatrics	39	—	—	—	—	—	—	—	4	—	—	3	—	—	—	—
Urology	05	—	—	—	—	2	2	2	4	—	2	1	—	—	1	—
Accident and Emergency	49	2	1	—	—	1	—	2	3	—	2	2	—	—	—	—
Anaesthetics	41	10	14	4	5	12	9	12	63	8	23	36	—	—	—	—
Medical Specialties																
Communicable diseases	31	—	—	—	—	2	—	—	3	—	1	3	—	—	3	—
Dermatology	23	—	2	—	—	—	1	2	5	2	1	2	—	—	4	—
General medicine (group)																
Cardiology	17	—	—	—	—	—	—	1	7	—	—	4	—	—	1	—
Clinical pharmacology and therapeutics	20	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Endocrinology and diabetes	18	—	—	—	—	—	—	—	2	—	—	1	—	—	1	—
Gastroenterology	21	—	—	—	—	—	—	—	—	—	—	2	—	—	—	—
General medicine	16	10	11	3	4	6	7	12	25	6	15	17	—	—	8	1
Homeopathy	36	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—
Medical oncology	37	—	—	—	—	—	—	2	1	—	—	3	—	—	—	—
Nephrology	24	—	—	—	—	—	—	—	4	—	—	2	—	—	1	—
Rheumatology	25	—	—	—	—	—	—	3	2	—	1	1	—	—	1	—
Sexually transmitted diseases	32	—	—	—	—	—	1	1	3	1	—	4	—	—	1	—
Geriatric medicine	50	5	4	2	2	4	4	7	18	2	5	8	—	—	7	—
Medical paediatrics	40	4	3	2	2	3	3	6	16	2	4	12	—	—	6	—
Neurology	19	—	—	—	—	—	—	2	5	—	—	3	—	—	1	—
Radiotherapy and oncology	34	—	—	—	—	—	—	2	9	1	—	4	—	—	3	—
Rehabilitation medicine	26	—	—	—	—	—	—	—	—	1	—	3	—	—	1	—
Respiratory medicine	28	—	—	—	—	2	—	3	11	2	—	3	—	—	2	—
Dental Specialties																
Oral surgery and oral medicine	12	—	1	—	—	—	—	2	5	1	1	1	—	—	2	—
Orthodontics and paediatric dentistry	11	2	1	—	—	—	1	2	3	2	2	2	—	—	1	—
Restorative dentistry	13	—	—	—	—	—	—	—	3	—	—	—	—	—	1	—
Obstetrics and Gynaecology	42	5	4	1	1	5	4	6	19	5	11	9	—	—	6	1
Psychiatric Specialties																
Child and Adolescent psychiatry	56	2	1	—	2	2	2	3	4	1	3	5	—	—	4	—
Forensic psychiatry	58	—	—	—	—	—	—	1	4	—	—	2	—	—	—	—
Mental handicap	59	—	1	—	1	2	2	4	—	1	—	—	—	—	1	—
Mental illness	53	17	6	4	7	11	10	12	38	8	15	24	—	—	17	1
Psychotherapy	55	—	—	—	—	—	—	1	3	—	—	2	—	—	1	—
Laboratory and Support Specialties																
Blood transfusion	63	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Specialty	Specialty code	Argyll Clyde	Ayr and Arran	Border	Dumfries and Galloway	Fife	Forth Valley	Grampian	Greater Glasgow	Highland	Lanark	Lothian	Orkney	Shetland	Tayside	Western Isles
Clinical chemistry	65	2	1	—	1	—	1	—	4	1	1	2	—	—	2	—
Clinical genetics	66	—	—	—	—	—	—	—	1	—	—	—	—	—	1	—
Haematology	62	3	3	1	3	2	2	1	13	1	5	5	—	—	2	—
Immunology	68	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—
Microbiology	67	2	2	1	1	1	1	2	11	2	2	5	—	—	2	—
Nuclear medicine	35	—	—	—	—	—	—	1	—	—	—	1	—	—	—	—
Pathology	64	3	4	—	2	3	2	4	15	2	6	8	—	—	4	—
Radiodiagnosis	33	6	7	2	3	7	5	8	23	5	13	17	—	—	12	—
Virology	69	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Occupational Health	96	—	1	—	—	—	1	1	1	—	—	1	—	—	1	—

Consultants by specialty, contract and health board at 30 September 1987
Type of contract: Maximum part-time

Specialty	Specialty code	Argyll Clyde	Ayr and Arran	Border	Dumfries and Galloway	Fife	Forth Valley	Grampian	Greater Glasgow	Highland	Lanark	Lothian	Orkney	Shetland	Tayside	Western Isles
All Specialties		25	18	0	2	5	10	26	85	0	12	62	0	0	10	0
Surgical Specialties																
Cardiothoracic surgery	07	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—
ENT surgery	03	2	3	—	—	—	2	3	6	—	1	4	—	—	1	—
General surgery	01	6	1	—	—	1	2	2	8	—	3	8	—	—	2	—
Neurosurgery	06	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—
Ophthalmology	04	4	1	—	—	1	—	2	4	—	—	5	—	—	2	—
Orthopaedic surgery	02	1	3	—	1	—	—	4	9	—	1	7	—	—	1	—
Plastic surgery	08	—	—	—	—	—	—	1	4	—	—	1	—	—	1	—
Surgical paediatrics	39	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—
Urology	05	—	2	—	—	—	1	1	7	—	1	2	—	—	1	—
Accident and Emergency	49	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Anaesthetics	41	1	3	—	1	—	1	6	11	—	1	10	—	—	—	—
Medical Specialties																
Communicable diseases	31	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dermatology	23	2	—	—	—	1	—	1	4	—	—	1	—	—	—	—
General medicine (group)																
Cardiology	17	—	—	—	—	—	—	1	—	—	—	—	—	—	—	—
Clinical pharmacology and therapeutics	20	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Endocrinology and diabetes	18	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gastroenterology	21	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
General medicine	16	4	1	—	—	—	1	1	6	—	2	2	—	—	—	—
Homeopathy	36	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—
Medical oncology	37	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Nephrology	24	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rheumatology	25	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—
Sexually transmitted diseases	32	—	—	—	—	—	—	—	1	—	—	—	—	—	—	—
Geriatric medicine	50	—	—	—	—	—	—	—	1	—	—	1	—	—	—	—
Medical paediatrics	40	—	—	—	—	—	—	—	2	—	—	—	—	—	—	—
Neurology	19	—	—	—	—	—	—	—	1	—	—	2	—	—	—	—
Radiotherapy and oncology	34	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rehabilitation medicine	26	—	—	—	—	—	—	—	—	—	—	2	—	—	—	—
Respiratory medicine	28	—	—	—	—	—	—	—	1	—	—	1	—	—	—	—
Dental Specialties																
Oral surgery and oral medicine	12	—	—	—	—	—	—	—	1	—	—	1	—	—	—	—
Othodontics and paediatric dentistry	11	—	—	—	—	1	1	—	—	—	—	1	—	—	—	—
Restorative dentistry	13	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Obstetrics and Gynaecology	42	4	2	—	—	1	2	2	8	—	—	6	—	—	2	—
Psychiatric Specialties																
Child and Adolescent psychiatry	56	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—
Forensic psychiatry	58	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mental handicap	59	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mental illness	53	—	1	—	—	—	—	—	3	—	—	1	—	—	—	—
Psychotherapy	55	—	—	—	—	—	—	—	1	—	—	1	—	—	—	—
Laboratory and Support Specialities																
Blood transfusion	63	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Clinical chemistry	65	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Clinical genetics	66	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Haematology	62	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Immunology	68	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—
Microbiology	67	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Nuclear medicine	35	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Pathology	64	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Radiodiagnosis	33	1	1	—	—	—	—	2	6	—	3	2	—	—	—	—
Virology	69	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Occupational Health	96	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Consultants by specialty, contract and health board at 30 September 1987
Type of contract: Part-time

Specialty	Specialty code	Argyll Clyde	Ayr and Arran	Border	Dumfries and Galloway	Fife	Forth Valley	Grampian	Greater Glasgow	Highland	Lanark	Lothian	Orkney	Shetland	Tayside	Western Isles
All Specialties		5	1	2	8	0	0	3	8	5	4	10	0	0	2	1
Surgical Specialties																
Cardiothoracic surgery	07	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Specialty	Specialty code	Argyll Clyde	Ayr and Arran	Border	Dumfries and Galloway	Fife	Forth Valley	Grampian	Greater Glasgow	Highland	Lanark	Lothian	Orkney	Shetland	Tayside	Western Isles
ENT surgery	03	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
General surgery	01	—	1	—	1	—	—	—	—	—	—	—	—	—	—	1
Neurosurgery	06	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Ophthalmology	04	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Orthopaedic surgery	02	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Plastic surgery	08	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Surgical paediatrics	39	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Urology	05	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Accident and Emergency	49	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Anaesthetics	41	1	—	—	1	—	—	—	—	—	—	—	—	—	—	—
Medical Specialties																
Communicable diseases	31	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dermatology	23	1	—	—	2	—	—	—	—	—	1	1	—	—	—	—
General medicine (group)																
Cardiology	17	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Clinical pharmacology and therapeutics	20	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Endocrinology and diabetes	18	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Gastroenterology	21	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
General medicine	16	—	—	—	—	—	—	—	—	—	—	2	—	—	—	—
Homeopathy	36	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Medical oncology	37	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Nephrology	24	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rheumatology	23	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Sexually transmitted diseases	32	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—
Geriatric medicine	50	—	—	—	—	—	—	—	—	—	—	1	—	—	—	—
Medical paediatrics	40	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Neurology	19	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Radiotherapy and oncology	34	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Rehabilitation medicine	26	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Respiratory medicine	28	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Dental Specialties																
Oral surgery and oral medicine	12	—	—	—	1	—	—	—	—	—	—	—	—	—	—	—
Orthodontics and paediatric dentistry	11	—	—	1	1	—	—	—	—	—	—	—	—	—	—	—
Restorative dentistry	13	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Obstetrics and Gynaecology	42	—	—	—	2	—	—	—	—	—	—	—	—	—	—	—
Psychiatric Specialties																
Child and Adolescent psychiatry	56	1	—	1	—	—	—	1	—	—	—	—	—	—	—	—
Forensic psychiatry	58	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mental handicap	59	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Mental illness	53	2	—	—	—	—	—	—	4	—	—	2	—	—	—	—
Psychotherapy	55	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Laboratory and Support Specialties																
Blood transfusion	63	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Clinical chemistry	65	—	—	—	—	—	—	—	2	—	—	—	—	—	—	—
Clinical genetics	66	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Haematology	62	—	—	—	—	—	—	—	—	1	—	—	—	—	—	—
Immunology	68	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Microbiology	67	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Nuclear medicine	35	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Pathology	64	—	—	—	—	—	—	—	—	—	1	—	—	—	—	—
Radiodiagnosis	33	—	—	—	—	—	—	—	—	—	—	2	—	—	1	—
Virology	69	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Occupational Health	96	—	—	—	—	—	—	—	—	3	—	—	—	—	—	—

Hip Replacement Operations

Mr. Darling: To ask the Secretary of State for Scotland what is the average waiting time for a hip replacement operation in National Health Service beds in National Health Service hospitals in each health board area.

Mr. Michael Forsyth: The information recorded for 1985, which is the lastest available, is as follows:

Health board	*Mean waiting time in days*
Argyll and Clyde	207
Ayrshire and Arran	167
Borders	116
Dumfries and Galloway	191
Fife	214
Forth Valley	277
Grampian	303
Greater Glasgow	127
Highland	323
Lanarkshire	145
Lothian	207
Orkney	—
Shetland	—
Tayside	285
Western Isles	—
Scotland	203

Eye Tests and Dental Examinations

Mr. Menzies Campbell: To ask the Secretary of State for Scotland how many *(a)* eye tests and *(b)* dental examinations took place in Fife in each of the years 1980 to 1986.

Mr. Michael Forsyth: The information is set out in the table.

thousands

Year	Eye tests	Dental examinations
1980	49·0	[1]
1981	48·3	[1]
1982	51·3	151·4
1983	54·7	157·7
1984	56·3	164·5
1985	60·3	169·0
1986	62·4	183·4

[1] Not held centrally.

Prison Officers

Dr. Godman: To ask the Secretary of State for Scotland how many extra prison officer posts will be created during the financial years 1988-89 and 1989-90.

Lord James Douglas-Hamilton: My right hon. and learned Friend expects increases in the number of staff by 218 in 1988-89 and a further 114 in 1989-90.

Police Officers

Dr. Godman: To ask the Secretary of State for Scotland how many extra police officer posts will be created during the financial years 1988-89 and 1989-90 in Scotland.

Lord James Douglas-Hamilton: This will depend on decisions taken by police authorities in the first instance. However, the assumptions regarding police manpower growth in these years underlying the Government's public expenditure plans were outlined in the recently published "Scottish Commentary," a copy of which is in the Library.

These plans provide for police strength to increase to 13,830 by the end of 1988-89 and to 13,880 by the end of 1989-90.

Probation

Dr. Godman: To ask the Secretary of State for Scotland what percentage of persons placed on a probation order in Scotland in 1985 and 1986 completed their period of supervision without a further appearance in court.

Mr. Michael Forsyth: The information requested is not available centrally and could be obtained only at disproportionate cost.

Community Service Order

Dr. Godman: To ask the Secretary of State for Scotland (1) what percentage of persons placed on a community service order in Scotland during 1985 and 1986 completed their period of service without a further appearance in court;

(2) what percentage of persons who were the subject of a community service order in Scotland had been sentenced again within two years of the completion of the order, for the latest convenient period.

Mr. Michael Forsyth: The information requested is not available centrally and could be obtained only at disproportionate cost.

Recidivism

Dr. Godman: To ask the Secretary of State for Scotland how many persons in Scotland who were granted parole in 1985 and 1986 whose original offence involved violence, sexual assault or robbery were sentenced again *(a)* during the period of their parole licence or *(b)* within 12 months of the expiration of that licence.

Lord James Douglas-Hamilton: Information on the numbers of persons convicted within 12 months of their parole licence expiring is not collected centrally; the other information requested could be compiled only at disproportionate cost.

Offenders (Electronic Tagging)

Dr. Godman: To ask the Secretary of State for Scotland whether he has any plans to introduce electronic surveillance as a condition of bail, probation, parole or executive release on a trial basis in either Strathclyde or any other part of Scotland; and if he will make a statement.

Lord James Douglas-Hamilton: While we are keeping developments on this matter under review, we have no such present plans in Scotland.

Police Surgeons

Dr. Godman: To ask the Secretary of State for Scotland how many police surgeons are employed in Scotland; and, of these, how many are female.

Lord James Douglas-Hamilton: 169, of whom 18 are female.

Agency Staff

Mr. Norman Hogg: To ask the Secretary of State for Scotland if he will give the latest figures for the number of agency staff supplied to the National Health Service in the following categories: *(a)* nurses, *(b)* midwives, *(c)* professional and technical staff (excluding works staff), *(d)* works professional staff, *(e)* administrative and clerical staff, *(f)* ambulance officers and control assistants and *(g)* other staff, indicating their distribution by health board; what payments in fees has been made by each board to each of these groups over the last 12 months; and if he will make a statement.

Mr. Michael Forsyth: Information is held centrally only for agency nurses and midwives and ambulance officers and control assistants. No agency ambulance officers and control assistants are employed. The table shows the average daily number of qualified nurses and midwives, by whole-time equivalent, supplied by agencies to health boards in Scotland during the year ended 30 September 1987. No information is available centrally about payments made for agency staff.

	Midwives	Other qualified nurses
SCOTLAND	0·8	202·1
Argyll and Clyde	—	—
Ayrshire and Arran	—	5·8
Borders	0·3	2·9
Dumfries and Galloway	—	—
Fife	—	—
Forth Valley	—	—
Grampian	—	2·6
Greater Glasgow	—	132·7

	Midwives	Other qualified nurses
Highland	—	—
Lanarkshire	—	—
Lothian	0·3	57·5
Orkney	0·2	—
Shetland	—	0·6
Tayside	—	—
Western Isles	—	—

Agricultural Research and Development

Mr. Eadie: To ask the Secretary of State for Scotland if he has any further proposals to cut agricultural research and development funding in Scotland.

Mr. Michael Forsyth: Our current proposals are set out in the White Paper "The Government's Expenditure Plans 1988-89 to 1990-91" Cm. 288-II.

Mr. Andrew Welsh: To ask the Secretary of State for Scotland what definition his Department uses of the term near market, as applied to agricultural research and development.

Mr. Michael Forsyth: There is no formal definition. It is, however, a convenient way of referring to the kind of work of direct commercial benefit towards which the Government believe industry should contribute more.

Mr. Andrew Welsh: To ask the Secretary of State for Scotland what reviews are being, or have been, carried out by or on behalf of, his Department into agricultural research and development funded by his Department; when the results of any such reviews will be published; and if this information will be made available to the House.

Mr. Michael Forsyth: The programmes of agricultural research and development are kept under continual review in association with the Priorities Board for R and D in Agriculture and Food, the Agricultural and Food Research Council, the Scottish Agricultural R and D Advisory Council and other bodies. Ad hoc reviews are also undertaken from time to time into specific subject areas or other issues, as appropriate.

Language Teachers

Mr. Worthington: To ask the Secretary of State for Scotland what action is being taken to ensure that there are adequate numbers of teachers in Scotland training for languages other than French.

Mr. Michael Forsyth: Consultations about the annual intake of student teachers to the colleges of education provide a mechanism for alerting the Government to areas of actual or potential need. The most recent consultations indicate that the supply of modern languages teachers is adequate to meet the needs of education authorities.

Forestry

Mr. Ron Davies: To ask the Secretary of State for Scotland what was the average wage of Forestry Commission forest keepers, at the latest available date.

Lord James Douglas-Hamilton *[holding answer 22 February 1988]:* The basic weekly wage is £131·91 and the average gross weekly earnings are £177·31.

Mr. Ron Davies: To ask the Secretary of State for Scotland how many *(a)* grant and *(b)* felling licence applications were received by the Forestry Commission in each year from 1984; how many were referred to regional advisory committees; and what proportion of the annual total this represented.

Lord James Douglas-Hamilton *[holding answer 1 March 1988]:* The information is as follows:

Year (to 31 March)	Number received	Number and percentage of cases referred to Regional advisory committees
Grant scheme applications		
1984	2,255	16 (0·7)
1985	2,915	10 (0·3)
1986	5,327	18 (0·3)
1987	5,319	25 (0·5)
Felling licence applications		
1984	1,444	7 (0·5)
1985	1,729	4 (0·2)
1986	2,321	3 (0·1)
1987	2,254	Nil (-)

Mr. Ron Davies: To ask the Secretary of State for Scotland how many *(a)* grant and *(b)* felling licence applications were referred to the regional advisory committee for each Forestry Commission conservancy in each year from 1984, and what were the results.

Lord James Douglas-Hamilton *[holding answer 1 March 1988]:* The information is set out in the following tables, and reflects the fact that the commission's conservancies were reorganised in 1984-85.

Conservancy	Number referred to Regional Advisory Committees	Number resolved by voluntary withdrawal or amendment of application	Number referred by Regional Advisory Committee to Forestry Commissioners
Grant Scheme Applications—Year to 31 March 1984			
North West England	1	—	1
North East England	1	—	1
East England	—	—	—
South East England	—	—	—
South West England	—	—	—
North Scotland	1	1	—
East Scotland	1	1	—
South Scotland	4	—	4
West Scotland	3	1	2
North Wales	2	1	1
South Wales	3	1	2

Conservancy	Number referred to Regional Advisory Committees	Number resolved by voluntary withdrawal or amendment of application	Number referred by Regional Advisory Committee to Forestry Commissioners
Felling Licence Applications—Year to 31 March 1984			
North West England	1	—	1
North East England	—	—	—
East England	—	—	—
South East England	2	—	2
South West England	2	—	2
North Scotland	—	—	—
East Scotland	—	—	—
South Scotland	1	—	1
West Scotland	1	1	—
North Wales	—	—	—
South Wales	—	—	—
Grant Scheme Applications—3 years to 31 March 1987			
North England Conservancy			
1985	2	2	—
1986	6	1	5
1987	3	1	2
East England Conservancy			
1985	—	—	—
1986	1	—	1
1987	—	—	—
West England Conservancy			
1985	—	—	—
1986	—	—	—
1987	—	—	—
Wales Conservancy			
1985	3	1	2
1986	3	—	3
1987	4	—	4
North Scotland Conservancy			
1985	—	—	—
1986	—	—	—
1987	10	2	8
Mid Scotland Conservancy			
1985	4	1	3
1986	6	3	3
1987	6	1	5
South Scotland Conservancy			
1985	1	—	1
1986	2	2	—
1987	2	1	1
Felling Licence Applications—3 years to 31 March 1987			
North England Conservancy			
1985	—	—	—
1986	—	—	—
1987	—	—	—
East England Conservancy			
1985	3	—	3
1986	—	—	—
1987	—	—	—
West England Conservancy			
1985	—	—	—
1986	—	—	—
1987	—	—	—
Wales Conservancy			
1985	1	—	1
1986	3	—	3
1987	—	—	—
North Scotland Conservancy			
1985	—	—	—
1986	—	—	—
1987	—	—	—
Mid Scotland Conservancy			
1985	—	—	—
1986	—	—	—
1987	—	—	—
South Scotland Conservancy			
1985	—	—	—
1986	—	—	—
1987	—	—	—

Scottish Health Service (Advertisement)

Mr. Gordon Brown: To ask the Secretary of State for Scotland who placed the advertisement in *The Scotsman* on behalf of the Scottish Health Service in which notice of information about tendering for in-house ancillary services for health boards was given; and who is responsible for the payment for the advertisement.

Mr. Michael Forsyth *[holding answer 3 March 1988]:* The advertisement was placed and paid for by the health boards acting jointly. Such co-ordinated action by boards seems a cost-effective way to implement the Government's policy of competitive tendering.

Ministerial Offices

Mr. Harry Ewing: To ask the Secretary of State for Scotland what is the total cost involved in moving his office, together with the offices of other Scottish Office Ministers, from their present location in New St. Andrew's House to St. Andrew's House.

Mr. Rifkind *[holding answer 4 March 1988]:* The return of my office and that of certain of my ministerial colleagues to St. Andrew's House requires certain structural adaptations and improvements to the ministerial accommodation in the building. The total cost is likely to be of the order of £150,000 including VAT and contingencies.

HMA v Russell Stirton

Mr. Darling: To ask the Secretary of State for Scotland what further proceedings the Lord Advocate is considering arising from the facts and circumstances surrounding the case of HMA v Russell Stirton, with particular reference to those narrated in charge 9 of the indictment.

Lord James Douglas-Hamilton *[holding answer 4 March 1988]:* None.

Mr. Darling: To ask the Secretary of State for Scotland if the Lord Advocate was consulted by the procurator fiscal of Glasgow in connection with his consideration of whether to oppose bail in respect of charges against Russell Stirton on 24 April 1986.

Lord James Douglas-Hamilton *[holding answer 4 March 1988]:* No.

Mr. Darling: To ask the Secretary of State for Scotland if the Lord Advocate will review the circumstances surrounding the case of HMA v Russell Stirton and the investigation by an officer of Lothian and Borders police into allegations made by Russell Stirton; and if he will make a statement.

Lord James Douglas-Hamilton *[holding answer 4 March 1988]:* The Lord Advocate does not intend any further review of the circumstances surrounding the case of HMA v Russell Stirton.

Bail

Mr. Darling: To ask the Secretary of State for Scotland what guidelines the Lord Advocate issued to procurators fiscal in connection with the granting of bail *(a)* before 26 April 1986 and *(b)* thereafter; and if he will make a statement.

Lord James Douglas-Hamilton *[holding answer 4 March 1988]:* Instructions were issued to procurators fiscal following the coming into force of the Bail etc. (Scotland) Act 1980. These instructions were current on 26 April 1986. They have recently been revised and re-issued. The date, 26 April 1986, is without significance in this connection.

Mr. Darling: To ask the Secretary of State for Scotland if guidelines are issued to procurators fiscal concerning policy on whether or not to oppose bail in cases where an accused person offers to provide information to the police in respect of a third party.

Lord James Douglas-Hamilton *[holding answer 4 March 1988]:* No. Procurators fiscal are expected to exercise their discretion in the light of all relevant factors affecting the public interest in such cases.

Electricity Generation

Mr. Salmond: To ask the Secretary of State for Scotland what proportion of electricity generation in Scotland is met by *(a)* nuclear, *(b)* coal-fired, *(c)* oil fired, *(d)* hydro and *(e)* other power stations.

Mr. Lang *[holding answer 7 March 1988]:* I am advised by the Scottish electricity boards, UKAEA and BNFL that the proportions of electricity generation sent out to the supply network from different sources in Scotland during the year ending 31 March 1987 were as follows:

	Percentage
Nuclear	43·5
Coal-fired	34·4
Oil-fired	9·1
Hydro	12·7
Pumped storage (net)	0·2
Other (for example diesels, wind, private generation)	0·1
	100·0

Mr. Salmond: To ask the Secretary of State for Scotland if he will estimate the proportion of electricity generation in Scotland in 1998 which will be met by *(a)* nuclear, *(b)* coal-fired, *(c)* oil-fired, *(d)* hydro and *(e)* other power stations.

Mr. Lang *[holding answer 7 March 1988]:* The proportions of electricity generation met from different sources in 1998 will depend upon the availability of fuels and their relative costs at that time. In view of the uncertainties associated with these factors, it is considered that no useful estimates can be made.

United States Tobacco Company

Mr. Ingram: To ask the Secretary of State for Scotland if he will list the grants awarded to the United States Tobacco Company to set up and maintain its company in East Kilbride.

Mr. Lang *[holding answer 7 March 1988]:* I refer to the reply given to the hon. Member for Falkirk, East (Mr. Ewing) on 4 March.

Mr. Ingram: To ask the Secretary of State for Scotland if it is his intention to provide additional grant support to the United States Tobacco Company in East Kilbride to manufacture products other than tobacco products for oral use, consequent upon the announcement made by the

Parliamentary Under-Secretary of State for Health, the hon. Member for Derbyshire, South (Mrs. Currie), on 26 February, *Official Report*, column 362, concerning a prohibition on tobacco products for oral use.

Mr. Lang *[holding answer 7 March 1988]:* I refer the hon. Member to the reply given to him on 3 March. It is, of course, open to the company to apply for relevant grants for any projects which it is considering.

Mr. Ingram: To ask the Secretary of State for Scotland if he will take steps to provide alternative employment for the employees of the United States Tobacco Company in East Kilbride consequent upon the announcement made by the Parliamentary Under-Secretary of State for Health, the hon. Member for Derbyshire, South (Mrs. Currie), on 26 February, *Official Report*, column 362, concerning a prohibition on tobacco products for oral use.

Mr. Lang *[holding answer 7 March 1988]:* I refer to my previous reply to the hon. Member on 3 March.

Mr. Harry Ewing: To ask the Secretary of State for Scotland if he intends to discuss with United States Tobacco the refunding of financial assistance given to it for the manufacture of Skoal Bandits.

Mr. Lang *[holding answer 4 March 1988]:* Any question of the refunding of financial assistance in relation to United States Tobacco will arise only if the conditions under which assistance was given are breached. I have no evidence at this time that any such breach has taken place.

Mr. Harry Ewing: To ask the Secretary of State for Scotland on what date it was decided to give financial assistance to United States Tobacco for the manufacture of Skoal Bandits; and what was the total amount of assistance given.

Mr. Lang *[holding answer 4 March 1988]:* Financial assistance in terms of the Industrial Development Act 1982 was offered to United States Tobacco on 27 November 1984. To date the only payments made have been under the regional development grant scheme and amount to £193,357.

TRANSPORT

EC (Internal Market)

Mr. Heddle: To ask the Secretary of State for Transport if he will make a statement on the extent and impact of the proposals contained in the European Commission's White Paper, "Europe without frontiers; Towards a Large Internal Market", in so far as his Department is concerned.

Mr. Peter Bottomley: I refer my hon. Friend to the answer given by my hon. Friend the Parliamentary Under-Secretary of State for Trade and Industry on 3 March. The Department of Transport has a particular interest in proposals covering the transport of goods and passengers by road, vehicle emissions and vehicle type approval, air transport, maritime transport, and inland waterways transport.

Departmental Staff

Mr. Cran: To ask the Secretary of State for Transport how many members of staff within his Department are located within each region outside London; what percentage this constitutes of staff within his Department; and what are the comparable figures, in absolute and percentage terms, in 1979.

Mr. Peter Bottomley: The number of percentage of Department of Transport staff (including casuals and part-timers) located outside London is as follows:

	1 March 1988		*1 April 1979*	
	Number	*Per cent.*	*Number*	*Per cent.*
South East	2,146	14·1	2,193	14·8
South West	1,103	7·3	864	5·8
East Anglia	314	2·1	324	2·2
East Midlands	545	3·6	497	3·4
West Midlands	773	5·1	720	4·9
North West	842	5·5	797	5·4
Yorkshire and Humberside	694	4·6	669	4·5
Northern	452	3·0	453	3·1
Wales	4,665	30·7	5,193	35·1
Scotland	797	5·3	752	5·1
Northern Ireland	15	0·1	0	0·0

Organisation changes made since 1979 will distort any comparison between years. These include the transfer of 765 staff from the Department of Environment in 1981 and 1,459 from the Department of Trade and Industry in 1984.

Truck Stops

Mr. Butler: To ask the Secretary of State for Transport if he will make a statement on progress on meetings with local authority associations and others on the provision of truck stops near motorways.

Mr. Peter Bottomley: On 19 February the Department had discussions with the three main local authority associations concerned with the provision of services on all purpose trunk roads, including those for lorry drivers. It is proposed shortly to have a further meeting with both them and representatives of the oil and catering industries so as to take further the initiative to secure comprehensive provision of facilities where needed and where consistent with road safety and other considerations.

The policy on provision of services for motorway users was set out in answer to a question from my hon. Friend the Member for Mid-Worcestershire (Mr. Forth) on 1 July last year, column 88. Where proposals are put forward for truck stops off motorways but designed to serve the needs of motorway users, the Department asks local planning authorities to take into account road safety and traffic implications as well as the services already available or to be provided on the motorway itself.

Merchant Shipping Policy

Mr. Tony Lloyd: To ask the Secretary of State for Transport when he last met members of the Nautical Institute to discuss merchant shipping policy.

Mr. Channon: I have had no such meeting, but officials of my Department are in regular contact with the institute.

Motorways (Surface Water)

Mr. Pike: To ask the Secretary of State for Transport whether his Department will undertake further surveys to assess the effect of spray on motorways and its involvement in accidents.

Mr. Peter Bottomley: The Department's research programme on spray includes work on drivers' reactions to spray in motorway conditions. Motorway accident reports do not identify the possible contribution of spray.

Heavy Vehicles (Spray Guards)

Mr. Pike: To ask the Secretary of State for Transport whether his Department has any proposals to legislate for improved heavy vehicle spray guards.

Mr. Peter Bottomley: Regulations introduced in 1984 require spray reducing devices on new British registered heavy lorries and existing heavy trailers. The devices must comply with British Standard BS AU 200. The European Commission has made proposals on similar lines, but there is no early prospect of these being adopted by the Council of Ministers.

Channel Tunnel

Mr. Michael Brown: To ask the Secretary of State for Transport what indications he has received from British Rail as to when it is likely to come forward with proposals for the construction of a high speed railway line across Kent to link London and other British cities with the continental rail network after the Channel tunnel is built.

Mr. Channon: I have asked British Rail to let me have a report by 1 June 1988 on the options for increasing the capacity of its rail network between London and the tunnel once the capacity of the existing network is exhausted. It will be considering all possible options, including a new high-speed line.

Merchant Shipping Act 1984

Mr. Onslow: To ask the Secretary of State for Transport what recent representations he has received concerning the need to reform the provisions of the Merchant Shipping Act 1984, in so far as these have come to be applied to the disposal of antiquities recovered from historic shipwrecks; and if he will make a statement.

Mr. Channon: One such representation has been made, by the Museums Association. Our aim is that the disposal of items recovered from wreck sites designated under the provisions of the Protection of Wrecks Act 1973 as of historical, archaeological or artistic importance should be conducted in such a way as to ensure as far as possible that they remain accessible to the general public, that collections of items are kept together and that items of particular local interest go to local museums. In 1984 my Department published a consultative document containing proposals for changes to the wreck provisions of the 1894 Act. It remains the Government's intention to introduce legislation on the lines proposed, when Parliamentary time allows.

Railways (Capital Investment)

Mr. Wallace: To ask the Secretary of State for Transport when he last met the chairman of British rail to discuss the railways capital investment programme.

Mr. David Mitchell: My right hon. Friend discusses BR's capital investment programme with the chairman each year when considering BR's corporate plan and its external financing requirements. Particular aspects of the capital investment programme are discussed as necessary. Major projects are submitted for my right hon. Friend's approval.

Drink-Driving

Mr. Chapman: To ask the Secretary of State for Transport if he will make available the established international protocal for the conduct of roadside surveys of drinking and driving.

Mr. Peter Bottomley: The recommended research methodology for such surveys is set out in an annex to the OECD report "Road Research: New Research on the Role of Alcohol and Drugs in Road Accidents" published in 1978. I have arranged for a copy to be placed in the Library of the House.

Mr. Lord: To ask the Secretary of State for Transport what research his Department is undertaking in support of his efforts to reduce drinking and driving.

Mr. Peter Bottomley: The Transport and Road Research Laboratory will be publishing tomorrow the results of a study of the personal characteristics, driving experience and drinking habits of drivers or riders who had been involved in road accidents. The study has been able to quantify for the first time the frequency with which particular characteristics and initiatives occur and the extent to which these vary with the level of drinking prior to the accident.

To complement this work the laboratory will now be carrying out a programme of roadside surveys of drinking and driving in Warwickshire and Sussex. The surveys will provide valuable information about attitudes to drinking and driving of a random selection of people from the general driving population. Participation in the surveys will be voluntary. By enlarging the sample in this way we shall obtain a fuller picture of the problem and be able to target efforts to put an end to the drinking and driving menace more effectively.

Orange Badge Scheme

Mr. Nellist: To ask the Secretary of State for Transport when the review into the operation of the orange badge scheme of parking concessions for disabled people is expected to report; and if he will make a statement.

Mr. Hannam: To ask the Secretary of State for Transport whether he has completed his review of the orange badge parking scheme for the disabled; and if he will make a statement.

Mr. Peter Bottomley *[holding answer 7 March 1988]:* The Department is issuing a revised leaflet on the orange badge scheme.

The leaflet is an interim measure and seeks to provide better information on the rights and duties of badgeholders under the present scheme. We hope to make a further announcement shortly on measures to improve the scheme as a result of the recent review.

Copies of the leaflet have been placed in the Library.

SOCIAL SERVICES

Competitive Tendering

13. **Mr. Neil Hamilton:** To ask the Secretary of State for Social Services what savings he expects from competitive tendering in 1988-89 and subsequent years.

25. **Mr. Sims:** To ask the Secretary of State for Social Services what savings he expects from competitive tendering in 1988-89 and subsequent years.

Mr. Newton: Cumulative annual savings in respect of domestic, laundry and catering services will amount to some £105 million in the coming year. Further extension of the programme to other services is a matter for regional and district health authorities to determine in the light of local needs, priorities and resources.

36. **Mr. Gregory:** To ask the Secretary of State for Social Services if he will make a further statement on the progress of the competitive tendering initiative.

84. **Mr. Riddick:** To ask the Secretary of State for Social Services if he will make a further statement on the progress of the competitive tendering initiative.

Mrs. Currie: The most recent information held centrally is for the quarter ended 31 December 1987. By that date approaching 95 per cent. of domestic and laundry services had been put out to tender, and some 75 per cent. of catering services. Estimated annual savings generated from contracts awarded for the three services totalled £105 million: £79 million for domestic services, £18 million for catering services and £8 million for laundry services. £28 million has been generated from contracts won by outside contractors and £77 million from tenders secured by in-house organisations.

41. **Mr. McLoughlin:** To ask the Secretary of State for Social Services how many districts have yet to let any contracts by competitive tendering.

Mr. John M. Taylor: To ask the Secretary of State for Social Services, how many districts have yet to let any contracts by competitive tendering.

Mrs. Currie: Only three district health authorities have yet to let a contract for at least one of the three services to which the competitive tendering initiative applies. Of these, two have now gone out to tender for domestic and laundry services and the third intends to put its domestic services out to tender shortly.

42. **Mr. Forth:** To ask the Secretary of State for Social Services what is his policy towards the extension of competitive tendering to non-medical areas other than laundry, cleaning and catering.

Mrs. Currie: Competitive tendering has established its value as a management tool in the National Health Service. We encourage health authorities to look constructively at any possibility of securing greater cost-effectiveness in the provision of their NHS services. This can include going to tender for services other than domestic cleaning, catering and laundry, noting that competitive tendering for those services has already generated annual savings of over £100 million in England.

Social Fund

15. **Mr. Michael:** To ask the Secretary of State for Social Services whether he has received any further representations about the level of the capital limit which bars application for single payments from the social fund.

81. **Mr. Patchett:** To ask the Secretary of State for Social Services whether he has received any further representations about the level of the capital limit which bars application for single payments or the social fund.

Mr. Portillo: We have received very few representations recently. Capital over £500 is taken into account in assessing the amount of any single payment award. A similar rule for the social fund ensures that social fund payments are made to those people most in need of help.

31. **Mr. Tom Clarke:** To ask the Secretary of State for Social Services what step he is taking to monitor the impact of the social fund on the clients of local authority social services departments.

52. **Mr. Nicholas Brown:** To ask the Secretary of State for Social Services what steps he is taking to monitor the impact of the social fund on the clients of local authority social service departments.

Mr. Scott: There will be a great deal of management information on the number of applications and refusals, the amounts awarded, for what purpose, and the applicants to whom the awards are made. The quality of decision-making will also be monitored. We propose to commission independent research later in the year into the extent to which the social fund is meeting its objectives.

67. **Mr. Hardy:** To ask the Secretary of State for Social Services what arrangements have been made to provide additional funds to his Department's officers should urgent, serious or special needs arise for either grants or loans under the social fund after the relevant sums for any particular month have been exhausted.

Mr. Portillo: I refer the hon. Member to my reply to the hon. Member for Glasgow, Maryhill (Ms. Fyfe) on 4 March at column *746*.

Hypothermia

16. **Mr. Jacques Arnold:** To ask the Secretary of State for Social Services how frequently hypothermia is cited as a cause of death; and to what extent the incidence of hypothermia is changing.

Mrs. Currie: The total number of deaths from all causes in England and Wales last year was 560,000. The provisional total of deaths from hypothermia was 581. There has been no particular trend in this total in recent years.

Personal Social Services

17. **Mr. McCartney:** To ask the Secretary of State for Social Services whether the review of the National Health Service at present being undertaken by the Government will take into account the impact of National Health Service funding on the personal social services.

Mr. Newton: We shall seek to take account of all relevant factors.

Drugs

18. **Sir John Farr:** To ask the Secretary of State for Social Services if he will list in order the three biggest overseas suppliers of drugs to the National Health Service.

Mr. Newton: For the family practitioner services in Great Britain, the three biggest overseas-owned companies supplying drugs to the NHS in 1986 were, CIBA Geigy, Merck Sharp and Dohme, and Bayer in that order. For drugs supplied to the hospital service, aggregate information concerning suppliers is not collected.

Housing Benefit

19. **Mr. Frank Cook:** To ask the Secretary of State for Social Services what steps he has taken to ensure that all housing authorities will be able to implement the new housing benefit scheme on 1 October.

Mr. Portillo: The new housing benefit scheme starts from 1 April 1988. The Department has been involved in consultation with local authority Associations on details of the new scheme for over 18 months. It has provided £25 million this year for authorities' preparation costs and produced and distributed free of charge training material, publicity and explanatory literature.

Chronically Sick and Disabled Persons Act

20. **Mr. Randall:** To ask the Secretary of State for Social Services how many people with disabilities were registered with their local social services authorities under section 1 of the Chronically Sick and Disabled Persons Act at the latest date for which figures are available.

103. **Mr. Haynes:** To ask the Secretary of State for Social Services how many people were registered as disabled with their local authorities at the latest date for which figures are available.

Mr. Scott: The latest information available centrally on the number of people with disabilities registered with local authorities Social Service Authorities in England is as follows:

In 1984, there were about 1·1 million people registered as physically disabled.

In 1986, there were about 192,000 people registered as blind or partially sighted.

Also in 1986, there were over 97,000 people registered as deaf or hard of hearing.

22. **Mr. Eastham:** To ask the Secretary of State for Social Services how many people received help under the provisions of section 2 of the Chronically Sick and Disabled Persons Act in the latest year for which figures are available.

Mr. Scott: This information is not collected centrally. The information that is available relates to the number of meals served and to the number of cases of assistance in England in the year ending 31 March 1986, and the latest figures are:

Number of meals served: over 44 million
Number of cases of assistance: some 670,000

Further details are available in the publication: "Domiciliary Services, Aids and Adaptations Year Ending 31 March 1986" England: a copy of which has been placed in the Library.

38. **Mr. Bidwell:** To ask the Secretary of State for Social Services how many local authorities are fully meeting their statutory duties to disabled people registered with them under the Chronically Sick and Disabled Persons Act.

74. **Mr. Meale:** To ask the Secretary of State for Social Services what steps he takes to ensure that all social services authorities are fulfilling their statutory duties under section 2 of the Chronically Sick and Disabled Persons Act.

78. **Mr. McFall:** To ask the Secretary of State for Social Services what steps he takes to ensure that all social services authorities are fulfilling their statutory duties under section 1 of the Chronically Sick and Disabled Persons Act.

85. **Dr. Moonie:** To ask the Secretary of State for Social Services if he is satisfied that all local social services authorities are meeting their statutory duties under the Chronically Sick and Disabled Persons Act.

Mr. Scott: Responsibility for implementing the Act lies with local authorities. However, the Department receives regular returns on certain services provided under the Act, in addition to information from a number of sources including the social services inspectorate.

49. **Mr. Allen McKay:** To ask the Secretary of State for Social Services if he will make a statement on the adequacy of funds available to local social services authorities for the implementation of the Chronically Sick and Disabled Persons Act.

50. **Mr. Wareing:** To ask the Secretary of State for Social Services what is his estimate of the additional resources local social services authorities would need fully to implement the provisions of section 2 of the Chronically Sick and Disabled Persons Act in respect of all the disabled people registered with them under the Act.

53. **Mrs. Mahon:** To ask the Secretary of State for Social Services if he has any plans to increase the resources available to local social services authorities to implement the Chronically Sick and Disabled Persons Act.

61. **Mr. John:** To ask the Secretary of State for Social Services if he will increase the resources available to local social services authorities to implement the Chronically Sick and Disabled Persons Act.

Mr. Scott: I am unable to add to my reply to the hon. Member for Aberdeen South (Mr. Doran) on 9 February 1988 at column *191*.

Winter Mortality

21. **Mr. Summerson:** To ask the Secretary of State for Social Services if he will make a statement on the causes of the 30-year decline, in England, in excess winter mortality.

66. **Mr. Carttiss:** To ask the Secretary of State for Social Services what further information he can provide on recent trends in the incidence of winter mortality among elderly people.

69. **Mr. Hind:** To ask the Secretary of State for Social Services if he will make a statement on the causes of the 30-year decline, in England, in excess winter mortality.

73. **Mr. Bowis:** To ask the Secretary of State for Social Services what further information he can provide on recent trends in the incidence of winter mortality among elderly people.

Mrs. Currie: Since 1958 there has been a clear downward trend in excess winter mortality. For England and Wales, it averaged 55·6 per cent. between 1958 and 1962, dropping to 28·6 per cent., or around 37,000 cases each winter, between 1983 and 1987. The causal relationship between cold weather and excess winter mortality is not clearly understood, and further research is needed. We hope that the Medical Research Council will be able to help out in this area.

Disabled People

23. **Mr. John Garrett:** To ask the Secretary of State for Social Services what resources are being allocated to the special fund his Department is setting up in co-operation with the Disablement Income Group.

28. **Mr. Martyn Jones:** To ask the Secretary of State for Social Services when he expects to be able to indicate the cost to the Government of the special fund his Department is setting up with the Disablement Income Group.

45. **Mr. Ray Powell:** To ask the Secretary of State for Social Services what sums he expects to be made available by his Department to the Disablement Income Group for the special fund for assisting people with disabilities who will have a reduced social security entitlement in April.

Mr. Scott: Up to £5 million has been set aside for the fund in 1988-89. The level of funding for future years will be considered in the light of experience.

30. **Mr. Doran:** To ask the Secretary of State for Social Services what monitoring will take place of the implementation of the Disabled Person (Services, Consultation and Representation) Act, with particular regard to the interests of mentally ill people.

44. **Mr. Galbraith:** To ask the Secretary of State for Social Services what plans he has to monitor the implementation of the Disabled Persons (Services, Consultation and Representation) Act 1986.

Mr. Scott: The particular needs of people who suffer from a mental disorder will be considered within the monitoring exercise which I mentioned in my reply to the hon. Member for Glasgow, Maryhill (Mrs. Fyfe) earlier today.

65. **Mr. Moss:** To ask the Secretary of State for Social Services if he will make a statement on his discussions with the Disablement Income Group before and after the announcement of new measures to assist very severely disabled people.

Mr. Scott: The discussions are continuing. The Disablement Income Group is working with my officials to devise criteria of eligibility for payment from the fund and is giving advice on other administrative matters. As I announced in my reply to my hon. Friend the Member for Richmond and Barnes (Mr. Hanley) today the fund's trustees will include individuals nominated by the Disablement Income Group.

The dicsussions I held with the Disablement Income Group and other organisations of and for disabled people before the announcement of the fund were informal and those who gave their advice did so in confidence.

101. **Mr. Cabom:** To ask the Secretary of State for Social Services how many cases of discrimination against disabled people have been referred to his Department in each of the past four years.

Mr. Scott: The numbers of complaints of alleged discrimination against disabled people referred to the Department in each of the last four years are as follows:

	Number
1984	3
1985	2
1986	0
1987	4

In addition we have so far received two complaints in 1988.

Long-term Sick and Disabled People

24. **Mr. Thurnham:** To ask the Secretary of State for Social Services what is the Government's total estimated expenditure on the long-term sick and disabled for 1987-88; how this compares with 1978-79 in real terms; and if he will make a statement.

Mr. Scott: The estimated expenditure on benefits for long-term sick and disabled people for 1987-88 is £6·75 billion. This is an increase of over 80 per cent. in real terms compared with expenditure in 1978-79.

Health Vouchers

26. **Mr. Kirkwood:** To ask the Secretary of State for Social Services what recent representations he has received seeking the inclusion in the current Government review of the National Health Service the idea of issuing vouchers to enable people to contract out of the National Health Service; what response he has made; and if he will make a statement.

Mr. Moore: We have received a number of representations about the introduction of vouchers. We shall consider all proposals put to us in the context of our review.

NHS Review

27. **Mr. Nicholas Bennett:** To ask the Secretary of State for Social Services what progress has been made in the examination of the use of resources in the National Health Service as part of the overall review of the funding of the service.

68. **Mr. Evennett:** To ask the Secretary of State for Social Services if he has any plans to reorganise the administration of the National Health Service.

75. **Mr. Duffy:** To ask the Secretary of State for Social Services what consultations the Government have undertaken in their consideration of the future of the National Health Service.

Mr. Matthew Taylor: To ask the Secretary of State for Social Services if the current review of National Health Service funding will compare the National Health Service with health services in other Organisation for Economic Co-operation and Development countries; and if he will make a statement.

Mr. Moore: The Government's review of the Health Service will be wideranging and fundamental. We shall look at all the options, including the experience of the

other countries, and shall bring forward our proposals in due course. In the meantime, I shall consider carefully any representations which are made to me.

NHS Pay Awards

29. **Mr. Yeo:** To ask the Secretary of State for Social Services what representations he has received regarding the funding of any pay awards made to National Health Service employees.

34. **Mr. Wall:** To ask the Secretary of State for Social Services if he will make it his policy that Her Majesty's Government will meet the pay award to nurses and the ancillary staff in the National Health Service.

Mr. Newton: A large number of representations on the subject of funding pay awards has been received from a wide range of organisations and individuals.

As in the past, the Government will await the recommendations of the review body on nurses' pay before taking decisions on implementation and funding. These decisions will be announced as soon as possible thereafter. The pay of ancillary staff is a matter for negotiation within the ancillary staffs Whitley Council.

Nursing Homes

32. **Mr. Andrew Bowden:** To ask the Secretary of State for Social Services what recent representations he has received regarding income support limits for elderly people in residential care and nursing homes.

Mr. Portillo: We have received a number of letters on the levels of the income support limits; in addition I recently met representatives of the National Confederation of Registered Residential Care Homes Associations and this issue was raised.

Blackpool HQ Office

33. **Mr. Holt:** To ask the Secretary of State for Social Services when he will next review the work of his Departments headquarters office at Blackpool; and if he will make a statement.

Mr. Portillo: Under standing management arrangements, the functions, objectives, resources and performance of North Fylde central office are kept under regular review in accordance with the principles of the Government's financial management initiative.

Trent Region (Funding)

35. **Mr. Latham:** To ask the Secretary of State for Social Services if he will make a statement on the funding of the National Health Service in the Trent region in the forthcoming financial year.

Mr. Newton: Trent regional health authority's initial general revenue allocation will be some £1,050 million. This is a cash increase of 6·3 per cent. (1·7 per cent. above forecast general inflation) and will bring the region to within 3 per cent. of its target share of resources. The region will also receive £1·16 million for the treatment and prevention of AIDS and £0·75 million to develop breast cancer screening services. Trent's capital allocation will be over £61 million. Allocations to district health authorities are a matter for the RHA.

Purchasing Procedures

37. **Mr. Cran:** To ask the Secretary of State for Social Services if he will undertake a review of his Department's purchasing procedures with a view to widening access to small suppliers; and if he will make a statement.

Mrs. Currie: We have recently appointed a departmental purchasing adviser, part of whose task is to oversee the implementation of the agreed recommendations of the multi-Department review of purchasing and to review all departmental purchasing and contracting procedures, with specific reference to ensuring equal opportunity for small suppliers. In the National Health Service, a major proportion of suppliers are small firms and we are seeking to develop further opportunities for them, always having regard to the need to obtain value for money, both in departmental and NHS purchasing.

Social Security Reform

39. **Mr. Flannery:** To ask the Secretary of State for Social Services how many families will lose net weekly spending power in April on the basis of the figures given in his answer to the hon. Member for Kensington (Sir B. Rhys Williams) on 4 February, *Official Report*, column *737*.

48. **Mr. Martlew:** To ask the Secretary of State for Social Services how many families will lose net weekly spending power in April on the basis of the figures given in his answer to the hon. Member for Kensington (Sir B. Rhys Williams) on 4 February, *Official Report*, column *737*.

Mr. Scott: The hypothetical examples given in my reply to the hon. Member for Kensington (Sir B. Rhys Williams) on 4 February at columns *737-42* cannot be used to assess the actual impact of the reforms. Nationally representative data reflecting families' actual circumstances give a more balanced picture. I refer the hon. Members to the "Impact of the Reformed Structure of Income-Related Benefits" published last October by the Department. Copies are in the Library.

NHS Buildings (Norfolk)

40. **Mr. Bellingham:** To ask the Secretary of State for Social Services if he has any plans to increase investment in new National Health Services buildings in the Norfolk area.

Mrs. Currie: Investment in new hospital buildings in the Norfolk area is the responsibility of the East Anglian regional health authority. However, my hon. Friend may be aware that the regional health authority has submitted to the Department a proposal to build a second district general hospital in Norwich at a total cost of £50 million.

Private Ambulances

43. **Ms. Ruddock:** To ask the Secretary of State for Social Services if he will provide details of any representations made to him from private companies with regard to alternative arrangements for providing ambulance services.

Mrs. Currie: We have had no direct representations from private companies about existing services; but it is for health authorities to manage ambulance service

provision locally and I refer the hon. Member to my reply to the hon. Member for Norwood (Mr. Fraser) on 1 March 1988 at column *610*.

Nurses (Pay)

46. **Mr. Colvin:** To ask the Secretary of State for Social Services when the review body for nursing staff will report on the nurses' pay award.

Mr. Newton: The nurses' pay review body is expected to report to my right hon. Friend the Prime Minister in April.

NHS Consultants

47. **Mrs. Gillian Shephard:** To ask the Secretary of State for Social Services how many consultants are employed in the National Health Service; and of those how many work in more than one district health authority.

Mr. Newton: At 30 September 1986 there were 14,731 medical and dental consultants employed in NHS hospitals in England. Information is not held centrally on the number of these who work in more than one district health authority.

Health Authorities (Trading of Services)

51. **Mrs. Rosie Barnes:** To ask the Secretary of State for Social Services whether he intends to take any steps to encourage district health authorities to trade services between one another to reduce waiting lists and improve efficiency.

Mr. Newton: As part of our waiting list initiative we are keen to encourage far better use of all health care capacity and this includes one district making use of temporary spare capacity in another for an agreed number of patients at an agreed cost. I wrote to regional chairmen last December pointing out the scope for health authorities to arrange treatment for waiting list patients in this way.

Home Helps

54. **Mr. George Howarth:** To ask the Secretary of State for Social Services how many social service departments provide home help services free of charge; and what number do not.

79. **Mr. Alan W. Williams:** To ask the Secretary of State for Social Services what are the minimum and maximum charges for home help services by social services departments.

Mr. Newton: Local authorities have discretion whether, and to what extent, to charge for home help services. Information about charges is not collected by the Department. However, details are available in "Personal Social Services Statistics, 1985-86, Actuals", published by the Chartered Institute of Public Finance and Accountancy, a copy of which is in the Library.

Social Fund Officers

55. **Mr. Boswell:** To ask the Secretary of State for Social Services what steps he has taken to train social fund officers in their new duties.

Mr. Portillo: I refer my hon. Friend to my reply to the hon. Member for Islington, North (Mr. Corbyn) on 15 December at columns *483-4*.

Consultants (Contracts)

56. **Mr. Heathcoat-Amory:** To ask the Secretary of State for Social Services if he has plans to transfer consultants contracts from regional to district health authorities.

Mr. Newton: We have no plans to do so.

Retail Prices Index (Error)

57. **Mr. Foulkes:** To ask the Secretary of State for Social Services how many representations he has received concerning the decision not to pay £8 additions to recipients with two benefits on one book; from whom he has received the representations; and if he will make a statement.

90. **Mr. Skinner:** To ask the Secretary of State for Social Services what representations he has received seeking full reimbursement to all pensioners and other recipients of state benefits for the computer error made regarding back payments; and if he will make a statement.

Mr. Scott: We have received some 670 representations about the £8 special payments exercise most of which concerned more than one benefit combined on a single order book. By no means all of the individuals concerned have been under-compensated. Most representations were made by individuals through their Members of Parliament; a small proportion wrote directly to the Department.

Disabled People (Discrimination)

59. **Mr. Ingram:** To ask the Secretary of State for Social Services if he has any plans to introduce further legislation further on discrimination against disabled people.

Mr. Scott: No.

77. **Mr. Norman Hogg:** To ask the Secretary of State for Social Services how many cases of discrimination against disabled people have been investigated by his Department; and what the results have been.

102. **Mr. Callaghan:** To ask the Secretary of State for Social Services if his Department is currently investigating any cases of discrimination against disabled people.

Mr. Scott: Since February 1983, when an invitation was extended by my hon. Friend the Member for Hornsey and Wood Green (Sir H. Rossi) for details of alleged discrimination to be submitted, 33 such cases have been referred to the Department.

In those cases where investigations have been completed:

- in six cases, no evidence of discrimination was found;
- in six cases, insufficient information was available to enable inquiries to be completed;
- there were genuine problems of access in four cases;
- three cases involved judgments by a potential employer that the individual's disability adversely affected their ability to perform the job effectively or safely;
- in three cases the problem was resolved in favour of the complainant during the course of our inquiries;
- two cases involved commercial judgments, the basis of which could not effectively be checked;
- one case concerned maritime regulations laid before Parliament;
- one case was a complaint by a disabled person against an employee who was subsequently disciplined by the employer;

one case involved a conflict of opinion over the application of right-to-buy housing legislation;
in one case the Department requested further information from the complainant but received no response;
five cases are under consideration.

Elderly People

62. **Mr. Arbuthnot:** To ask the Secretary of State for Social Services if he will make a statement on the extent of support for elderly people in the United Kingdom; and what equivalent information he has about other European countries.

72. **Mr. Sumberg:** To ask the Secretary of State for Social Services what proportion of gross domestic product in the United Kingdom is spent on support for elderly people; and what equivalent information he has about other countries in the EEC.

Mr. Scott: At the latest date for which full comparable information is available, the United Kingdom devoted 9·6 per cent. of its gross domestic product to the support of the elderly, excluding health care. Information for other EC member states is in the table.

Expenditure on programmes for old age as a proportion of GDP at market prices for EC member states (excluding Greece) in 1983

Country	*Percentage*
Denmark	10·4
France	9·8
United Kingdom	9·6
Italy	9·5
Netherlands	8·6
West Germany	8·6
Luxembourg	7·8
Ireland	6·1
Average	9·3

Source: Eurostat Statistical Bulletin, Social protection Statistics, March 1985.

Note: Figures include state and occupational pensions and cash benefits for the elderly, expenditure on residential and nursing homes, local authority services for the elderly and other expenditure on the elderly, excluding health care and increases in pensions for dependants.

NHS Funding

63. **Mr. Anthony Coombs:** To ask the Secretary of State for Social Services what was the percentage change in (i) National Health Service funding and (ii) employment of medical staff for the years 1980 to 1987 for *(a)* England and Wales and *(b)* the west midlands region.

Mr. Newton: The information requested in respect of the hospital and community health service in England and the west midlands region is shown in the table. Information relating to Wales is a matter for my right hon. Friend the Secretary of State for Wales.

	Percentage change in net revenue expenditure 1980-81 and 1986-87[1]		*Percentage change in whole time equivalent medical staff*[3] *1980 to 1986*
	Cash *Per cent.*	*Real terms*[2] *Per cent.*	*Per cent.*
West Midlands	54·1	8·0	9·7
England	50·0	6·5	8·1

[1] Figures are based on health authorities' summarised income and expenditure accounts.
[2] Adjusted by the gross domestic product deflator.
[3] Includes permanent paid, honorary and locum staff.

Families (Financial Aid)

64. **Mr. David Davis:** To ask the Secretary of State for Social Services how many more families with children will be eligible for targeted financial support following implementation of the Social Security Act 1986.

Mr. Scott: When, in April, income support supersedes supplementary benefit the broad number of recipients caring for dependent children is likely to be unaltered. Some new entitlements are, however, expected because there will be a more generous capital rule allowing those with savings of up to £6,000 to claim. Priority will be given to families with children through a system of special automatic weekly premiums.

Help will also be targeted more effectively on need among working families. Thus, whilst 300,000 families may lose entitlement to housing benefit, 270,000 more families are expected to receive the new and more generous family credit when it replaces family income supplement. In total, 470,000 families are expected to receive family credit.

Overall, and in addition to the transitional arrangements providing cash protection for those families who might receive less by way of income support and family credit, the weekly net disposable incomes of low income families with children will rise by around £200 million annually.

Obstetric Units

70. **Mr. Michael McNair-Wilson:** To ask the Secretary of State for Social Services what discussions he has had with the professional bodies representing anaesthetists and obstetricians about maintaining flying squad services to small obstetric units.

Mrs. Currie: Responsibility for determining the pattern of maternity care rests with individual health authorities. General guidelines on clinical operational and medical cover for maternity units are contained in the second and third reports of the maternity services advisory committee, which have been commended to health authorities for action. The guidance further states that the policies should be regularly updated and agreed with senior members of the professions involved.

71. **Mr. Fallon:** To ask the Secretary of State for Social Services if he will set out the functions currently exercised by regional health authorities.

Mrs. Currie: Under the terms of the NHS Act 1977 (as amended) regional health authorities act as agents of the Secretary of State in contributing to the provision of a comprehensive health service in England. Their specific functions are detailed in various statutory instruments and health circulars, but in general each RHA is responsible, within national guidelines, for the policies and strategic plans for health services in its region. The RHA's allocate resources to and monitor the performance of their district health authorities in achieving agreed objectives. They are the design and contracting authority for major capital developments and provide certain regional services such as the blood transfusion service, management services and in some cases, ambulance services. Regional health authorities also hold the contacts of consultants not working in teaching districts.

Foster Parents

76. **Mr. Flynn:** To ask the Secretary of State for Social Services what resources his Department plans to provide to train foster parents dealing with children involved in suspected cases of non-accidental injury.

Mr. Newton: The training of foster parents is a matter for individual local authorities who set their own priorities in relation to available resources. However, we recognise that there may be a need to develop new training materials for use in the preparation of foster parents who will be having abused children placed in their homes, and we are considering this for the inclusion in the Government's central child abuse training initiative.

Staff Shortages

80. **Mr. Dykes:** To ask the Secretary of State for Social Services if he will make a statement on the representations made by hon. Members concerning staff shortages in local benefit offices of his Department.

Mr. Portillo: The complementing system for local offices aims to match staff and work loads, and I am satisfied that, overall, this aim has been achieved. Inevitably, there will be some local offices where, on occasions, factors such as higher than anticipated turnover of staff will lead to a temporary shortfall. However, I am confident that appropriate steps are taken by local management to make good these shortfalls as soon as possible.

Benefits and Rebates

82. **Mr. Blunkett:** To ask the Secretary of State for Social Services if he will make a statement on the likely effects on the physical and moral well-being of individuals and on family life, of the combined effect of differential rates of social security benefits and proposed community charge rebates, for those aged under and over 25 years.

Mr. Scott: Whereas the present supplementary benefit scheme has differential rates of benefit for householders and non-householders, which may encourage young people to leave home, the new income support scheme will have rates of benefit which will vary according to age and family status. People under 18 will not be liable to pay the community charge. Those young people who are liable will be helped, in the same way as anyone else, through a new community charge rebate scheme and the help towards the 20 per cent. minimum contribution which will be built into income-related benefit levels. The new arrangements are not expected to affect adversely family life or the well-being of individuals.

Southend Office

83. **Dr. Michael Clark:** To ask the Secretary of State for Social Services what has been the total value of the benefits administered by the Southend office of his Department during the last 12 months for which figures are available.

Mr. Portillo: I regret that the information is not available. For those benefits administered by the Department's local offices, there is no routine collection of information about the value of benefits paid to beneficiaries in the area; an estimate could be given only after a costly special exercise.

Patient Care

86. **Mr. Gerald Howarth:** To ask the Secretary of State for Social Services how much extra money has been made available for patient care as a result of contracting-out National Health Service services.

Mrs. Currie: As at December 1987 cumulative annual savings of some £105 million had been generated from contracts awarded following competitive tendering for domestic cleaning, catering and laundry services. Information is not held centrally on other contracting out.

Hospital Facilities

87. **Mr. Parry:** To ask the Secretary of State for Social Services if he has any plans to visit Liverpool to inspect National Health Service hospital facilities.

Mrs. Currie: We have no plans at present to visit hospital premises in Liverpool.

Salaries and Wages

88. **Mr. Chapman:** To ask the Secretary of State for Social Services what is his latest estimate of the percentage of the total cost of the National Health Service which is allocated to salaries and wages; and what was the overall average percentage increase in salaries and wages in the last 12 months.

Mr. Newton: The summarised accounts of regional and district health authorities in England for 1986-87 (the latest year available) show that 74·5 per cent. of their total revenue expenditure was incurred on gross salaries and wages costs (including employer's national insurance and superannuation contributions and expenditure on non-National Health Service, agency, etc., staff). Between 1985-86 and 1986-87 health authorities' total expenditure on salaries and wages increased in cash terms by 8·0 per cent. Equivalent information for 1987-88 will not be available until the autumn.

Committee on Food Policy

89. **Mr. Simon Coombs:** To ask the Secretary of State for Social Services if he will make a statement on the current work of the Chief Medical Officer's committee on food policy.

Mrs. Currie: The work currently being undertaken by the Chief Medical Officer's Committee on Medical Aspects of Food Policy through its panels, working groups and sub-committees includes:

- a continuing review of matters relating to infant and child nutrition, with particular reference to ways of promoting breastfeeding; as recommended in the COMA report "Present day practice in Infant Feeding: Third Report" published in February 1988;
- a continuing review of the relationship between diet and cardiovascular disease; as recommended in the COMA report on "Diet and Cardiovascular Disease" published in 1984;
- a study of the rate of growth and achieved height of primary schoolchildren aged 5 to 11, with special reference to inner city and ethnic minority groups;
- special consideration of the nutritional status of children in families in "bed and breakfast" accommodation;
- review of the recommended daily amounts for energy and nutrients, embracing protein, vitamins, minerals, fat, carbohydrate, dietary fibre; this panel was set up on 28 September 1987;
- the relationships, if any, between dietary sugars and disease; this panel was set up on 19 March 1987;
- completion of detailed analysis of data from the 1984 survey of schoolchildren's diets;
- analysis of the data from the 1986-87 survey of adult nutritional status and diets, in collaboration with MAFF and OPCS;
- preparation of the third report of the sub-committee on nutritional surveillance, a summary of which is expected shortly.

We are most grateful to all the members of COMA for their efforts.

Griffiths Report

91. **Mr. Alfred Morris:** To ask the Secretary of State for Social Services when he received the Griffiths report; when the report will be published; and if he will make a statement.

Mr. Wigley: To ask the Secretary of State for Social Services whether the Griffiths report on community care will be published in full; and if he will make a statement on the delays that have held up his publication of the report.

Mr. Ieuan Wyn Jones: To ask the Secretary of State for Social Services if he has yet received the report by Sir Roy Griffiths on care in the community; and if he will make a statement.

Mr. Moore: I have received Sir Roy Griffiths' report. I am arranging for publication on 16 March and copies will then be placed in the Libraries of both Houses.

The report makes wide-ranging proposals affecting the responsibilities of local government; individuals' social security entitlements; central funding and control of community care services; and aspects of the social fund.

The Government will be considering the proposals, taking account of the report of the committee chaired by Lady Wagner on residential care which the National Institute for Social Work is publishing tomorrow, and of reactions to both reports; and will bring forward their own proposals in due course.

Speech Therapists

92. **Mr. Beith:** To ask the Secretary of State for Social Services how many health authorities are currently unable to recruit their full establishment of speech therapists.

Mr. Newton: I refer the hon. Member to my reply to my hon. Friend the Member for Wolverhampton, North-East (Mrs. Hicks) on 29 February at column *463*.

Child Care

93. **Miss Lestor:** To ask the Secretary of State for Social Services when he expects to be in a position to announce what further action is planned on child care law, following the suggestion contained in the Government's White Paper issued in January 1987.

Mr. Newton: I refer the hon. Member to my reply to my hon. Friend the Member for Surrey, South West (Mrs. Bottomley) on 28 October 1987 at columns *307-8*.

No-fault Drug Damage Compensation Scheme

94. **Mr. Ashley:** To ask the Secretary of State for Social Services if he will initiate discussions with the Association of British Pharmaceutical Industries regarding the establishment of a no-fault drug damage compensation scheme.

Mr. Newton: We have no plans to do so. The Government have already introduced changes, which took effect from 1 March 1988 through the Consumer Protection Act 1987, to remove the need for an individual to prove negligence in establishing liability where it can be shown that a defective medicinal product caused personal injury. It must be for the pharmaceutical industry to decide whether it wishes to set up its own no-fault drug compensation scheme.

Physiotherapists

95. **Mr. Janner:** To ask the Secretary of State for Social Services what steps he is taking to encourage the recruitment and training of physiotherapists.

Mr. Newton: The manpower planning advisory group which advises the NHS management board and regional chairmen on NHS manpower issues, has recently established a joint consultative group with the Chartered Society of Physiotherapy which is considering supply and demand in the profession as a matter of priority. When the results of that study are known, consideration will be given to preparation of appropriate advice to NHS authorities on recruitment and training.

Non-accidental Injuries (Investigations)

96. **Mr. O'Brien:** To ask the Secretary of State for Social Services what amounts of resources his Department plans to provide to train social workers in investigating suspected cases of non-accidental injury.

Mr. Newton: The Department makes grants available to Central Council for Education and Training in Social Work which has within its programme work to develop child care training. We have also set up a centrally funded interdisciplinary training initiative as announced on 30 October 1986 and 8 April 1987 at a cost of £500,000.

Several of the six projects so far established will be of benefit to social workers. Other projects are under consideration.

Free School Milk and Meals

97. **Mrs. Maureen Hicks:** To ask the Secretary of State for Social Services what provision has been made for pupils currently entitled to free school milk and free school lunches whose parents will be in receipt of income support after April.

Mr. Portillo: I refer my hon. Friend to my reply to her on 26 February 1988 at column *361*.

Patient Statistics

99. **Mr. Knox:** To ask the Secretary of State for Social Services how many patients were treated in National Health Service hospitals in the most recent year for which figures are available; and what was the comparable figure for 1978-79.

Mrs. Currie: I refer my hon. Friend to my reply to my hon. Friend the Member for Skipton and Ripon (Mr. Curry) on 24 November at columns *168-69*.

State Pensions

100. **Mr. Patrick Thompson:** To ask the Secretary of State for Social Services what information he has as to how many countries in the European Economic Community pay a basic pension of equal value to all or most elderly people.

Mr. Scott: Denmark and the United Kingdom pay flat-rate pensions to almost all pensioners, plus earnings-related additions. Ireland and the Netherlands pay flat-rate pensions to those who have satisfied contribution conditions, but do not pay separate pensions to married women without a contribution record of their own. The Netherlands also has an earnings-related top-up. Other EC countries have earnings-related pension systems in which the level of final pension depends on the individual's own average earnings and contribution record. Some have thresholds to ensure that no contributor falls below a minimum regardless of actual earnings-related entitlement. Separate pensions are not available in other EC countries to wives without a contribution record.

New Social Security Legislation

104. **Dr. Reid:** To ask the Secretary of State for Social Services what representations he has received from Strathclyde regional council on the impact of the new social security legislation.

Mr. Portillo: We have no record of any formal representations having been received from Strathclyde regional council during 1988. Last year, Strathclyde regional council made representations on the consultative draft social fund manual.

Transitional Payments

105. **Mr. Dunnachie:** To ask the Secretary of State for Social Services if he will make a statement on preparations for the implementation of transitional payments under the new social security legislation.

Mr. Scott: The assumptions used in estimating the number and level of transitional additions payable at the implementation of income support and family credit are outlined in the explanatory notes to the tables in "Impact of the Reformed Structure of Income-Related Benefits", a copy of which is available in the Library. For income support the data source was the 1986 "Annual Statistical Enquiry;" for family credit it was the family expenditure surveys for 1983, 1984 and 1985.

The estimated number of claimants in Great Britain who will receive a transitional addition at the point of change is 1·4 million.

Young Children (Poisoning)

98. **Mr. Hannam:** To ask the Secretary of State for Social Services what further action is being considered to deal with the continued admissions to hospital of very young children with suspected poisoning.

Mr. Bright: To ask the Secretary of State for Social Services whether in view of the continuing incidents of child poisoning, he will take steps to provide an increased protection for children by establishing safety standards for blister and strip packaging for medical tablets.

Mr. Alfred Morris: To ask the Secretary of State for Social Services (1) whether, in view of the continuing incidence of child poisoning, he will take steps to provide increased protection for children by establishing safety standards for blister and strip packaging for medical tablets;

(2) whether he will give the statistics from 1977 until the most recent date of young children admitted to hospital for in-patient and out-patient treatment as a result of poisoning or suspected poisoning;

(3) whether he will publish information indicating the results of the introduction of child-resistant closures for medicines and the numbers of children admitted to hospital for treatment for poisoning;

(4) what further action is being considered to deal with the continued admission to hospital of very young children with suspected child poisoning;

(5) if he will receive a deputation from the campaign for safety standards in child-resistant packaging;

(6) whether he will establish a system of monitoring and testing strip and blister packaging to ensure child safety.

Mr. Newton *[holding answer 26 February 1988]:* The Government have emphasised the importance of preventive services generally and specifically asked health authorities to develop local strategies for reducing accidents in the home. We also fund the child accident prevention trust, which collects and disseminates information about accidents to children including information on accidental poisonings. We consider that future action must continue to concentrate on prevention and education.

Our proposals for improved labelling of medicines include a clearer reminder to parents that all medicines should be kept away from children.

The present arrangements are as follows. Under the Medicines (Child Safety) Regulation 1975, as amended, solid dose aspirin and paracetamol are to be supplied retail only in reclosable child resistant containers complying with BS 6652 or in dark or opaque strip or blister packs.

The Pharmaceutical Society has since 1981 advised pharmacists to apply the same arrangements to all dispensed solid-dose medicines, unless the patient specifically requests otherwise. In addition, all aspects of safety including quantity, labelling, and packaging are considered before decisions are taken to licence medicines for the market.

Information about the effectiveness of child-resistant packaging has already been published in "Accidental Poisoning in Childhood: A Multicentre Survey" (Human Toxicology, Vol. 6, No. 4, p. 293-31, July 1987). This also emphasised the importance of secure home storage away from children and called for the development of standards of child resistance of packs.

The industry has communicated its guidelines for the design of unit dose packs to the British Standards Institution which is considering them with a view to development of a standard or code of practice. We shall take a close interest in the progress of the work at the institution and will consider actively its conclusions when available.

Should the campaign to which the right hon. Member refers, wish to put particular proposals to us, I should be happy to examine them and to consider whether a meeting might be helpful.

Available information about in-patients aged 0 to 4 treated for the effects of poisoning is given in tables 1 and 2.

Information about out-patients is not available centrally.

Table 1

Estimated number of discharges (including deaths in hospital of in-patients aged 0-4 with main diagnosis of poisoning by drugs, medicaments and biological substances[1], non-psychiatric hospitals, England, 1977-85

Year	Age Group 0-4 years
1977	17,600
1978	14,870
1979	13,900
1980	12,960
1981	13,810
1982	13,580
1983	13,820
1984	13,380
1985	12,290

[1] 1979-85 ICD Codes 960-989 (International Classification of Diseases; 9th Revision)
1975-78 ICD Codes N960-N989 (International Classification of Diseases; 8th Revision)

Table 2

Estimated number of discharges (including deaths in hospital of in-patients aged 0-4 with main diagnosis of poisoning by drugs, medicaments and Biological substances[1], non-psychiatric hospitals, England, 1975-85

Year	Age Group 0-4 years
1975	14,520
1976	12,640
1977	10,910
1978	8,700
1979	8,540
1980	7,800
1981	8,600
1982	8,460
1983	8,240
1984	8,190
1985	7,850

[1] 1979-85 ICD Codes 960-979 (International Classification of Diseases; 9th Revision)
1975-78 ICD Codes N960-N979 (International Classification of Diseases; 8th Revision)

Contract Cleaning

58. **Mr. Hayes:** To ask the Secretary of State for Social Services when he last met representatives of the contract cleaning industry.

Mr. John Moore: I refer my hon. Friend to my reply to my hon. Friend the Member for Fylde (Mr. Jack) earlier today.

Hospital Waiting Lists

Mr. Goodlad: To ask the Secretary of State for Social Services what are the current waiting lists for *(a)* examinations, *(b)* operations and *(c)* beds in each specialty in each hospital in (i) the Crewe, (ii) the Chester and (iii) the Halton health districts.

Mr. Newton: I am sorry I cannot give my hon. Friend all the information he seeks. The available information is given in the table. It should be noted that in certain specialities a clinician may maintain a waiting list which is common to more than one hospital within a district health authority.

In-patient waiting lists as at 31 December 1986, by hospital, Chester, Crewe and Halton health authorities

Health authority and hospital	Specialty	Waiting list
Chester		
Chester Royal Infirmary	General surgery	973
	Ear Nose and Throat	48
	Traumatic and Orthopaedic	342
	Opthalmology	278
	Oral surgery	121
	Gynaecology	402
	Total	2,164
Chester City Hospital	Total	0
Ellesmere Port Hospital	Total	0
The Countess of Cheshire Hospital, Psychiatric Wing	Mental illness	20
	Adolescent psychiatry	1
	Total	21
The Countess of Cheshire Hospital, General wing and Maternity wing.	Total	0
The Manor Hospital	Total	0
Crewe		
Leighton Hospital	General medicine	1
	General surgery	1,509
	Ear Nose and Throat	191
	Traumatic and Orthopaedic	333
	Opthalmology	217
	Urology	665
	Oral surgery	297
	Gynaecology	796
	Total	4,009
Victoria Infirmary	Total	0
Tarporley War Memorial Hospital	Total	0
Barony Hospital	Total	0
Oakmere Rehabilitation Centre	Total	0
Cranage Hall Hospital	Mental handicap	2
	total	2
Ardfid	Total	0
Grange Hospital (Weaverham)	Total	0

Health authority and hospital	Specialty	Waiting list
Halton		
Crossley Hospital	Total	0
Crow Wood Hospital	Total	0
Dutton Hospital	Total	0
Halton General	General medicine	1
	General surgery	153
	Urology	34
	Total	188
Highfield Hospital	Total	0
Community Mental Handicap Unit	Total	0

Mr. Boyes: To ask the Secretary of State for Social Services what are the figures for Sunderland health authority's in-patient waiting lists for each of the years from 1979 to the latest years for which figures are available.

Mr. Newton: The information requested is given in the table.

Sunderland District Health Authority in-patient waiting list figures at 31 March, 1979 to 1987.

Year	Patients on waiting list
1979	5,549
1980	4,385
1981	4,195
1982	3,516
1983	5,254
1984	4,411
1985	3,851
1986	3,890
1987	3,659

Mr. Campbell: To ask the Secretary of State for Social Services what information he was on the waiting list *(a)* for out-patient examinations and *(b)* for in-patient surgery, in the Northern regional health authority.

Mr. Newton: The latest available information about NHS waiting lists is contained in the summary booklet, "Hospital in-patient waiting list—England at 31 March 1987," copies of which have been placed in the Library. Information about out-patient waiting lists is not held centrally.

Abortions

Mr. Robert B. Jones: To ask the Secretary of State for Social Services if he will list the number of abortions carried out on each day of January for *(a)* 1984, *(b)* 1985, *(c)* 1986, *(d)* 1987 and *(e)* 1988.

Mr. Newton: The number of notifications of abortions carried out on each day of January, England and Wales 1984-87 was as follows:

January	1984	1985	1986	[1]1987
1	1	6	46	10
2	32	410	532	545
3	431	451	551	295
4	482	499	293	109
5	509	307	112	471
6	556	59	472	497
7	343	418	434	486
8	126	428	512	583
9	528	415	530	598
10	519	594	614	330
11	468	572	356	138
12	557	382	134	544
13	628	134	572	504
14	364	530	535	493
15	144	522	527	533
16	610	497	619	586
17	594	627	653	312
18	537	613	383	127
19	635	394	139	589
20	661	140	599	543
21	353	597	559	518
22	149	552	573	646
23	646	590	644	614
24	574	636	643	368
25	532	619	381	132
26	624	369	186	643
27	667	156	663	562
28	343	571	581	588
29	143	571	551	661
30	599	552	695	674
31	559	655	666	365

[1] Provisional.

NHS (Administrative Costs)

Mr. Ralph Howell: To ask the Secretary of State for Social Services if he will show the total expenditure on National Health Service administrative and clerical staff for each of the years 1974, 1984, 1985 and 1986; and if he will also estimate National Health Service administrative overheads for each of these years.

Mr. Newton: Following is information, covering both hospital and community health services and family practitioner services, derived from annual accounts submitted to the Department:

	Expenditure on headquarters administration £000	Expenditure on salaries and wages administrative and clerical staff £000
1974-75	128,788	210,628
1984-85	444,016	797,761
1985-86	479,047	839,180
1986-87	516,624	905,833

Sources:

Annual financial accounts of:

(i) regional and district health authorities and the special health authorities for the London postgraduate teaching hospitals. (predecessor authorities for 1974-75);

(ii) family practitioner committees;

(iii) the Dental Estimates Board and the Prescription Pricing Authority.

Notes:

1. Expenditure on headquarters administration includes all current expenditure on the pay and pay related costs of staff of all disciplines (including general managers) employed at headquarters levels and their office costs and overheads. It excludes the cost of clerical and secretarial support staff employed in departments at hospital and unit levels: such costs are regarded as operational.

2. The figures for headquarters administration also include the total expenses of the Dental Estimates Board and the Prescription Pricing Authority which are regarded as wholly administrative.

3. The figures for expenditure on the salaries and wages of administrative and clerical staff include:

(i) the gross pay and employers' national insurance and superannuation contributions for all grades of National Health Service administrative and clerical staff employed at all levels;

(ii) the total expenditure on the employment of all non-National Health Service (agency, etc) administrative and clerical staff;

(iii) the total pay costs of the Dental Estimates Board and the Prescription Pricing Authority which are predominantly for

administrative and clerical staff but include a small element for other staff categories which is not separately identifiable.

4. All expenditure by other bodies and special health authorities providing central services to the National Health Service (eg the Central Blood Laboratories Authority) and expenditure met centrally by the Department is excluded.

Staff

Ms. Harman: To ask the Secretary of State for Social Services if he will list the cost of employing *(a)* directly employed staff, *(b)* temporary directly employed staff and *(c)* agency staff as (i) nurses, (ii) midwives, (iii) junior doctors and (iv) ancillary staff.

Mr. Newton: Following is information derived from summarised annual accounts of health authorities in England for 1986-87 (the latest year available):

	Expenditure £000
Total directly employed National Health Service staff salaries and wages	7,532,513
Non NHS staff (agency etc.)	
(a) All nursing staff (including midwives)	70,788
(b) Medical staff (all grades)	26,064
(c) Ancillary staff	6,359

Supplementary information within the accounts of health authorities show that of the total directly employed National Health Service staff salaries and wages for medical staff (£1,067·5 million) and dental staff (£54·6 million) some £42·3 million and £0·8 million respectively related to locum staff. Otherwise, the annual accounts do not separately identify the costs of directly employed staff engaged on a temporary basis nor the costs of agency midwives and junior doctors.

Midwives

Ms. Harman: To ask the Secretary of State for Social Services if he will give, for each district health authority, regional health authority and special health authority, and the total for England as a whole *(a)* the number of agency midwives employed and *(b)* the amount spent on agency midwives in the latest available year, for the previous year and for 1979.

Mr. Newton: The number of agency midwifery staff in each region, special health authority and England at September 1979, 1985 and 1986 is given in the table. Similar information for September 1987 is not yet available. Information by district health authority is available only from 1982 and could be provided only at disproportionate cost.

Expenditure specifically for agency midwives is not available centrally.

NHS midwifery agency staff: 30 September
Whole-time equivalents[1]

Region	*1979*	*1985*	*1986*
Northern	2	—	—
Yorkshire	—	1	1
Trent	—	—	—
East Anglian	4	6	1
North West Thames	30	58	31
North East Thames	43	66	130
South East Thames	62	81	94
South West Thames	49	26	26
Wessex	2	3	—
Oxford	3	—	—
South Western	16	1	—
West Midlands	9	4	10
Mersey	—	—	2
North Western	—	—	—
London Postgraduate Special Health Authorities	12	15	8
England: Total	231	281	303

Source: DHSS Annual census of NHS non-medical manpower.
[1]Figures are independently rounded to the nearest whole-time equivalent.

Charing Cross Hospital

Mr. Soley: To ask the Secretary of State for Social Services what was the saving to the district health authority which was estimated in the original feasibility study on the re-building of Charing Cross hospital; and what has the eventual saving actually been.

Mrs. Currie: Responsibility for the planning and construction of health buildings is delegated to regional health authorities. The hon. Member may wish to approach the regional chairman of the North-West Thames regional health authority to inquire what information is available.

Long-term Disabled

Mr. Bowis: To ask the Secretary of State for Social Services what special arrangements he is making to assist the long-term disabled when the new benefit system comes into effect in April.

Mr. Scott: Under the new benefit system, income support replaces supplementary benefit from 11 April. Claimants who, or whose partners receive attendance allowance, mobility allowance, invalidity benefit or severe disablement allowance or are blind, will qualify for the disability premium, as will claimants who have been sick for at least 28 weeks. The premium will be £13·05 for a single person and £18·60 for a couple. Claimants who are, or whose partner is, aged 60 or over and receive one of these qualifying benefits or are blind, will qualify for the higher pensioner premium which is payable at the same rate; so too will claimants who, immediately before their 60th birthday, were receiving the disability premium. People entitled to the disability premium who work part-time will be entitled to the higher (£15) earnings disregard. In addition, the severe disability premium will be paid to claimants who receive attendance allowance, live independently in the community and are not cared for by someone receiving invalid care allowance. This premium is £24·75 for a single person and £49·50 for couples both of whom satisfy the conditions. The same provisions will exist in the new housing benefit cheme.

There will be no limit on the number of hours mentally or physically disabled people can work and remain entitled to income support if their earning capacity is reduced to 75 per cent. or less of what they would otherwise earn. Normally people who work 24 hours or more a week on average will not be entitled.

We also intend to establish a special fund to enable very severely disabled people to live independently.

We will look again at provisions for disabled people when the results of the survey into disability being carried out by the Office of Population Censuses and Surveys are known.

Spending Power

Mr. Ralph Howell: To ask the Secretary of State for Social Services if he will publish tables similar to his Department's tax/benefit model table showing the net weekly spending power for each of *(a)* a single person, *(b)* a married couple with no children, *(c)* a couple with a child aged 11 years, *(d)* a couple with two children aged eight and 11 years, *(e)* a couple with three children aged eight, 11 and 15 years and *(f)* a couple with four children aged three, eight, 11 and 15 years, with weekly earnings of (i) £60, (ii) £70, (iii) £80, (iv) £90, (v) £110, (vi) £120, (vii) £130, (viii) £140, (ix) £150, (x) £160 and (xi) £170 under *(a)* the existing tax and benefit system and *(b)* the new system to be implemented in April.

Mr. Scott: The information requested is set out in the tables. It should be noted that the results are hypothetical in two senses. First, the results are based on average local authority rents and rates and do not present a balanced picture reflecting peoples actual family circumstances and housing arrangements. For example, larger families composed of older children are not included. Similarly, mortgagors, outright owners and non-householders are excluded. A half of the family credit recipient population are unlikely to be rent payers. Second, the other assumptions used are those set out in "Impact of the Reformed Structure of Income-Related Benefits", October 1987.

Existing tax and benefit system
Single person
Income and means tested benefits
Family head in full-time work

Tax threshold: £48·17

Earnings head	*Tax*	*National insurance*	*Family income supplement*	*Child benefit*	*Rent*	*Rent rebate*	*Rates*	*Rate rebate*	*Fares to work*	*Free school meals*	*Free welfare milk*	*Net weekly spending power*
60·00	3·19	3·00	0·00	0·00	15·94	11·99	8·45	4·78	5·85	0·00	0·00	40·34
70·00	5·89	4·90	0·00	0·00	15·94	9·47	8·45	3·96	5·85	0·00	0·00	42·40
80·00	8·59	5·60	0·00	0·00	15·94	6·17	8·45	2·66	5·85	0·00	0·00	44·40
90·00	11·29	6·30	0·00	0·00	15·94	2·87	8·45	1·36	5·85	0·00	0·00	46·40
110·00	16·69	9·90	0·00	0·00	15·94	0·00	8·45	0·00	5·85	0·00	0·00	53·17
120·00	19·39	10·80	0·00	0·00	15·94	0·00	8·45	0·00	5·85	0·00	0·00	59·57
130·00	22·09	11·70	0·00	0·00	15·94	0·00	8·45	0·00	5·85	0·00	0·00	65·97
140·00	24·79	12·60	0·00	0·00	15·94	0·00	8·45	0·00	5·85	0·00	0·00	72·37
150·00	27·49	13·50	0·00	0·00	15·94	0·00	8·45	0·00	5·85	0·00	0·00	78·77
160·00	30·19	14·40	0·00	0·00	15·94	0·00	8·45	0·00	5·85	0·00	0·00	85·17
170·00	32·89	15·30	0·00	0·00	15·94	0·00	8·45	0·00	5·85	0·00	0·00	91·57

New System from April 1988
Single Person
Income and means tested benefits
Family head in full-time work

Tax threshold: £48·17

Earnings head	*Tax*	*NI*	*Family credit*	*Child benefit*	*Rent*	*Rent rebate*	*Rates*	*Rate rebate*	*Fares to work*	*Net Weekly spending power*
60·00	3·19	3·00	0·00	0·00	15·94	5·93	8·45	2·25	5·85	31·75
70·00	5·89	4·90	0·00	0·00	15·94	2·42	8·45	1·17	5·85	32·56
80·00	8·59	5·60	0·00	0·00	15·94	0·00	8·45	0·00	5·85	35·57
90·00	11·29	6·30	0·00	0·00	15·94	0·00	8·45	0·00	5·85	42·17
110·00	16·69	9·90	0·00	0·00	15·94	0·00	8·45	0·00	5·85	53·17
120·00	19·39	10·80	0·00	0·00	15·94	0·00	8·45	0·00	5·85	59·57
130·00	22·09	11·70	0·00	0·00	15·94	0·00	8·45	0·00	5·85	65·97
140·00	24·79	12·60	0·00	0·00	15·94	0·00	8·45	0·00	5·85	72·37
150·00	27·49	13·50	0·00	0·00	15·94	0·00	8·45	0·00	5·85	78·77
160·00	30·19	14·40	0·00	0·00	15·94	0·00	8·45	0·00	5·85	85·17
170·00	32·89	15·30	0·00	0·00	15·94	0·00	8·45	0·00	5·85	91·57

Existing tax and benefit system: Married Couple
Income and means tested benefits
Family head in full-time work

Tax threshold: £75·48

Earnings head	*Tax*	*NI*	*FIS*	*Child benefit*	*Rent*	*Rent rebate*	*Rates*	*Rate rebate*	*Fares to work*	*Free school meals*	*Free welfare milk*	*Net weekly spending power*
60·00	0·00	3·00	0·00	0·00	15·94	15·94	8·45	6·67	5·85	0·00	0·00	49·37
70·00	0·00	4·90	0·00	0·00	15·94	13·48	8·45	5·89	5·85	0·00	0·00	56·23

Earnings head	Tax	NI	FIS	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Free school meals	Free welfare milk	Net weekly spending power
80·00	1·22	5·60	0·00	0·00	15·94	12·98	8·45	5·09	5·85	0·00	0·00	61·01
90·00	3·92	6·30	0·00	0·00	15·94	10·48	8·45	4·29	5·85	0·00	0·00	64·31
110·00	9·32	9·90	0·00	0·00	15·94	4·17	8·45	1·88	5·85	0·00	0·00	66·59
120·00	12·02	10·80	0·00	0·00	15·94	0·87	8·45	0·58	5·85	0·00	0·00	68·39
130·00	14·72	11·70	0·00	0·00	15·94	0·00	8·45	0·00	5·85	0·00	0·00	73·34
140·00	17·42	12·60	0·00	0·00	15·94	0·00	8·45	0·00	5·85	0·00	0·00	79·74
150·00	20·12	13·50	0·00	0·00	15·94	0·00	8·45	0·00	5·85	0·00	0·00	86·14
160·00	22·82	14·40	0·00	0·00	15·94	0·00	8·45	0·00	5·85	0·00	0·00	92·54
170·00	25·52	15·30	0·00	0·00	15·94	0·00	8·45	0·00	5·85	0·00	0·00	98·94

New system from April 1988
Married couple
Income and means tested benefits family head in full-time work

Tax threshold: £75·48

Earnings head	Tax	NI	Family credit	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Net weekly spending power
60·00	0·00	3·00	0·00	0·00	15·94	15·94	8·45	5·34	5·85	48·04
70·00	0·00	4·90	0·00	0·00	15·94	13·57	8·45	4·61	5·85	53·04
80·00	1·22	5·60	0·00	0·00	15·94	8·32	8·45	2·99	5·85	54·25
90·00	3·92	6·30	0·00	0·00	15·94	4·03	8·45	1·67	5·85	55·24
110·00	9·32	9·90	0·00	0·00	15·94	0·00	8·45	0·00	5·85	60·54
120·00	12·02	10·80	0·00	0·00	15·94	0·00	8·45	0·00	5·85	66·94
130·00	14·72	11·70	0·00	0·00	15·94	0·00	8·45	0·00	5·85	73·34
140·00	17·42	12·60	0·00	0·00	15·94	0·00	8·45	0·00	5·85	79·74
150·00	20·12	13·50	0·00	0·00	15·94	0·00	8·45	0·00	5·85	86·14
160·00	22·82	14·40	0·00	0·00	15·94	0·00	8·45	0·00	5·85	92·54
170·00	25·52	15·30	0·00	0·00	15·94	0·00	8·45	0·00	5·85	98·94

Existing tax and benefit system: Married couple with one child aged 11
Income and means tested benefits
Family head in full-time work

Tax threshold: £75·48

Earnings head	Tax	NI	FIS	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Free school meals	Free welfare milk	Net weekly spending power
60·00	0·00	3·00	29·30	7·25	17·82	13·87	9·28	5·52	5·85	2·55	0·00	82·54
70·00	0·00	4·90	24·30	7·25	17·82	12·62	9·28	5·12	5·85	2·55	0·00	83·99
80·00	1·22	5·60	19·30	7·25	17·82	11·37	9·28	4·72	5·85	2·55	0·00	85·42
90·00	3·92	6·30	14·30	7·25	17·82	9·93	9·28	4·20	5·85	2·55	0·00	85·06
110·00	9·32	9·90	4·30	7·25	17·82	6·63	9·28	2·90	5·85	2·55	0·00	81·46
Mandatory provision of free school meals ceases												
120·00	12·02	10·80	0·00	7·25	17·82	4·75	9·28	2·16	5·85	0·00	0·00	78·39
130·00	14·72	11·70	0·00	7·25	17·82	1·45	9·28	0·86	5·85	0·00	0·00	80·19
140·00	17·42	12·60	0·00	7·25	17·82	0·00	9·28	0·00	5·85	0·00	0·00	84·28
150·00	20·12	13·50	0·00	7·25	17·82	0·00	9·28	0·00	5·85	0·00	0·00	90·68
160·00	22·82	14·40	0·00	7·25	17·82	0·00	9·28	0·00	5·85	0·00	0·00	97·08
170·00	25·52	15·30	0·00	7·25	17·82	0·00	9·28	0·00	5·85	0·00	0·00	103·48

New System from April 1988
Married couple with one child aged 11
Income and means tested benefits
Family head in full-time work

Tax threshold: £75·48

Earnings head	Tax	NI	Family credit	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Net weekly spending power
60·00	0·00	3·00	39·62	7·25	17·82	4·71	9·28	1·97	5·85	77·60
70·00	0·00	4·90	33·95	7·25	17·82	3·13	9·28	1·48	5·85	77·96
80·00	1·22	5·60	28·29	7·25	17·82	1·56	9·28	1·00	5·85	78·33
90·00	3·92	6·30	23·67	7·25	17·82	0·00	9·28	0·60	5·85	78·35
110·00	9·32	9·90	15·97	7·25	17·82	0·00	9·28	0·00	5·85	81·05
120·00	12·02	10·80	11·49	7·25	17·82	0·00	9·28	0·00	5·85	82·97

Earnings head	Tax	NI	Family credit	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Net weekly spending power
130·00	14·72	11·70	7·01	7·25	17·82	0·00	9·28	0·00	5·85	84·89
140·00	17·42	12·60	2·53	7·25	17·82	0·00	9·28	0·00	5·85	86·81
150·00	20·12	13·50	0·00	7·25	17·82	0·00	9·28	0·00	5·85	90·68
160·00	22·82	14·40	0·00	7·25	17·82	0·00	9·28	0·00	5·85	97·08
170·00	25·52	15·30	0·00	7·25	17·82	0·00	9·28	0·00	5·85	103·48

Existing tax and benefit system:
Married couple with two children aged 8 and 11
Income and means tested benefits
Family head in full-time work

Tax threshold: £75·48

Earnings head	Tax	NI	FIS	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to Work	Free school meals	Free welfare milk	Net weekly spending power
60·00	0·00	3·00	35·50	14·50	19·12	15·18	9·80	6·00	5·85	5·10	0·00	98·51
70·00	0·00	4·90	30·50	14·50	19·12	13·93	9·80	5·60	5·85	5·10	0·00	99·96
80·00	1·22	5·60	25·50	14·50	19·12	12·68	9·80	5·20	5·85	5·10	0·00	101·39
90·00	3·92	6·30	20·50	14·50	19·12	11·42	9·80	4·79	5·85	5·10	0·00	101·32
110·00	9·32	9·90	10·50	14·50	19·12	8·12	9·80	3·49	5·85	5·10	0·00	97·72
120·00	12·02	10·80	5·50	14·50	19·12	6·47	9·80	2·84	5·85	5·10	0·00	96·82
130·00	14·72	11·70	0·50	14·50	19·12	4·82	9·80	2·19	5·85	5·10	0·00	95·92
Mandatory provision of free school meals ceases												
140.00	17·42	12·60	0·00	14·50	19·12	1·69	9·80	0·96	5·85	2·55	0·00	94·91
150·00	20·12	13·50	0·00	14·50	19·12	0·00	9·80	0·00	5·85	0·00	0·00	96·11
160·00	22·82	14·40	0·00	14·50	19·12	0·00	9·80	0·00	5·85	0·00	0·00	102·51
170·00	25·52	15·30	0·00	14·50	19·12	0·00	9·80	0·00	5·85	0·00	0·00	108·91

New system from April 1988:
Married couple with two children aged 8 and 11
Income and means tested benefits
Family head in full-time work

Tax threshold: £75·48

Earnings head	Tax	NI	Family credit	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Net weekly spending power
60·00	0·00	3·00	45·67	14·50	19·12	4·36	9·80	1·87	5·85	88·63
70·00	0·00	4·90	40·00	14·50	19·12	2·78	9·80	1·39	5·85	89·00
80·00	1·22	5·60	34·34	14·50	19·12	1·20	9·80	0·90	5·85	89·35
90·00	3·92	6·30	29·72	14·50	19·12	0·00	9·80	0·51	5·85	89·74
110·00	9·32	9·90	22·02	14·50	19·12	0·00	9·80	0·00	5·85	92·53
120·00	12·02	10·80	17·54	14·50	19·12	0·00	9·80	0·00	5·85	94·45
130·00	14·72	11·70	13·06	14·50	19·12	0·00	9·80	0·00	5·85	96·37
140·00	17·42	12·60	8·58	14·50	19·12	0·00	9·80	0·00	5·85	98·29
150·00	20·12	13·50	4·10	14·50	19·12	0·00	9·80	0·00	5·85	100·21
160·00	22·82	14·40	0·00	14·50	19·12	0·00	9·80	0·00	5·85	102·51
170·00	25·52	15·30	0·00	14·50	19·12	0·00	9·80	0·00	5·85	108·91

Existing tax and benefit system:
Married couple with three children aged 8, 11 and 15
Income and means tested benefits
Family head in full-time work

Tax threshold: £75·48

Earnings head	Tax	NI	FIS	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Free school meals	Free welfare milk	Net weekly spending power
60·00	0·00	3·00	48·40	21·75	19·12	14·05	9·80	5·64	5·85	7·65	0·00	119·72
70·00	0·00	4·90	43·40	21·75	19·12	12·80	9·80	5·24	5·85	7·65	0·00	121·17
80·00	1·22	5·60	38·40	21·75	19·12	11·55	9·80	4·84	5·85	7·65	0·00	122·60
90·00	3·92	6·30	33·40	21·75	19·12	9·92	9·80	4·20	5·85	7·65	0·00	121·93
110·00	9·32	9·90	23·40	21·75	19·12	6·62	9·80	2·90	5·85	7·65	0·00	118·33
120·00	12·02	10·80	18·40	21·75	19·12	4·97	9·80	2·25	5·85	7·65	0·00	117·43
130·00	14·72	11·70	13·40	21·75	19·12	3·32	9·80	1·60	5·85	7·65	0·00	116·53
140·00	17·42	12·60	8·40	21·75	19·12	1·67	9·80	0·95	5·85	7·65	0·00	115·63

Earnings head	Tax	NI	FIS	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Free school meals	Free welfare milk	Net weekly spending power
150·00	20·12	13·50	3·40	21·75	19·12	0·00	9·80	0·00	5·85	7·65	0·00	114·41
Mandatory provision of free school meals ceases												
160·00	22·82	14·40	0·00	21·75	19·12	0·00	9·80	0·00	5·85	2·55	0·00	112·31
170·00	25·52	15·30	0·00	21·75	19·12	0·00	9·80	0·00	5·85	0·00	0·00	116·16

New system from April 1988:
Married couple with three children aged 8, 11 and 15
Income and means tested benefits
Family head in full-time work

Tax threshold: £75·48

Earnings head	Tax	NI	Family credit	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Net weekly spending power
60·00	0·00	3·00	57·07	21·75	19·12	2·70	9·80	1·36	5·85	105·11
70·00	0·00	4·90	51·40	21·75	19·12	1·12	9·80	0·88	5·85	105·48
80·00	1·22	5·60	45·74	21·75	19·12	0·00	9·80	0·00	5·85	105·90
90·00	3·92	6·30	41·12	21·75	19·12	0·00	9·80	0·00	5·85	107·88
110·00	9·32	9·90	33·42	21·75	19·12	0·00	9·80	0·00	5·85	111·18
120·00	12·02	10·80	28·94	21·75	19·12	0·00	9·80	0·00	5·85	113·10
130·00	14·72	11·70	24·46	21·75	19·12	0·00	9·80	0·00	5·85	115·02
140·00	17·42	12·60	19·98	21·75	19·12	0·00	9·80	0·00	5·85	116·94
150·00	20·12	13·50	15·50	21·75	19·12	0·00	9·80	0·00	5·85	118·86
160·00	22·82	14·40	11·02	21·75	19·12	0·00	9·80	0·00	5·85	120·78
170·00	25·52	15·30	6·54	21·75	19·12	0·00	9·80	0·00	5·85	122·70

Existing tax and benefit system:
Married couple with four children aged 3, 8, 11 and 15
Income and means tested benefits
Family head in full-time work

Tax threshold: £75·48

Earnings head	Tax	NI	FIS	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Free school meals	Free Welfare milk	Net weekly spending power
60·00	0·00	3·00	54·60	29·00	19·12	14·58	9·80	5·81	5·85	7·65	1·83	135·70
70·00	0·00	4·90	49·60	29·00	19·12	13·33	9·80	5·41	5·85	7·65	1·83	137·15
80·00	1·22	5·60	44·60	29·00	19·12	12·08	9·80	5·01	5·85	7·65	1·83	138·58
90·00	3·92	6·30	39·60	29·00	19·12	10·63	9·80	4·48	5·85	7·65	1·83	138·20
110·00	9·32	9·90	29·60	29·00	19·12	7·33	9·80	3·18	5·85	7·65	1·83	134·60
120·00	12·02	10·80	24·60	29·00	19·12	5·68	9·80	2·53	5·85	7·65	1·83	133·70
130·00	14·72	11·70	29·60	29·00	19·12	4·03	9·80	1·88	5·85	7·65	1·83	132·80
140·00	17·42	12·60	14·60	19·00	19·12	2·38	9·80	1·23	5·85	7·65	1·83	131·90
150·00	20·12	13·50	9·60	29·00	19·12	0·73	9·80	0·58	5·85	7·65	1·83	131·00
160·00	22·82	14·40	4·60	29·00	19·12	0·00	9·80	0·00	5·85	7·65	1·83	131·09
Mandatory provision of free school meals ceases												
170·00	25·52	15·30	0·00	29·00	19·12	0·00	9·80	0·00	5·85	5·10	0·00	128·51

New system from April 1988:
Married couple with four children aged 3, 8, 11 and 15.
Income and means tested benefits
Family head in full-time work

Tax threshold: £75·48

Earnings head	Tax	NI	Family credit	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Net weekly spending power
60·00	0·00	3·00	63·12	29·00	19·12	1·04	9·80	0·85	5·85	116·24
70·00	0·00	4·90	57·45	29·00	19·12	0·00	9·80	0·00	5·85	116·78
80·00	1·22	5·60	51·79	29·00	19·12	0·00	9·80	0·00	5·85	119·20
90·00	3·92	6·30	47·17	29·00	19·12	0·00	9·80	0·00	5·85	121·18
110·00	9·32	9·90	39·47	29·00	19·12	0·00	9·80	0·00	5·85	124·48
120·00	12·02	10·80	34·99	29·00	19·12	0·00	9·80	0·00	5·85	126·40
130·00	14·72	11·70	30·51	29·00	19·12	0·00	9·80	0·00	5·85	128·32
140·00	17·42	12·60	26·03	29·00	19·12	0·00	9·80	0·00	5·85	130·24

Earnings head	Tax	NI	Family credit	Child benefit	Rent	Rent rebate	Rates	Rate rebate	Fares to work	Net weekly spending power
150·00	20·12	13·50	21·55	29·00	19·12	0·00	9·80	0·00	5·85	132·16
160·00	22·82	14·40	17·07	29·00	19·12	0·00	9·80	0·00	5·85	134·08
170·00	25·52	15·30	12·59	29·00	19·12	0·00	9·80	0·00	5·85	136·00

Foetal and Genetic Abnormality

Mr. Tony Banks: To ask the Secretary of State for Social Services if he will make a statement on the King's Fund Forum "Consensus Statement on Screening for Foetal and Genetic Abnormality", a copy of which has been sent to him.

Mr. Newton: The King's Fund consensus statement is a timely and informative study which adds to our current consideration of how genetic services including counselling can best be provided from within the NHS.

Industrial Disablement Benefit

Mr. Frank Field: To ask the Secretary of State for Social Services what provision there will be for the storage of thoracic organs by the pneumoconiosis panel, after the abolition of industrial death benefit, in order to allow for subsequent re-examination of the tissue in cases where it was not recognised at the time that death was due to industrial causes.

Mr. Scott: After the abolition of Industrial Death Benefit on 11 April 1988 the medical boarding centres (respiratory diseases)—formerly the pneumonoconiosis medical panels—will cease to have access to thoracic organs except where a coroner seeks the advice of the centre to establish a cause of death. There will be no provision for storage of thoracic organs at the medical boarding centre (respiratory diseases). Any storage of tissue for further examination will be the responsibility of the coroner, and their subsequent disposal is a matter entirely for the coroner to decide.

Mr. Frank Field: To ask the Secretary of State for Social Services what provision there will be for the posthumous payment of industrial disablement benefit in cases of people who are proved to have been suffering from an asbestos-related disease at post-mortem, in the light of the fact that, with the abolition of industrial death benefit from 1 April, there will be no requirement for the pneumoconiosis panel to examine thoracic organs after death.

Mr. Scott: After the abolition of industrial death benefit on 11 April 1988 dependants will continue to be able to claim industrial injuries disablement benefit posthumously if they consider that the deceased may have been suffering in life from a prescribed disease, including an asbestos-related disease. Claims will be decided on the available evidence from post-mortem reports and records in life.

Agency Staff

Mr. Norman Hogg: To ask the Secretary of State for Social Services if he will give the latest figures for the number of agency staff supplied to the National Health Service in the following categories: *(a)* nurses, *(b)* midwives, *(c)* professional and technical staff (excluding works staff), *(d)* works professional staff, *(e)* administrative and clerical staff, *(f)* ambulance officers and control assistants and *(g)* other staff, indicating their distribution by regional health authority; what payments in fees have been made by each authority to each of these groups over the last 12 months; and if he will make a statement.

Mr. Newton: Information about the number of agency staff, other than nursing and midwifery agency staff and medical and dental locums employed, in the National Health Service and health authority expenditure specifically for agency staff is not collected centrally.

The table shows the number of agency nursing and midwifery staff employed by each regional health authority at 30 September 1986 and the expenditure on all non-directly employed National Health Service staff, including agency staff, during the financial year 1986-87.

Whilst posts in the National Health Service should ideally be filled with directly employed full and part-time staff, suitably qualified staff are not always available in the particular locality. Where recruitment difficulties are encountered or where an urgent short-term need arises the use of appropriately qualified staff from agencies can provide valuable assistance.

Expenditure on all non-directly employed National Health Service staff (including agency) and the number of agency nursing and midwifery staff by region—1986

Region	Non-National Health Service staff (including agency) 1986-87[1]		Agency nursing and midwifery staff September 1986[2]		
	Total	Nursing	Total	Nurses	Midwives
Northern	852	45	41	41	—
Yorkshire	4,505	1,239	90	89	1
Trent	2,857	157	—	—	—
East Anglian	4,436	2,025	183	182	1
North West Thames	28,534	15,058	1,363	1,332	31
North East Thames	35,006	19,299	1,399	1,269	130
South East Thames	21,013	11,727	862	768	94
South West Thames	19,963	8,377	621	595	26

Region	Non-National Health Service staff (including agency) 1986-87[1] Total	Nursing	Agency nursing and midwifery staff September 1986[2] Total	Nurses	Midwives
Wessex	4,288	1,409	122	122	—
Oxford	4,426	1,364	88	88	—
South Western	3,004	553	43	43	—
West Midlands	7,212	2,275	170	160	10
Mersey	1,946	761	81	80	2
North Western	1,554	211	20	20	—
London Post-Graduate SHAs	10,496	5,837	366	358	8
ENGLAND TOTAL	150,092	70,788	5,450	5,147	303

[1] Figures rounded to nearest £000.
[2] Figures independently rounded to the nearest whole-time equivalent.

National Insurance Fund

Mrs. Beckett: To ask the Secretary of State for Social Services what is the most recent advice he has received from the Government Actuary as to the minimum target balance of the national insurance fund as a percentage of annual benefit expenditure; and what was the actual balance in each year since 1979-80.

Mr. Portillo: For the first part of her question I refer the hon. Member to my reply to the hon. Member for Bradford, West (Mr. Madden) on 7 March. The remaining information is as follows:

Balance in the national insurance fund at the end of the financial year

	£ millions
1979-80	4,626
1980-81	5,037
1981-82	4,046
1982-83	4,023
1983-84	4,604
1984-85	4,978
1985-86	5,293
1986-87	5,707

Source: Annual accounts of the National insurance fund as presented to Parliament pursuant to section 133(2) of the Social Security Act 1975. The fund accounts for 1986-87 were presented to Parliament on 22 January 1988.

Mr. Ken Hargreaves: To ask the Secretary of State for Social Services whether he will publish in the *Official Report* a table showing for each year since 1975-76 the balance in the national insurance fund; and also, for each year, if he will express the balance as a percentage of annual benefit expenditure financed by the fund.

Mr. Portillo: The information is as follows:

Balance in the national insurance fund at the end of the financial year expressed as a percentage of annual benefit expenditure

Year	Balance (end of year) £ million	Benefit expenditure £ million	Balance as a percentage of benefit expenditure
1975-76	2,219	6,812	32·6
1976-77	3,147	8,066	39·0
1977-78	3,825	9,385	40·8
1978-79	4,090	10,682	38·3
1979-80	4,626	12,243	37·8
1980-81	5,037	14,893	33·8
1981-82	4,046	17,243	23·5
1982-83	4,023	18,611	21·6
1983-84	4,604	19,716	23·4
1984-85	4,978	20,831	23·9
1985-86	5,293	22,309	23·7
1986-87	5,707	24,005	23·8

Source:
Annual accounts of the national insurance fund as presented to Parliament pursuant to section 133(2) of the Social Security Act 1975. The fund's accounts for 1986-87 were presented to Parliament on 22 January 1988.

Mrs. Beckett: To ask the Secretary of State for Social Services by how much the contribution income of the national insurance fund for 1988-89 would be reduced if the Treasury supplement were not reduced from 7 to 5 per cent. of gross contributions, the balance in the fund were maintained at the same proportion of benefit expenditure as at the end of 1987-88 instead of rising from 27 to 33 per cent., the proportion of contributions allocated to the National Health Service remained unchanged, and contribution rates were adjusted accordingly.

Mr. Madden: To ask the Secretary of State for Social Services by how much the contribution income of the national insurance fund for 1988-89 would be reduced if the Treasury supplement were not reduced from 7 to 5 per cent. of gross contributions, the balance in the fund were maintained at the same proportion of benefit expenditure as at the end of 1987-88 instead of rising from 27 to 33 per cent., the proportion of contributions allocated to the National Health Service remained unchanged, and contribution rates were adjusted accordingly.

Mr. Portillo *[holding answer 7 March 1988]:* It is estimated that to arrive at a national insurance fund balance at the end of 1988-89 of 27 per cent. of benefit expenditure, whilst maintaining the Treasury supplement at 7 per cent. of gross contributions and the present NHS allocation, the fund's income from contributions would need to be £2,000 million lower than currently estimated for the year.

Prescription Costs

Mr. Butler: To ask the Secretary of State for Social Security what plans he has to secure a reduction in the costs of drugs prescribed by the National Health Service; what information he has about the methods by which the Hallwood health centre, Runcorn, Cheshire, has achieved savings in its prescribing costs and about the scale of the

savings; what assessment he has made of the scope for applying similar methods throughout the National Health Service; and if he will make a statement.

Mr. Newton: Through the pharmaceutical price regulation scheme control is kept on the costs of branded medicines. The reimbursement prices to community pharmacists and dispensing doctors of high usage generic medicines are negotiated directly with the generic manufacturers.

The Government are continuing their efforts to encourage general practitioners to prescribe more effectively and economically by measures such as the provision of feedback information about their prescribing to facilitate self-audit, voluntary generic prescribing and the development of practice formularies. In addition, the Department's regional medical service has increased the number of visits it makes to doctors to discuss their prescribing and has recently appointed two specialist prescribing regional medical officers.

The Hallwood health centre research project is investigating the role of the pharmacist in developing a practice formulary. With the Department's financial support, this project is to be extended in 1988/89 to cover a wider cross-section of practices within the Cheshire family practitioner area. When the information is available from this wider study its possible application on a national basis will be assessed.

AIDS

Mr. Chris Smith: To ask the Secretary of State for Social Services if he has any plans to ensure that nebulised pentamadine in aerosol form becomes available for prophylactic use by AIDS patients in danger of contacting pneumcystis pneumonia.

Mr. Newton: There is no product licence for nebulised pentamadine in aerosol form. However, clinicians have the right to prescribe medicines for individual patients even if the product is not licensed for use in the United Kingdom.

Rating Reform

Ms. Mowlam: To ask the Secretary of State for Social Services how many representations he has received about the requirements for those on supplementary benefit to pay 20 per cent. of their rates.

Mr. Portillo: A substantial number.

Disabled People (Trust Fund)

Mr. Hanley: To ask the Secretary of State for Social Services what progress has been made on the proposed trust fund for very severely disabled people; and if he will make a statement.

Mr. Scott: The new fund will be called the independent living fund. Its aim will be to provide extra financial help on top of that already available to those very severely disabled people who would otherwise need to enter residential or hospital care. It will also be available to help people in such care who wish, and are able, to live independently in their own homes and to people currently living in their own homes who would face difficulties due to a change of circumstances. The fund should enable such people to support themselves and to retain or achieve their independence in the community. For the year 1988-89 up to £5 million has been set aside; the level of funding for subsequent years will be set in the light of experience.

The trust will be independent of the Department, of the Disablement Income Group and of the Disablement Income Group (Scotland). The trustees will be appointed by my right hon. Friend the Secretary of State for Social Services, and will include individuals nominated by DIG. Decision on the disbursement of the money will be for the trustees, acting under the trust deed which will include criteria for eligibility. The trust deed will be available for public inspection. Both the Department and DIG will be available for consultation with the trustees as appropriate.

It will be for the trustees to decide how to discharge the requirements of the trust deed but I expect that the sums to be paid will be determined on the basis of individual assessments of need and available resources. Payments are likely to be regular and will be intended to pay for the service of a carer or carers where these cannot otherwise be provided. It will be for the trustees to determine how to deal with cases which have been turned down by the fund and I expect they will wish to consider any representations from or on behalf of such cases very carefully.

In due course, we shall introduce regulations which will enable any payments from the trust fund to be disregarded for the purpose of income-related benefits.

We and DIG are currently discussing details of the eligibility criteria which will broadly define the group to be covered by the fund. The criteria will essentially look at the individual's need for care in relation to their resources. The fund will not be solely for people in receipt of income support but will include very severely disabled people with low incomes.

Commissioned Research

Mr. Dalyell: To ask the Secretary of State for Social Services if he will detail the circumstances in which his Department forbids the publication of commissioned research.

Mrs. Currie: We have not withheld agreement to the publication of any research commissioned under the amended form of contract introduced in February 1987. Without purporting to list all or any circumstances in which agreement might be withheld, we envisage by way of example that they would be where legal advice was that libel, breach of confidentiality or factual error was likely to result. We would normally expect that the matter be resolved with the co-operation of the researcher.

Written Answers to Questions

Wednesday 9 March 1988

HOME DEPARTMENT

Mr. T. D. Phung

Mr. Cartwright: To ask the Secretary of State for the Home Department when he now expects to provide a substantive reply to the representations made on 17 March 1987 by the hon. Member for Woolwich in the case of Mr. T. D. Phung.

Mr. Renton: I wrote to the hon. Member yesterday.

Mr. Truong Nguyen Thanh.

Mr. Cartwright: To ask the Secretary of State for the Home Department when he expects to complete his inquiries into the case of Mr. Truong Nguyen Thanh, originally raised with him by the hon. Member for Woolwich on 1 July 1987.

Mr. Renton: As I told the hon. Member in my written answer on 2 December 1987 at column *588*, further inquiries were needed before this case could be resolved. I much regret that there has been some delay in initiating these. A reply is, however, now awaited from Mr. Truong. I shall write to the hon. Member as soon as the case has been fully considered.

Data Protection

Mr. Cohen: To ask the Secretary of State for the Home Department how many subject access requests under the terms of the Data Protection Act his Department has received; what was his estimate of this number; whether he is reconsidering the subject access fee charged by his Department as a result; and whether he will make a statement.

Mr. Renton: During the period 11 November 1987 to 1 March the Home Office received 16 requests for subject access.

It was not judged possible to make any firm advance estimate of likely take-up, but there was an indication, on the basis of experience in other European countries, that requests might be in the range of 0·1 to 1·0 per cent. per annum of records held, that is between 5,000 and 50,000 requests a year to be addressed to the Home Office.

There are no plans to reconsider the subject access fees charged by the Department.

Mr. Cohen: To ask the Secretary of State for the Home Department why he will not hold discussions with the Data Protection Registrar to produce a code of practice covering national security purposes as is possible under the terms of part V of the Data Protection Act.

Mr. Hurd: I can see no advantage in a code of practice in this area.

La Belle Discotheque

Mr. Dalyell: To ask the Secretary of State for the Home Department if he will call for a report from the Metropolitan police on their discussions with the West Berlin police regarding the statement by the acting head of the United States police in West Berlin, on 14 April 1986, as to the state of alerts in relation to the bombing of the La Belle discotheque: and if he will make a statement.

Mr. Hurd: I have nothing to add to the reply I gave to a similar question from the hon. Member on 7 March, at column *4*.

Child Care

Mr. Stern: To ask the Secretary of State for the Home Department how many responses he has received from the voluntary sector to his consultative document on the proposed national unit for disclosure of police information to voluntary bodies concerning those wishing to work with children; and if he will make a statement.

Mr. Douglas Hogg: We have received 11 responses from the voluntary sector (including eight from bodies representing a number of voluntary organisations).

Police Cells (Escapees)

Mr. Bowis: To ask the Secretary of State for the Home Department if he will make a statement about the escape of five category A and two remand prisoners from South West London magistrates court cells on 6 March.

Mr. Hurd: The security of prisoners held in police and magistrates courts cells within the Metropolitan police district is the responsibility of the Commissioner. I understand from the Commissioner that on Sunday 6 March, 12 remand prisoners were being accommodated in court cells at South Western magistrates court, where they were the responsibility of one sergeant and three constables. One prisoner was being returned with an escort from the shower room when several prisoners attacked the police officers and succeeded in overpowering them. Seven of the 12 prisoners then escaped from the premises. The escape was discovered at approximately 10 pm when the night duty police officers arrived to relieve their colleagues. The prisoners who escaped included two who were jointly charged with murder, one who was on remand for possession of firearms, three who were on remand in relation to drug offences and one who was on remand for robbery. No category A prisoner was among those who escaped.

The Commissioner tells me that the incident is now being investigated by members of the Metropolitan Police Complaints Investigation Bureau and that all divisional chief superintendents have been instructed urgently to review security in police and magistrates courts cells within their divisional territories. The cells at the South Western district magistrates court will not be used for remand prisoners, pending a full review of the security arrangements.

I understand that three men, including the two men who escaped having previously been charged with murder, have now been recaptured.

RUC (Chief Constable)

Mr. Austin Mitchell: To ask the Secretary of State for the Home Department, pursuant to his answer of 10 February, *Official Report*, column *218*, what inquiries he made of persons in *(a)* Scarborough and *(b)* Northern Ireland before announcing that the Chief Constable of the Royal Ulster Constabulary, Sir John Hermon, was in Northern Ireland throughout 19 May 1986; on what evidence his statement to the House was based; and if he will make a statement.

Mr. Hurd: No inquiries were made of any persons in Scarborough. In Northern Ireland an inquiry was addressed to the Royal Ulster Constabulary. I was informed that Sir John Hermon held a meeting in his office on the morning of 19 May, that he attended a medal presentation ceremony in the afternoon, and that in the evening he had a dinner engagement, all these engagements being in Northern Ireland.

Crime Prevention

Mr. Gale: To ask the Secretary of State for the Home Department what is being done to increase the involvement of the public in crime prevention and to provide information on the steps that can be taken to reduce crime.

Mr. John Patten: Following the recent announcement of the "Safer Cities" programme my right hon. Friend today launched a major publicity campaign aimed at encouraging the public to work with the police to reduce crime. The campaign will cost about £3 million in its first phase, and is designed to run for three years. A free handbook is being made available on request which will give practical advice on a wide range of preventive measures. A copy of the handbook has been sent to all hon. and right hon. Members and placed in the Library.

Prisoners' Grievance Procedures (Review)

Mr. Greg Knight: To ask the Secretary of State for the Home Department when the report of Her Majesty's Chief Inspector of Prisons' review of prisoners' grievance procedures will be published; and if he will make a statement.

Mr. Hurd: The report of a thematic review of prisoners' grievance procedures, conducted by Sir James Hennessy before the expiry of his term and Her Majesty's Chief Inspector of Prisons, is published today. I am grateful to Sir James Hennessy and to the inspectorate for the work which went into this review and for a report which I hope will stimulate discussion of this important subject.

Sir James Hennessy's principal conclusion is that prisoners' grievance procedures need to be fair, efficient and effective and to inspire confidence among prisoners, staff and the wider community; that the existing procedures do not in all respects satisfy those requirements; and that they need to be overhauled.

Among the specific recommendations in the report are proposals for simplifying the procedures so that, as far as possible, each stage for examining a request or grievance should be exhausted before the next is embarked upon. The report envisages that governors, boards of visitors and the prison department would continue to play a part in the resolution of prisoners' grievances, which however should be distinguished according to whether they are complaints or requests; but it also proposes the establishment of a new prison ombudsman and the discontinuation of prisoners' access to the Parliamentary Commissioner for Administration.

Other recommendations include a statutory code of prisoners' rights and duties as a long-term aim; the removal of the restrictions on the ventilation of prisoners' complaints; the withdrawal of the disciplinary offences of making a false and malicious allegation and of repeatedly making groundless complaints; improved information for prisoners about the procedures for making a complaint; and the introduction of time limits for replying to complaints and of a requirement for reasons to be given when complaints are rejected.

Before reaching decisions on the recommendations in this report I want to be able to take into account comments from interested individuals and organisations, both inside and outside the prison service. These should reach the Department by 9 June and should be sent to the Head of P3 Division, Home Office Prison Department, Cleland House, Page Street, London SW1P 4LN.

EDUCATION AND SCIENCE

Under-fives

Mr. McLeish: To ask the Secretary of State for Education and Science if he envisages any reduction of educational provision for children under five years of age, following the abolition of the Inner London education authority.

Mr. Dunn: Education for under-fives is provided at the discretion of local education authorities, but the inner London councils will be required to set out their proposed provision for this age group in development plans to be published early next year. Any proposals for significant reductions in current provision would be subject to statutory procedures under the Education Act 1980.

Voluntary-aided and Special Agreement Schools

Mr. Robert G. Hughes: To ask the Secretary of State for Education and Science what the capital spending allocation for voluntary-aided and special agreement schools was in the London boroughs of Barnet, Brent, Ealing, Enfield, Haringey, Hillingdon and Harrow in each of the years 1982-83 to 1988-89; and how much in each case was allocated to Roman Catholic voluntary-aided schools.

Mr. Dunn: Allocation in these years for each of these London boroughs is as follows:

£'000

	1982-83	*1983-84*	*1984-85*	*1985-86*	*1986-87*	*1987-88*	*1988-89*
Barnet	260	192	1,091	1,662	400	880	1,109
Brent	342	298	340	46	12	631	467

	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89
Ealing	185	350	340	341	331	762	971
Enfield	81	314	375	620	197	93	383
Haringey	147	58	60	425	323	75	50
Hillingdon	94	131	175	67	40	230	350
Harrow	21	22	10	20	1	25	25

The allocations shown here are those announced before the start of the financial year in question and do not include subsequent revisions.

It is not possible to show separately how much has been allocated to Roman Catholic voluntary-aided schools.

Nottinghamshire Education Committee

Mr. Allen: To ask the Secretary of State for Education and Science if he has received a request for a meeting from the Nottinghamshire education committee with regard to its capital allocation; and if he will make a statement.

Mr. Dunn: My right hon. Friend has received no such request.

City Technology Colleges

Mr. Ashdown: To ask the Secretary of State for Education and Science whether any of the proposed city technology colleges will be supported by funds from the tobacco industry; and if he will make a statement.

Mrs. Rumbold: The companies which have announced their intention to sponsor a city technology college include Hanson plc, which has interests in the tobacco industry among a number of others.

HOUSE OF COMMONS

Lavatories

Mr. Harry Greenway: To ask the Lord President of the Council, how many *(a)* water closets for (i) men and (ii) women and *(b)* urinals there are in the Palace of Westminster.

Mr. Wakeham: The information requested, for the Commons area of the Palace of Westminster, is as follows:

Toilet facility	*Number of locations*
Urinals[1] and water closets for men	38
Water closets for women	15

[1] Urinals alone are provided in 2 locations.

Select Committees (Visits)

Mr. Harry Greenway: To ask the hon. Member for Berwick-upon-Tweed, as representing the House of Commons Commission, what was the cost of *(a)* home and *(b)* overseas visits by each Select Committee since 1979; how many members were involved in each visit; and if he will make a statement.

Mr. Beith: All the information requested for Sessions 1985-86 and 1986-87 is contained in the Sessional Select Committee Returns for those years; costs of home and overseas visits in sessions 1979-80 to 1984-85 are set out in the Sessional Returns, but the number of Members involved in each visit in those years could be discovered only at disproportionate cost; information about the anticipated cost of overseas travel by Committees in the current session was given in my reply to a question by the hon. Member for Nottingham, North (Mr. Allen) on 29 February at columns *642-4;* the other information requested for this Session is not yet available, but will be included in the Sessional Return for this session.

ENERGY

Combined Heat and Power

Mr. Prescott: To ask the Secretary of State for Energy what is his Department's policy with regard to the provision of urban sites suitable for combined heat and power stations.

Mr. Parkinson: It is for the promoters of urban combined heat and power schemes to obtain suitable sites for CHP stations and to secure the necessary planning consent.

Mr. Prescott: To ask the Secretary of State for Energy what is his Department's policy with regard to the encouragement of the further development of combined heat and power district heating in Britain.

Mr. Parkinson: My Department has provided substantial funding towards studies to evaluate the feasibility of combined heat and power-district heating. It is now for the private sector to take its further development forward.

Uranium

Mr. Prescott: To ask the Secretary of State for Energy what uranium not covered by either bilaterial or multilateral safeguard arrangements has been imported for civil use into the United Kingdom since 1979; and if he will name the countries of origin of such uranium.

Mr. Parkinson: None. All civil nuclear material in the United Kingdom is subject to our safeguards agreements with Euratom and the IAEA.

Dr. Thomas: To ask the Secretary of State for Energy what specific provisions exist in each of the current safeguards arrangements covering uranium to ensure that uranium imported into *(a)* the United Kingdom, and *(b)* the European Economic Community remains within the safeguardable nuclear cycle; and what is the practice of *(a)* Her Majesty's Government and *(b)* Euratom with regard to weight-for-weight direct substitution of safeguarded uranium within the agreed safeguards arrangements.

Mr. Michael Spicer *[holding answer 26 February 1988]:* All uranium imported into the United Kingdom for civil use is subject to Euratom safeguards and the terms of the United Kingdom-Euratom-IAEA safeguards agreement. In some cases it is subject to special safeguarding obligations agreed between the supplying country and the Community.

Euratom accepts exchanges of safeguards obligations between nuclear material on the basis of strict equivalence in quantity and quality.

Radioactive Waste

Mr. Prescott: To ask the Secretary of State for Energy if there are any contractual arrangements currently in force that permit the import or retention of spent nuclear fuel and attendant radioactive wastes to remain in the United Kingdom which are not covered by a return to sender clause.

Mr. Parkinson: Since 1976, BNFL's contracts for the reprocessing of overseas spent fuel have contained options for the return of wastes. The Government intend that these options should be exercised, and that the wastes should be returned. BNFL has a number of reprocessing contracts with overseas customers which were signed before 1976. Those contracts do not contain return of waste options, but wastes from them will represent no more than 10 per cent. of total waste arisings in the United Kingdom by 2000. No facilities in addition to those needed for the disposal of United Kingdom wastes should be required.

OVERSEAS DEVELOPMENT

Gaza Strip

Mr. Latham: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the current budget for housing construction and sewage systems within the Gaza strip of the United Nations Relief and Works Agency; what were the equivalent figures for each of the last five years; and what were the contributions to these budgeted figures from *(a)* the United Kingdom, *(b)* each of the other four permanent members of the Security Council, *(c)* Saudi Arabia, *(d)* Kuwait and *(e)* Iraq.

Mr. Chris Patten: The UNRWA has not been involved in the construction of housing or sewerage systems in Gaza for many years. The agency has undertaken a modest programme of essential maintenance of shelters for special hardship families and a limited amount of surface drain construction in the eight Gaza camps. Expenditure on these programmes for the period 1983-88 is as follows:

	Shelter maintenance US dollars	*Surface drains US dollars*
1983	44,000	175,000
1984	104,000	72,000
1985	72,000	33,000
1986	111,000	13,000
1987	129,000	72,000
1988 (Projected)	135,000	94,000

These programmes are funded from the core budget. The UNRWA has not received earmarked contributions for this type of expenditure and cannot therefore provide a breakdown by donor country.

United Nations Children's Fund

Mr. Chris Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs what percentage of Her Majesty's Government's total multilateral aid budget was contributed to the United Nations children's fund in each year since 1978.

Mr. Chris Patten: The information is as follows:

Percentage of gross public expenditure on multilateral aid contributed to UNICEF

Year	*Per cent.*
1978	3·48
1979	2·87
1980	1·89
1981	2·12
1982	1·45
1983	1·26
1984	1·13
1985	1·70
1986	1·63

The 1987 percentage is not yet available.

Mr. Chris Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs what was Her Majesty's Government's contribution to the United Nations children's fund (general resources and special appeals) in each year since 1978 at current and outturn prices.

Mr. Chris Patten: I refer the hon. Member to the answer I gave the hon. Member for Monklands, West (Mr. Clarke) on 21 October 1987 at columns *745-6*.

Mr. Chris Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs what is Her Majesty's Government's percentage share of total contributions to the general resource fund of the United Nations children's fund in the latest available year.

Mr. Chris Patten: Our share of total contributions to the general resources fund of the United Nations Children's Fund was 4·24 per cent. in 1986, the latest available year. The figure is taken from UNICEF's report "Contributions from Governments and Other Sources to General Resources and for Specific Purposes in 1986" a copy of which was placed in the Library in October 1987.

Mr. Chris Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs what information is available as to the total value to United Kingdom companies of contracts awarded to supply goods and services to the United Nations children's fund for each year since 1982.

Mr. Chris Patten: The following are the latest UNICEF figures available:

	$US
1982	11,658,700
1983	10,392,900
1984	9,205,900
1985	11,136,100
1986	13,901,900

Overseas Aid

Mr. Chris Smith: To ask the Secretary of State for Foreign and Commonwealth Affairs what percentage of Her Majesty's Government's contributions to multilateral aid agencies was made *(a)* by automatic subscription and *(b)* by voluntary contribution, in each since 1978.

Mr. Chris Patten: The information in the table covers contributions from the aid programme to United Nations development agencies, international financial institutions, the European Community and Commonwealth aid programmes defined as follows:

i. Agencies where automatic subscription payments follow from agreed administrative budgets (for example the United Nations Industrial Development Organisation and most aid paid from the European Community budget);

ii. Agencies where subscription or contribution payments follow negotiated increases in capital or soft fund resources (for example the multilateral development banks, the International Fund for Agricultural Development, the European Development Funds and the European Community's aid programme towards the Mediterranean states);

iii. Agencies to which we contribute on a purely voluntary basis, year by year, (for example the United Nations Children's Fund, the United Nations Development Programme and the Commonwealth Fund for Technical Co-operation).

Percentage of total multilateral contributions (as defined above)

Year	(i)	(ii)	(iii)
1978	16	54	30
1979	15	57	28
1980	22	61	17
1981	27	58	14
1982	23	64	13
1983	19	71	10
1984	27	63	10
1985	29	56	15
1986	23	62	15

Figures for 1987 are not yet available.
Note: Percentages may not add to 100 because of rounding.

ATTORNEY-GENERAL

Police Computers

Mr. Cohen: To ask the Attorney-General what prosecutions *(a)* are currently taking place, *(b)* are currently being considered and *(c)* have been completed in the last year which involve allegations of abuse of the police national computer or any other police computer; and if he will make a statement.

The Attorney-General: No separate records are kept by the Crown Prosecution Service of prosecutions involving allegations of abuse of police computers, and accordingly it is not possible to give an accurate answer to the hon. Member's question.

Data Protection

Mr. Cohen: To ask the Attorney-General how many subject access requests under the terms of the Data Protection Act the Lord Chancellor's Department has received; what was his estimate of this number; whether he is reconsidering the subject access fee charged by the Department as a result; and whether he will make a statement.

The Attorney-General: The Lord Chancellor's Department has received 700 subject access requests under the Data Protection Act 1984, all but one of which came from members of staff. No estimate had been made of the likely number of requests. No fee is currently being charged by the Department and no change is being considered.

"My Country Right or Wrong"

Mr. Dalyell: To ask the Attorney-General if he will make a statement on his decision to apply for the lifting of the interim injunction against the transmission of the first episode of the BBC programme "My Country Right or Wrong".

The Attorney-General: When the Government had reason to believe that the Radio 4 series "My Country Right or Wrong" would include interviews with members and former members of the security and intelligence services, the Government asked the BBC to give details of what would be broadcast from those interviews. The BBC refused to provide that information and so the Government sought and obtained an interlocutory injunction in order to uphold the duty of confidentiality owed by such persons. When in the course of the court proceedings the BBC provided a transcript of the first episode, the Government were able to consider what was to be broadcast from those interviews and concluded that it was no longer necessary for the broadcast of that episode to be restrained by the injunction. The Government were not able to agree to the lifting of the injunction as a whole because the BBC has still refused to disclose what other material from those interviews it is proposed to include in future broadcasts.

WALES

Data Protection

Mr. Cohen: To ask the Secretary of State for Wales how many subject access requests under the terms of the Data Protection Act his Department has received; what was his estimate of this number; whether he is reconsidering the subject access fee charged by his Department as a result; and whether he will make a statement.

Mr. Peter Walker: My Department has received one request for subject access, under the terms of the Data Protection Act, and did not attempt to estimate the number of requests which might be received. At present there are no plans to reconsider the level of subject access fees.

TRANSPORT

RAF Boulmer

Mr. Beith: To ask the Secretary of State for Transport whether civilian air traffic control will continue to be carried out at RAF Boulmer; and whether he will make a statement.

Mr. Peter Bottomley: The responsibility for the provision of air traffic control services rests jointly with the Civil Aviation Authority and the Ministry of Defence. I understand from the authority that the civil element of the joint air traffic control unit at RAF Boulmer is to close on 1 October 1988, and the civil air traffic control tasks undertaken by the unit will be transferred to other centres.

Aircraft Safety

Mr. Alfred Morris: To ask the Secretary of State for Transport what recent representations he has received from the Heathrow Association for the Control of Aircraft Noise; and what reply he is sending.

Mr. Peter Bottomley: The Heathrow Association for the Control of Aircraft Noise wrote to my right hon. Friend on 29 February about air safety. I will send the right hon. Gentleman a copy of the reply.

Plutonium (Transport)

Dr. Thomas: To ask the Secretary of State for Transport if any studies have been conducted by his Department into the environmental contamination implications of an aeroplane carrying plutonium canisters to or from Dounreay nuclear power development establishment crashing into the sea between Caithness and the Orkneys.

Mr. Peter Bottomley: The evidence submitted by British Nuclear Fuels to the European demonstration reprocessing plant (EDRP) inquiry at Dounreay showed that in the event of an air crash in the sea there would be no release of radioactivity.

Dr. Thomas: To ask the Secretary of State for Transport how many voyages take place each month of ships transporting plutonium from or to the Dounreay nuclear power development establishment via the Minches to or from British Nuclear Fuels plc's Sellafield site.

Mr. David Mitchell: These movements are in full compliance with national regulations based on the recommendations of the International Maritime Organisation, which do not depend for their effectiveness on a particular route, and do not require individual authorisation. I understand that since the start of this traffic in June 1981 there have been 21 movements of plutonium nitrate from Dounreay to Sellafield, the discharged flasks being returned to Dounreay by the same route. Certain categories of waste are also transported from Sellafield to Dounreay by sea.

Second Severn Crossing

Mr. Stern: To ask the Secretary of State for Transport if he will make a statement on the progress of the second Severn crossing.

Mr. Peter Bottomley: The consultants for the project — W. S. Atkins and Partners and G. Maunsell and Partners — are making good progress. A public exhibition has been held at nine different centres on both sides of the estuary and consultations are now under way with affected parties. These consultations will continue during the coming months. The consultants are proceeding with the further technical investigations needed. We hope to be in a position to finalise the proposals in 18-24 months.

Road Improvements

Mr. Boyes: To ask the Secretary of State for Transport what programmes are being initiated to improve road quality standards throughout the United Kingdom; and if he will provide a table listing expenditure figures for all regions from 1979 to the latest available date.

Mr. Peter Bottomley *[pursuant to his reply, 7 March 1988, c. 105-7]:* The following tables should have been included.

(a) Expenditure on maintenance[1] of national roads 1979-80 to 1987-88

(£ million cash)

	1979-80	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*1986-87*	*[3]1987-88*
England									
Eastern	8	14	17	25	18	24	25	37	34
East Midlands	15	11	21	30	27	34	31	36	32
London	8	8	8	7	6	9	8	13	15
Northern	7	3	6	7	4	5	6	9	7
North West	9	15	21	32	33	34	29	35	43
South East	7	7	18	20	23	31	34	40	54
South West	10	13	15	20	16	21	17	24	22
West Midlands	11	23	31	27	28	27	15	32	28
Yorkshire and Humberside	7	10	20	25	24	27	17	27	45
Total for England	82	104	157	193	179	212	182	[2]253	282
Scotland	15	18	30	27	34	29	31	35	39
Wales	11	10	20	17	19	22	38	35	33
Northern Ireland[4]	36	38	43	40	48	50	56	55	56
Total for United Kingdom	144	170	250	277	280	313	307	378	410

[1] Maintenance covers structural, routine and winter maintenance of the carriageway (excluding bridges), both capital and current. (A different capital/current distinction applies to local roads expenditure).
[2] Provisional outturn.
[3] Estimated outturns.
[4] All roads in Northern Ireland.

(b) Expenditure on maintenance[1] of local roads 1979-80 to 1987-88

(£ million cash)

	[2]1979-80	*[2]1980-81*	*[2]1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*1986-87*	*[3]1987-88*
England									
Eastern	—	—	—	91	96	100	109	115	130
East Midlands	—	—	—	72	72	76	79	82	88
London	—	—	—	130	140	154	150	145	155

	[1]1979-80	[1]1980-81	[1]1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	[1]1987-88
Northern	—	—	—	50	54	57	65	63	71
North West	—	—	—	110	124	119	115	138	171
South East	—	—	—	89	106	116	127	132	133
South West	—	—	—	96	93	98	109	114	127
West Midlands	—	—	—	90	92	94	106	104	108
Yorkshire and Humberside	—	—	—	103	105	106	115	110	138
Total for England	567	665	692	831	882	920	975	1,003	1,121
Scotland	104	120	130	141	149	149	151	[4]156	173
Wales	48	52	72	69	74	74	75	83	[5]90
Total for Great Britain	719	837	894	1,041	1,105	1,143	1,201	1,242	1,384

[1] Maintenance covers current expenditure and consists of structural, routine and winter maintenance of the carriageway (including bridges in England). (A different capital/current distinction applies to national roads).
[2] Figures by English region are not readily available for these years.
[3] Budget figures for England and Scotland.
[4] Provisional outturn.
[5] Estimated outturn.

PRIME MINISTER

Middle East (Ministerial Visits)

Mr. Latham: To ask the Prime Minister whether she will list all planned official visits by Ministers to *(a)* the state of Israel and *(b)* member countries of the League of Arab States during the current year.

The Prime Minister: A number of visits are under consideration, but details have yet to be finalised.

NATIONAL FINANCE

Nationalised Industries

75. **Mr. Summerson:** To ask the Chancellor of the Exchequer how much is the total amount spent on the nationalised industries since 1958 by way of purchase, subsidy, written-off loans and any other similar costs, and interest; and what has been the average rate of return on capital invested over that period.

Mr. Norman Lamont: Nationalised industries have not always been distinguished from other public corporations in available statistical sources. Over the period 1958 to 1987 inclusive, £71 billion in today's price was spent on purchase (£4 billion), grant subsidies (£44 billion) and written-off loans (£23 billion) for those public corporations which have at some point been defined as nationalised industries. The average real rate of return, after subsidies, on capital employed in all public corporations over the period 1958 to 1986 inclusive was approximately one half of 1 per cent. per annum.

Manufacturing Industry

76. **Dr. Reid:** To ask the Chancellor of the Exchequer what he estimates will be the deficit in manufactured trade in 1988; and what percentage change this represents on the 1987 figure.

Mr. Major: My right hon. Friend will be making a new forecast at Budget time.

Productivity

77. **Mr. Wall:** To ask the Chancellor of the Exchequer what has been the rise in productivity in *(a)* nationalised and *(b)* private industry since 1979.

Mr. Norman Lamont: I refer the hon. Member to table 4.7 of the White Paper, "The Government's Expenditure Plans 1988-89 to 1990-91" (Cm. 288-I).

Cigarettes

Mr. Sims: To ask the Chancellor of the Exchequer how many cigarettes were released for home consumption during the six months following the last Budget and the previous two periods of six months; what estimates he has made on the effect on cigarette sales if he had raised cigarette tax in line with inflation; and if he will make a statement.

Mr. Lilley: The figures requested are as follows:

Clearances of cigarettes for home consumption

billion

	Number
April to September 1986	37
October 1986 to March 1987	58
April 1987 to September 1987	41

Clearances of cigarettes for home consumption are subject to significant variations—especially on account of forestalling of Budget or manufacturers' price increases. Clearances do not necessarily therefore reflect consumption during that period.

It is estimated that cigarette consumption would have been about 1 per cent. lower in 1987-88 if the duty had been revalorised in the 1987 Budget (no duty increase).

Economic and Finance Council

Mr. Buswell: To ask the Chancellor of the Exchequer if he will make a statement on the outcome of the Economic and Finance Council meeting on 7 March.

Mr. Brooke: The European Community's Ecofin Council met in Brussels: I represented the United Kingdom.

The Council established the draft Community budget for 1988 and reached agreement on a provisional draft

intergovernmental agreement. The Italian delegation made it clear that in the forthcoming discussions on the new own resources decision it will continue to argue that the GNP-based financing of the United Kingdom's abatement should be brought to account against the new fourth own resource (thus in effect increasing the proportion of the budget which would be financed in accordance with VAT shares) rather than (as proposed by the Commission) within the VAT ceiling.

The draft budget proposals for expenditure remain as set out in my written answer on 24 February, at columns *194-6*. The budget total remains at 44·7 billion ecu (£31·0 billion) for commitment appropriations and 43·4 billion ecu (£30·1 billion) for payment appropriations. Provision for the United Kingdom's abatement is 2·387 billion ecu (£1·656 billion).

The provisional and indicative amount which member states would contribute under the intergovernmental agreement has been reduced slightly, from some 7·7 billion ecu to some 7·647 billion ecu (£5·304 billion), with a United Kingdom contribution of 1·263 billion ecu (£0·876 billion). This extra financing would be partially offset by smaller VAT payments, leaving total extra financing, compared with the maximum amount available under the existing own resources ceiling, of about 5·4 billion ecu (£3·7 billion) after allowing for a surplus of 0·5 billion ecu (£0·3 billion) carried forward from 1987. As before, all sterling equivalent figures are calculated at the rate of 1·4417 ecu to the pound used by the Commission in its latest budget proposals.

Over lunch the Council considered preparations for the forthcoming discussions on budget discipline with the European Parliament, which were foreshadowed in paragraphs A14 and 15 of the consolidated conclusions of the Brussels European Council (SN 461/1/88).

The Council heard a presentation by the president of the European Court of Auditors of the court's report for 1986. I emphasised the importance which the United Kingdom attaches to obtaining better value for money from Community expenditure. I welcomed the increasing attention which the court is giving to fraud in the Community and I also encouraged the Commission to bring forward cost-effective proposals for combating fraud. The Council approved a resolution recommending that the European Parliament should grant the Commission a discharge on implementation of the 1986 budget.

The Council reviewed the economic situation in the Community and agreed that there was no need to change the policy guidelines set out in the 1987-88 annual economic report adopted last December.

Family Earnings

Mr. Squire: To ask the Chancellor of the Exchequer if he will publish a table setting out for a two-child family on *(a)* half average earnings, *(b)* three quarters average earnings, *(c)* average earnings, *(d)* one and a half average earnings, *(e)* twice average earnings, *(f)* five times average earnings and *(g)* 10 times average earnings, the increase in net income derived from (i) a 1p cut in the standard rate of income tax in 1988-89, (ii) an increase in personal allowances, over and above indexation, incurring the same cost as (i), (iii) an increase in child benefit incurring the same cost as (i), both assuming and not assuming similar increases in the supplementary benefit children's rates, (iv) the introduction of a reduced rate tax band of 25 per cent. at the same cost as (i) showing what band of income the reduced rate would cover, and (v) the introduction of a reduced rate tax band of 20 per cent. at the same cost as (i), showing what band of income the reduced rate would cover.

Mr. Norman Lamont *[holding answer 18 February 1988]:* The effects of the proposed changes on a one earner, two child, family are shown in the table. The table contains information based on direct revenue or expenditure cost in a full year at 1988-89 levels of income, based on projections from the 1984-85 survey of personal incomes in line with forecasts in the Autumn Statement. On this basis, each of the measures would cost £1·4 billion in a full year—that is the full year figure underlying the first year cost of a 1p cut in the basic rate of income tax, £1·25 billion, shown in the Autumn Statement. The income tax changes are compared with the 1987-88 tax regime indexed to 1988-89 according to the statutory provisions. The income tax calculations assume that all personal allowances and higher rate thresholds would increase by the same percentage and disregard any changes in social security income-related benefits to which the family may be entitled. It has also been assumed that the only tax relief or allowance available to the married couple is the married man's allowance and that the wife has no earnings.

Increase in income after tax (£ per week) compared with indexation in 1988-89 for married man with two children

Multiple of average earnings[1]

	½	¾	1	1½	2	5	10
Increase derived from:							
(i) 1p cut in basic rate	0·46	1·07	1·69	2·91	3·60	3·60	3·60
(ii) 5 per cent. increase in income tax thresholds	0·99	0·99	0·99	0·99	3·90	10·69	10·69
(iii) Increase in child benefit							
(a) £3·40 per week[2]	6·80	6·80	6·80	6·80	6·80	6·80	6·80
(b) £2·15 per week[3]	4·30	4·30	4·30	4·30	4·30	4·30	4·30
(iv) reduced rate band of 25 per cent. on first £3,400 of taxable income	0·93	1·31	1·31	1·31	1·31	1·31	1·31
(v) reduced rate band of 20 per cent. on first £850 of taxable income	1·14	1·14	1·14	1·14	1·14	1·14	1·14

[1] Average earnings assumed to be £244·7 per week, an increase of 6·5 per cent. on 1987-88 in line with the assumptions used by the Government Actuary for reviewing national insurance contributions (paragraph 3.02 of the Autumn Statement 1987).
[2] Assuming no change in income support rates.
[3] Assuming a corresponding change in income support.

Income Tax

Mr. Gordon Brown: To ask the Chancellor of the Exchequer by how much in real terms the average annual tax payments of a man with no allowances and reliefs other than the married man's tax allowance earning (i) £5,000, (ii) £10,000, (iii) £15,000 and (iv) £20,000 has increased or decreased since 1978-79.

Mr. Norman Lamont *[holding answer 23 February 1988]:* The information is given in the table. The calculations have been made by comparing the tax liabilities under the 1987-88 income tax regime with those under the 1978-79 regime indexed to 1987-88 according to the statutory formula.

Reduction in income tax liability under 1987-88 tax regime

Annual earnings		*As percentage of liability under 1978-79 indexed tax regime*
£	£	*per cent.*
5,000	139·00	30
10,000	439·00	21
15,000	739·00	20
20,000	1,045·65	19

It is assumed that the taxpayer has no income other than earned income and no allowances or reliefs other than the married man's allowance.

Mr. McCrindle: To ask the Chancellor of the Exchequer why notices of coding for the tax year 1988-89 are being sent out in advance of the new rates of tax being known.

Mr. Norman Lamont *[holding answer 29 February 1988]:* Notices of coding for the tax year 1988-89 have been issued where, because of changes in taxpayers' circumstances, the taxpayers' codes for the year commencing on 6 April 1988 differ from the code for the current year 1987-88. Apart from prefix F codes, changes to rates of tax do not normally cause any revision to be made to a taxpayer's code. They merely affect the amount of tax to be deducted by the employer in applying that code.

Mr. Gordon Brown: To ask the Chancellor of the Exchequer what would be the cost in the 1988-89 financial year of introducing a reduced rate tax band of *(a)* 25 per cent. and *(b)* 20 per cent. on the first £1,500 of taxable income; and what would be the effect on the net income of (i) a single person, (ii) a couple where the wife is not working and (iii) a couple where the wife is working and paying tax.

Mr. Norman Lamont *[holding answer 3 March 1988]:* The full-year cost at forecast 1988-89 income levels of introducing a reduced rate of income tax of *(a)* 25 per cent. and *(b)* 20 per cent. on the first £1,500 of taxable income would be £690 million and about £2·5 billion respectively. The estimates are based on a projection of the 1984-85 survey of personal incomes and are therefore provisional.

The net gain to a basic rate taxpayer is given in the table. For the purposes of the calculations the 1987-88 income tax regime has been indexed to 1988-89 in accordance with the statutory provisions.

	Single	*Married man*	
		Wife not working	*Wife with earnings liable at basic rate*
	£·p	£·p	£·p
(i) reduced rate 25 per cent. on the first £1,500	0·58	0·58	1·15
(ii) reduced rate 20 per cent. on the first £1,500	2·02	2·02	4·04

Exchange Rates

Mr. Marlow: To ask the Chancellor of the Exchequer in which of the last 10 years changes in the dollar/European currency unit exchange rate have had a European Community budget effect of more than 400 million European currency units; and if he will make a statement.

Mr. Brooke *[holding answer 7 March 1988]:* The Commission has estimated that, in 1988 prices, a 5 per cent. movement in the dollar/ecu exchange rate has an effect of some 400 million ecu on the European Community budget.

The frequency of changes of this magnitude is sensitive to the precise periods compared. On the basis of annual averages, however, the year-on-year change in the dollar/ecu exchange rate has exceeded 5 per cent. in most years since 1978, the exceptions being 1980 and 1985. In three years the dollar depreciated by more than 5 per cent., whereas in four years the dollar appreciated by more than 5 per cent.

DEFENCE

Ammunition (Scorriton Down)

Mr. Steen: To ask the Secretary of State for Defence why live ammunition was stored at Scorriton Down in the Dartmoor national park; what precautions were taken to protect it; how much was stored there; when the theft was discovered; and if he will make a statement.

Mr. Freeman: Scorriton Down lies in an area used extensively for military training during the second world war. The range was closed in 1947 and clearance work lasted until 1949, at which time the land was returned to the owners. Since the equipment used to locate the munitions at that time was not as effective as its more modern counterparts, some items remained undetected until the discovery last year of some live ammunition. The Royal Engineers were then called upon to conduct what has proved to be a lengthy clearance operation.

During the course of this clearance operation foolhardy members of the public have, quite contrary to common sense, and at considerable risk to themselves and others, deliberately dug up and removed four items of old munitions. These stolen items have since been recovered and destroyed, along with all other munitions found on the site to date.

In the light of this incident the Army is reviewing its operating procedures. Pending the outcome of this review, clearance work on Scorriton Down has ceased and the police have been informed of this. I shall write further to my hon. Friend once the review of procedures is complete.

Departmental Staff

Mr. Cran: To ask the Secretary of State for Defence how many members of staff within his Department are located within each region outside London; what percentage this constitutes of staff within his Department; and what were the comparable figures in absolute and percentage terms in 1979.

Mr. Sainsbury: It is not possible to distinguish Ministry of Defence employees employed in London from those in the rest of the south-east prior to 1980. The following table gives the number of full-time equivalent civilian staff, excluding casual staff, employed on 1 January for 1979, 1980 and 1988 in each economic planning region of England, separating London from the rest of the south-east in 1980 and 1988, in Scotland, Wales and Ireland, and overseas and at sea.

Ministry of Defence United Kingdom based civilian staff

	1 January 1988		*1 January 1980*		*1 January 1979*	
	Number of staff	*Percentage of total*	*Number of staff*	*Percentage of total*	*Number of staff*	*Percentage of total*
Total	144,782·5	100·0	220,213·0	100·0	225,478·0	100·0
England	118,786·5	82·0	183,850·0	83·5	188,472·0	83·6
South-East	61,369·5	42·4	95,519·0	43·4	98,488·0	43·7
London	19,268·5	13·3	29,763·0	13·5	n/a	—
Other	42,101·0	29·1	65,756·0	29·9	n/a	—
East Anglia	2,579·5	1·8	2,796·5	1·3	2,950·0	1·3
South West	30,026·0	20·7	50,930·0	23·1	52,126·0	23·1
West Midlands	8,903·5	6·1	11,032·0	5·0	11,171·0	5·0
East Midlands	3,966·5	2·7	7,820·0	3·6	7,959·0	3·5
Yorkshire and Humberside	5,893·0	4·1	7,834·0	3·6	7,749·0	3·4
North West	2,895·0	2·0	3,789·5	1·7	3,891·0	1·7
North	3,153·5	2·2	4,128·0	1·9	4,138·0	1·8
Wales	5,759·5	4·0	7,363·5	3·3	7,659·0	3·4
Scotland	12,268·0	8·5	19,467·5	8·8	19,610·0	8·7
Northern Ireland	2,618·0	1·8	3,231·0	1·5	3,305·0	1·5
Overseas-at sea	5,350·5	3·7	6,301·0	2·9	6,432·0	2·9

For the purposes of consistency and comparability the figures exclude personnel employed at Royal Ordnance Factories, which changed to independent Companies Act status on 2 January 1985.

Some 10,800 of the reduction in numbers in the south-west between January 1980 and January 1988 was due to the transfer of Royal Dockyard Devonport staff to commercial management on 6 April 1987, and some 5,700 of the reduction in Scotland between the same dates was due to the similar transfer of Royal Dockyard Rosyth staff.

Departmental Buildings

Mr. Cran: To ask the Secretary of State for Defence if he will list the location and status of all buildings within his Department located in London and the annual cost of rents, rates and maintenance of each.

Mr. Sainsbury: I refer my hon. Friend to the answer to his question to the Secretary of State for the Environment on 2 March 1988, at column *584*. In the case of the Ministry of Defence, the Department occupies accommodation in 39 properties on the Civil Estate in the Greater London area, ranging from its main HQ building in Whitehall through sites, for example at Stanmore and Chessington, to the archives at Hayes and stationery store at Wandsworth.

There are 98 sites on the Defence Estate in the Greater London area, excluding married quarters, residences and recreation grounds, ranging from service careers information offices to airfields as at RAF Northolt and Army garrisons as at Woolwich.

Gurkhas (Gold Recovery)

Mr. Thorne: To ask the Secretary of State for Defence what steps are being taken to seek the recovery of gold taken from former British Gurkha soldiers in Calcutta in 1987 by the Indian customs service.

Mr. Freeman: We are in active discussion with the relevant authorities in India on ways of recovering the gold and on the question of documentation which would enable British Gurkhas to take gold through India en route for Nepal without risk of further such incidents. In the meantime we are seeking to ensure that those Gurkhas who were affected do not suffer hardship as a result of the temporary loss of their gold.

British Forces (Germany)

Mr. Cohen: To ask the Secretary of State for Defence if he will list for each year since 1979 (i) the total cost of British forces based in Germany, (ii) the amount chargeable to the Government of the Federal Republic of Germany and (iii) the amount paid by that Government; what is the current outstanding amount owing; and if he will make a statement.

Mr. Ian Stewart: The estimated costs of British Forces Germany, excluding equipment, are as follows:

	£ million
1979-80	948
1980-81	1,140
1981-82	1,086
1982-83	1,234
1983-84	1,277
1984-85	1,345
1985-86	1,436
1986-87	1,463
1987-88	1,595

All figures are at Estimates prices and exchange rates for the years stated. Since 1980-81 the Federal Republic of Germany has made no direct financial contribution to the cost of BFG, but it provides various buildings, lands and services free of charge, or at reduced rates.

Aldermaston (Weapons Development)

Mr. Cohen: To ask the Secretary of State for Defence whether any work has been carried out at Aldermaston on new weapons, details of which have not yet been reported to Parliament; and if he will make a statement.

Mr. Sainsbury: I have nothing to add to my answer to the hon. Member on 21 January, at column *774*.

Nuclear Submarines

Mr. Michael: To ask the Secretary of State for Defence (1) what specific arrangements are made to safeguard the public against the effects of incidents involving British nuclear submarines which could lead to the release of radioactive material when any visit is undertaken to the port of Cardiff;

(2) what steps are taken to ensure the safety of the general public when incidents occur which could involve the release of radioactive material from British nuclear submarines *(a)* at any time, *(b)* during entry or leaving port and *(c)* while in port.

Mr. Ian Stewart: Safety schemes, detailing procedures and protective measures to be implemented in the unlikely event of an accidental release of radioactive material from a submarine are drawn up to cover the areas of all naval bases and other berths used by such vessels in the United Kingdom. These are produced in consultation with the appropriate local authorities, emergency services and other civilian agencies with a direct involvement, all of whom hold copies. The combined Barry and Cardiff special safety scheme covers the arrangements for Cardiff.

Mr. Michael: To ask the Secretary of State for Defence (1) how many incidents involving British nuclear submarines have resulted in the release of radioactive material since 1978; and whether any of these occurred in Cardiff or in the Bristol channel;

(2) how many incidents involving nuclear submarines and their reactors have occurred since 1978; and how many fell into each of the categories of mechanical problems, operator error or electrical faults;

(3) how many incidents involving the reactors which power Britain's nuclear submarines occurred between 1962 and 1978 in Cardiff or within 10 miles of Cardiff;

(4) how many incidents involving the release of radioactive materials from British nuclear submarines occurred in Cardiff or the Bristol channel, between 1962 and 1978.

Mr. Ian Stewart: It is not our general policy to discuss matters affecting the operation of Her Majesty's submarines. However, maintenance, operating and safety standards are exacting, and, as a consequence, there has never been an incident involving such submarines where there was any radiological hazard to service men, base personnel or members of the public.

Mr. Michael: To ask the Secretary of State for Defence how many port visits in the United Kingdom have been made *(a)* by British nuclear submarines and *(b)* other nations' nuclear submarines in each year since 1962; and how many of these have been to Cardiff in each year.

Mr. Ian Stewart: Visits of United Kingdom nuclear powered submarines to non-naval ports since 1970, when records have been kept, are as follows:

Port	*Visits (total)*
Hull (to 1981)	8
Barry (to 1978)	4
Liverpool	29
Southampton	5
Cardiff	14

The visits to Cardiff have taken place as follows: 1970; 1971; 1972; 1975; 1976; 1977; 1981; 1983 (2 visits); 1985; 1986 (2 visits); 1988 (2 visits).

In 1986 there were 17 visits of non-United Kingdom nuclear powered submarines to United Kingdom naval bases and in 1987 there were 12. There were no such visits in these years to non-naval ports, including Cardiff.

The other figures are unobtainable except at disproporationate cost.

"Giants of the Glens"

Dr. Thomas: To ask the Secretary of State for Defence if he will obtain for his departmental library a copy of the

transcript of the Channel Four television programme, "Giants of the Glens", broadcast on 13 February; and if he will make a statement.

Mr. Sainsbury: No. The Channel Four television programme, "Giants of the Glens", concerned hydro-electric power in the north of Scotland and is thus a matter for the Secretary of State for Scotland.

Heavy Water

Dr. Thomas: To ask the Secretary of State for Defence what projects have been carried out, or are planned, to produce heavy water in Scotland for military purposes; and if he will make a statement.

Mr. Sainsbury: None.

Mr. Kurt Waldheim

Mr. Rhodes James: To ask the Secretary of State for Defence what is the nature of the report naming the then Lieutenant Waldheim as a wanted German Army intelligence officer; and if he will consider releasing it.

Mr. Ian Stewart: As I announced on 29 February, at columns *420-21*, a comprehensive review of the results of the Ministry of Defence's earlier investigation into the fate of captured British service men and the involvement, if any, of the then Lieutenant Waldheim has been set in hand. However, I am anxious that the review should be able to proceed without diversion of effort into questions of the release of individual documents. It would conflict with the proper conduct and progress of the current review to release documents piecemeal in advance of the final report. It is important that the review team should not be pressed for comments of detail on matters which are being comprehensively addressed in the course of the review and which will be covered in its report.

With regard to the document naming Lieutenant Waldheim, to which my hon. Friend refers, I wish to correct the mistaken suggestion that this is a wanted list, in view of speculation that has arisen since it was referred to by the International Commission of Historians (ICH).

This document was mentioned by the commission in the following terms:

"The Commission also made enquiries regarding a CIA file of 26 April 1945 which according to report contained certain information on Lieutenant Waldheim. Although we were refused access to that file which even now is still a classified document the extract that we were given to look at and that we were assured was the only one relating to Waldheim contained only a personal description of Waldheim. That description is part of a list of a great number of Wehrmacht officers in the Ic Branch".

I can confirm that the document to which the Commission refers was simply a record of a routine interrogation report dated 26 April 1945 on the details of individuals who happened to be known to a German officer. It was not a wanted list as has been alleged in some newspapers. In this interrogation report one of the names mentioned is that of the then Lieutenant Waldheim. The relevant verbatim extract from this document is as follows:

"236 Ob.lt. WALDHEIM
Subordinate officer to WARNSTORFF in SALONIKA.
Height: ca 1·82
Hair: Light
Eyes: Light
Age: ca 28"

The interrogation report contains no other reference to the then Lieutenant Waldheim.

We will consider the possibility of releasing particular documents when the review team's findings are published.

ALARM Project

Mr. Marlow: To ask the Secretary of State for Defence if he will make statement about progress on the ALARM project.

Mr. Sainsbury: Following British Aerospace's decision to adopt a new motor for the air-launched anti-radar missile — ALARM — negotiations were concluded last November between the company and my Department for the continuation of the project. I am glad to be able to say that the company is now satisfied with its work on proving the new motor. As a consequence, under the terms of last November's agreement, a revised contract came into effect on 29 February 1988 providing for the project to continue, with responsibility for success placed on the company under tight fixed price conditions.

NATO (Merchant Shipping Needs)

Mr. Brazier: To ask the Secretary of State for Defence whether NATO has yet launched its proposed study into the Alliance's ability to meet its needs for merchant shipping in times of emergency or war; and when he expects the study to be completed.

Mr. David Mitchell: I have been asked to reply.

NATO is proposing to invite tenders from consultants to carry out the study under the organisation's international competitive tendering procedure. I understand the aim is to complete the study by September 1989.

FOREIGN AND COMMONWEALTH AFFAIRS

Iran-Iraq War

Mr. Latham: To ask the Secretary of State for Foreign and Commonwealth Affairs whether he will make a statement on the progress to date in implementing the mandatory United Nations Security Council resolution requiring a cease-fire in the war between Iran and Iraq; what is the latest estimate available to him of the number of deaths in this conflict, including civilian deaths; and how many are believed to have died as a result of the use of chemical weapons officially banned by international agreements.

Mr. Mellor: Despite the efforts of the United Nations Secretary-General, Security Council resolution 598 remains unimplemented after seven months. The Security Council is therefore actively working on enforcement measures to be applied to the recalcitrant party.

It is estimated that approximately 150,000 Iraqi and 500,000 Iranian troops have been killed so far, together with a total of some 200,000 civilians. The number of deaths directly attributable to the use of chemical weapons is not known.

Hostages

Mr. Latham: To ask the Secretary of State for Foreign and Commonwealth Affairs what current steps he is taking, through diplomatic contacts, to bring about the release of Mr. Terry Waite and other British hostages still imprisoned by Arab terrorists; and whether he is pursuing diplomatic initiatives through the United Nations Security Council.

Mr. Mellor: Her Majesty's embassy in Beirut is very active in trying to obtain information about the disappearance and whereabouts of all British hostages held in the Lebanon. We have repeatedly called upon Governments or organisations with influence over the hostage-takers to use their influence to secure the release of all those held. We are also in regular contact with other Governments, including members of the United Nations Security Council, who might be able to help.

Middle East (Christian Worship)

Mr. Latham: To ask the Secretary of State for Foreign and Commonwealth Affairs whether he will give details of the arrangements made by Her Majesty's ambassador in Saudi Arabia, and by the British interests section in the embassy of the protecting power in Libya, for British subjects who wish to attend Christian worship at Easter, in the light of the ban on holding public Christian services in those countries.

Mr. Eggar: The Saudi Arabian Government confirmed recently that Christians are permitted to worship individually according to their conscience. Her Majesty's ambassador in Riyadh has not made any special arrangements for British nationals to attend Christian worship at Easter.

British nationals in Tripoli may attend the weekly religious services at either the Anglican, Roman Catholic or Non-Conformist Union church, and there is also a Roman Catholic church in Benghazi. The Anglican chaplain in Tripoli makes fortnightly visits to the 500-strong British community in Marsa Al Brega and he also regularly visits the Anglican community in Benghazi.

Middle East (British Citizens)

Mr. Latham: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the number of British citizens currently in *(a)* Libya and *(b)* Syria; and what were the equivalent figures before Her Majesty's Government broke off diplomatic relations with those states.

Mr. Eggar: There are estimated to be about 3,250 British citizens currently in Libya and 300 in Syria. The corresponding figures before we broke off relations with those states were 8,250 and 300.

Pakistan

Mr. Millan: To ask the Secretary of State for Foreign and Commonwealth Affairs what recent representations he has made to the Government of Pakistan regarding their treatment of their Ahmadi community.

Mr. Eggar: We regularly make known to the Pakistan Government the extent of concern expressed in this country over the situation of the Ahmadi community in Pakistan.

EMPLOYMENT

RPI (Error)

Mr. Gordon Brown: To ask the Secretary of State for Employment whether he will issue a corrected series of the retail prices index for all items and for all items less housing costs for each month from February 1986 until October 1987 inclusive, to take account of the error in the retail prices index.

Mr. Lee: No. It has always been the practice not to revise the retail prices index once it has been published, as doing so would create serious problems for some users. This practice was endorsed by the Retail Prices Advisory Committee in its latest report (Cmnd. 9848, July 1986) and I see no reason to change it.

Extra payments have been made to pensioners in recompense for their small losses at the time of pensions uprating and to ensure that the Exchequer has not benefited from the consequent social security under payment.

Professional and Executive Recruitment

Mr. Couchman: To ask the Secretary of State for Employment what professional advice he has received about options for transferring Professional and Executive Recruitment out of the public sector.

Mr. Fowler: I announced on 2 December the appointment of Lloyds merchant bank to advise me on the options for transferring PER out of the public sector.

There is extensive private sector provision in the activities which PER provides on a fee-charging basis. It is the Government's view that activities of a clearly commercial nature are better conducted in the private sector.

I have now received Lloyds' advice, which recommends that PER should be transferred out of the public sector through a sale by tender. This recognises, I believe, that the current PER operation is essentially a commercial recruitment business and that it will have the opportunity both to realise its full commercial potential and to develop better in the private sector.

The Government intend therefore to proceed with privatisation. I have asked Lloyds merchant bank to conduct the necessary preparatory work over the next couple of months, with a view to offering PER for sale, through a private tender process open to all interested parties, at the earliest opportunity.

I am keen that PER's staff should have every chance to benefit from the wider opportunities that privatisation will open up for PER. I shall therefore offer all PER's established staff the option of accepting voluntary secondment arrangements. When PER transfers to the private sector, staff who have opted for these arrangements will remain in the business as civil servants on secondment for a limited period on favourable terms. Staff who do not opt for voluntary secondment will be redeployed within the Department of Employment group prior to privatisation.

Labour Statistics

Mr. Meacher: To ask the Secretary of State for Employment what are the current estimates and projections of the population of working age of *(a)* men aged 16 to 64 years and *(b)* women aged 16 to 59 years, by standard region including Greater London for 1979, 1983, 1986, 1987 and 1988.

Mr. Lee [*pursuant to his rely*, 23 February 1988, *c. 86*]: I regret to say that an error has been discovered in some of the information which was supplied to my Department

for use in my earlier reply. The figures affected are the estimates of the population of working age in Greater London. The correct figures are:

Greater London

	Thousands
Men aged 16 to 64 years	
1979	2,183
1983	2,185
1986	2,203
Women aged 16 to 59 years	
1979	2,040
1983	2,026
1986	2,052

Source: Office of Population Censuses and Surveys.

SCOTLAND

Firearms Certificate

Mr. Steel: To ask the Secretary of State for Scotland if he will issue guidance to chief constables to the effect that no alterations to firearms certificate should be made as a matter of general policy until such time as the Firearms Bill has been enacted and the compensation measures contained therein have been agreed by Parliament; and if he will make a statement.

Mr. Rifkind: No. Under the Firearms Act 1968, the chief constable has a duty to satisfy himself that an applicant for the issue or renewal of a firearm certificate has a good reason for having in his possession, or for purchasing or acquiring, the firearm or ammunition in respect of which application is made, and can be permitted to have it in his possession without danger to the public safety or to the peace. A person aggrieved by the refusal of a chief constable to grant or renew a certificate may appeal to the sheriff.

Family Planning Services

Mr. McTaggart: To ask the Secretary of State for Scotland if he will make a statement on the future level of provision of family planning services in Scotland.

Mr. Michael Forsyth: It is for individual health boards to determine, within the resources available to them, the most appropriate pattern of provision of family planning services in their respective areas.

Abortions

Mr. McTaggart: To ask the Secretary of State for Scotland how many abortions were carried out in the Strathclyde region for each of the last five years, broken down by *(a)* age of women and *(b)* period of gestation.

Mr. Michael Forsyth: The information is given in the table.

Abortions in Strathclyde region 1982-86

Age	*1982*	*1983*	*1984*	*1985*	*1986*
0-16	78	88	100	88	99
16-19	797	759	925	903	922
20-24	823	892	1,004	1,036	1,078
25-29	493	504	579	568	660
30-34	370	352	384	359	409
35-39	303	277	283	274	262
40-44	140	111	104	97	101
45+	13	19	10	11	10
Total	3,017	3,002	3,389	3,336	3,541
	Period of gestation—weeks				
0-10	1,281	1,338	1,504	1,541	1,559
10-13	1,367	1,288	1,462	1,431	1,601
14-17	280	272	344	312	318
18-19	47	67	53	33	39
20-24	41	36	24	17	23
25+	1	1	2	2	1
Total	3,017	3,002	3,389	3,336	3,541

Amniocentesis Tests

Mr. Wigley: To ask the Secretary of State for Scotland what is his estimate of the number of amniocentesis tests undertaken in Scotland, for the most recent years for which the information is available.

Mr. Michael Forsyth: I regret that the information requested is not held centrally.

Spent Fuel Reprocessing

Dr. Thomas: To ask the Secretary of State for Scotland if there will be any requirement on the Scottish power industry to renegotiate after privatisation the contracts with British Nuclear Fuels plc for spent fuel reprocessing.

Mr. Lang: No.

Electricity Privatisation

Dr. Thomas: To ask the Secretary of State for Scotland what requirements will be laid upon the Scottish electricity companies to participate in United Kingdom Nirex Ltd. under privatisation plans.

Mr. Lang: Details have yet to be considered, but present expectations are that the SSEB's shareholding in United Kingdom Nirex Ltd. will pass to the successor operator of SSEB nuclear power stations.

Dr. Thomas: To ask the Secretary of State for Scotland what consideration he has given to the present underwriting arrangements in respect of a major incident at a nuclear power plant in his preparation of plans for privatising the electricity supply industry.

Mr. Lang: Arrangements under the Nuclear Installations Act 1965 will continue after privatisation.

Dr. Thomas: To ask the Secretary of State for Scotland (1) what valuation will be put on *(a)* unreprocessed spent nuclear fuel, *(b)* uranium arisings, *(c)* plutonium arisings, and *(d)* nuclear waste arisings from South of Scotland Electricity Board nuclear fuel reprocessed at Sellafield, under privatisation;

(2) what valuation will be put on low and intermediate level nuclear wastes at South of Scotland Electricity Board plants under privatisation.

Mr. Lang: It is too early to say what the valuation of these materials will be at the time of the privatisation of the electricity supply industry.

Hip Replacement Operations

Mr. Darling: To ask the Secretary of State for Scotland what is the average waiting time for a hip replacement operation using private beds in National Health Service hospitals in each health board area.

Mr. Michael Forsyth *[holding answer 8 March 1988]:* The information requested is given in the table. Figures are for 1985 (which is the latest year for which information is available) and for the four health board areas in which hip replacements are carried out on private patients in National Health Service hospitals.

Health board	*Private patients*	
	Number of cases	*Mean wait (in days)*
Borders	1	12
Forth Valley	1	27
Lothian	10	56
Tayside	3	88
Scotland	15	57

Glasgow Royal Infirmary

Mr. McTaggart: To ask the Secretary of State for Scotland which departments of Glasgow Royal infirmary are currently issuing letters to general practitioners stating that patients cannot be given out-patient appointments due to lack of medical staff; how many of these letters have so far been issued; and if he will make a statement on the effects of these shortages on patient care.

Mr. Michael Forsyth *[holding answer 3 March 1988]:* In my reply of 24 February, I explained to the hon. Member the temporary difficulties being faced by the ophthalmology department at the Glasgow Royal infirmary. During this period about 180 letters were sent to general practitioners. As I indicated in my earlier reply the Greater Glasgow health board had taken steps to overcome the difficulties at the Department. I regret the inconvenience caused to the patients concerned.

Operations

Mr. Galbraith: To ask the Secretary of State for Scotland (1) if, for 24 February, he will give the total number of operations postponed in Scottish hospitals, the number in each health board and the number in each specialty in each health board;

(2) if he will give the total number of operations performed in Scottish hospitals on 24 February, the number in each health board and the number in each specialty in each health board.

Mr. Michael Forsyth *[holding answer 3 March 1988]:* Health boards report that 792 operations were performed in Scottish hospitals on 24 February and that 818 were postponed because of industrial action on that day. (The latter figure differs from that given in reply to my hon. and learned Friend the Member for Perth and Kinross (Mr. Fairbairn) on 1 March because Argyll and Clyde health board's return erroneously included 80 operations which were in fact lost on other days; the remaining small difference is due to health boards revising their preliminary estimates.) Operations were postponed in seven out of the 15 health boards. Details are given in the tables.

Health Boards where operations were postponed on 24 February because of industrial action

	Operations performed	*Operations postponed*
Argyll and Clyde		
General surgery	3	60
Orthopaedic	2	5
Ear, nose and throat	—	19
Ophthalmology	1	4
Gynaecology	2	17
	8	105
Ayrshire and Arran		
General surgery	14	—
Orthopaedic	5	5
Ear, nose and throat	3	4
Ophthalmology	6	—
Urology	9	—
Gynaecology	12	—
Obstetric	7	—
	56	9
Grampian		
General surgery	7	19
Orthopaedic	6	9
Ear, nose and throat	10	—
Ophthalmology	1	1
Urology	15	1
Plastic	—	4
Dental	—	8
Paediatric	9	27
Gynaecology	2	11
Endoscopy	—	18
Thoracic	3	—
Radiological studies	20	30
	73	128
Greater Glasgow		
General surgery	19	47
Orthopaedic	9	25
Ear, nose and throat	2	23
Ophthalmology	2	19
Urology	2	36
Plastic/Oral	—	20
Dental	4	9
Gynaecology	10	37
Neurosurgery	1	3
Cardiac	13	6
Gastroenterology	—	3
Vascular	4	—
Endoscopy	2	—
Laser surgery	6	—
Thyroid	1	—
	75	228
Lanarkshire		
General surgery	4	51
Orthopaedic	4	17
Ear, nose and throat	—	10
Ophthalmology	4	—
Urology	—	27
Gynaecology	2	37
Endoscopy	—	4
ECT	1	—
	15	146
Lothian		
General surgery	43	57
Orthopaedic	13	27
Ear, nose and throat	17	34
Ophthalmology	2	14
Urology	—	3
Oral surgery	1	1

	Operations performed	Operations postponed
Plastic	1	14
Paediatrics	—	8
Gynaecology	26	22
Neurosurgery	3	2
Cardiothoracic	10	—
Cardiac	3	—
Endoscopy	3	—
Day bed	—	9
Main theatre	17	—
Burns	1	—
Accident and emergency	7	—
	147	191
Tayside		
General surgery	28	—
Orthopaedic	19	4
Ear, nose and throat	16	—
Ophthalmology	3	—
Urology	11	—
Plastic	5	4
Dental	14	—
Gynaecology/Obstetrics	41	—
Trauma	4	—
Neurosurgery	3	3
	144	11

Health boards where no operations were postponed on 24 February because of industrial action

	Operations
Borders Health Board	
Emergency Surgery	[1]1
Dumfries and Galloway	
General surgery	23
Orthopaedic	6
ENT	4
Maternity	1
Emergency	2
	36
Fife	
General surgery	22
Orthopaedic	13
ENT	11
Ophthalmology	4
Urology	4
Oral surgery	5
Gynaecology	9
	68
Forth Valley	
General surgery	19
Orthopaedic	6
ENT	5
Ophthalmology	9
Urology	11
Gynaecology	9
Endoscopy	10
Broncoscopy	5
Emergency	2
	76
Highland	
General surgery	23
Orthopaedic	9
Ophthalmology	6
Gynaecology	15
Endoscopy	9
Angiogram	5
Emergency	7
	74
Orkney	
No operations were performed on 24 February as it was not an operating day	
Shetland	
General surgery	7
Western Isles	
General surgery	12

[1] 24 February was not an operating day.

ENVIRONMENT

Rating Reform

74. **Mr. Favell:** To ask the Secretary of State for the Environment what estimate he has made of the effect on industry in the north-west of the proposed uniform business rate.

Mr. Howard: Had the unified business rate been implemented in 1987-88 it could have saved businesses in the north-west £180 million, 18 per cent. of their present rate bills. These savings would be in addition to the further benefits which the 1990 revaluation is expected to bring to the region. Overall these changes should provide a major boost to the economy of the north-west. The future index-linking of rate increases to no more than the rate of inflation will ensure that this is a continuing benefit. These benefits for businesses would not be at the expense of community charge payers. The new grant arrangements we propose, together with the distribution of the national non-domestic rate income, would have allowed all authorities to provide a standard level of service at the same level of community charge, £178 in 1987-88.

Departmental Staff

95. **Mr. Cran:** To ask the Secretary of State for the Environment how many members of staff within his Department are located within each region outside London; what percentage this constitutes of staff within his Department; and what were the comparable figures, in absolute and percentage terms in 1979.

Mr. Ridley: The following tables show the numbers of staff in my Department located within each of the Department of the Environment and Property Service Agency regional areas[1] outside the London regional area at 1 February 1988, together with the percentages which those numbers represent of my total staff:

Region	*Number*	*Per cent.*
Department of the Environment		
East	912	2·8
East Midlands	104	0·3
North	112	0·3
North West	245	0·8
South East	21	0·1
South West	664	2·1
West Midlands	127	0·4
Yorks and Humberside	126	0·4

Region	Number	Per cent.
Property Services Agency		
East	2,874	8·9
Midlands	1,453	4·5
North East	1,639	5·1
North West (including some staff in Northern Ireland)	1,385	4·3
South	1,656	5·1
South East	2,401	7·4
South West	2,572	8·0

In addition there were 1,981 (6·1 per cent.) staff in Scotland, 1,227 (3·8 per cent.) in Wales and 504 (1·6 per cent.) abroad.

Figures for 1979 were:

Region	Number	Per cent.
Department of the Environment		
East	1,381	2·7
East Midlands	235	0·5
North	383	0·5
North West	353	0·7
South East	1,288	2·5
South West	948	1·8
West Midlands	292	0·6
Yorks and Humberside	247	0·5
Property Services Agency		
East	2,432	4·7
Midlands	2,725	5·3
North East	2,790	5·4
North West (including some staff in Northern Ireland)	2,551	4·9
South	2,933	5·7
South East	4,401	8·5
South West	4,643	9·0

There were 3,253 (6·3 per cent.) staff in Scotland, 1,995 (3·7 per cent.) in Wales and 802 (1·6 per cent.) abroad.

[1] The joint Department of the Environment/Department of Transport regions and the PSA regions cover different areas.

These figures cannot be compared directly with those for 1988 as there have been major organisational changes since 1979 including privatisation and hiving-off of functions.

Council House Sales

Mr. Leigh: To ask the Secretary of State for the Environment if he will make a statement on the number of council homes sold in the East and West Lindsey district council areas; and how many applications to buy are currently being processed.

Mrs. Roe: The numbers of sales from April 1979 to September 1987 reported by each English local authority appear in the table placed in the Library on 2 March 1988 in reply to a question from my hon. Friend the Member for Banbury (Mr. Baldry). East Lindsey has reported a further 45 sales in the quarter ended December 1987. East Lindsey is currently processing 222 applications for the right to buy and West Lindsey 131.

Inner City Regeneration

Mr. Andrew Mitchell: To ask the Secretary of State for the Environment what his Department has spent since 1979 on grants to private sector companies to aid inner city regeneration.

Mr. Trippier: Expenditure by my Department on grants to private sector companies to aid inner city regeneration totals approximately £150 million since 1979.

Inner Area Programme

Mr. Allen: To ask the Secretary of State for the Environment what consultation procedures his Department recommends prior to inner area programme proposals being approved by local authorities.

Mr. Trippier: The ministerial guidelines for the urban programme suggest that the local private sector and local voluntary sector should be consulted on the scope and content of inner area programmes (IAPs). The IAP strategy statement should give an account of the consultation. The form of consultation procedures is a matter for the local authority's discretion.

Water Authorities

Mr. Ieuan Wyn Jones: To ask the Secretary of State for the Environment when he last met the chairmen of water authorities in England and Wales; and what matters were discussed.

Mr. Moynihan: Pursuant to the answer given by my right hon. Friend the Secretary of State on 11 February to the hon. Member for Caernarfon (Mr. Wigley) at column 298, I have also met the chairman of the Water Authorities Association and two of his fellow chairmen on 24 February to discuss a range of issues relating to the privatisation of the water authorities.

Housing Defects Legislation

Mr. Heddle: To ask the Secretary of State for the Environment if he has any proposals to introduce legislation to amend the rules in the housing defects legislation, which determine whether eligible owners receive reinstatement grant or repurchase; and if he will make a statement.

Mr. Waldegrave: We have been consulting local authority associations, home owners groups and other interested bodies on the suggestion that "test d" of section 538(1) of the Housing Act 1985 be dropped. That test requires an authority to repurchase if the direct cost of that is any less than the alternative cost of housing defects grant.

In the light of consultees' responses, which generally supported the change, I have decided that "test d" should be removed from section 538(1) and we will shortly be laying an appropriate order before Parliament to achieve that. The order must be affirmed by resolution of both Houses, but I hope that it will be possible to have it in operation by June. This change will not affect the Act's other "value for money" test which will continue to require an authority to satisfy itself that reinstatement is justified, having regard to the likely freehold value of the property after repair.

Removal of "test d" will give local authorities and home owners some welcome additional flexibility. As things stand, owners have to have their homes repurchased, even where they and the authority would prefer repair, whenever the cost of repair would exceed that of repurchase, even when the margin is very narrow. This change will allow repair where there is agreement this makes sense and is in accordance with the Act's other value-for-money test ("c").

Section 538(4) of the Act provides that such an order does not affect an application for assistance made before the order comes into force. However it is open to owners,

if they choose, to withdraw their existing applications and then submit fresh ones, if they wish to take advantage of this change. Owners who are interested in this may therefore wish to discuss the position with their local authority.

European Regional Development Fund

Mr. Burt: To ask the Secretary of State for the Environment if he will give details of the annual European regional development fund infrastructure grant available for national programmes and integrated development operations applications in the north-west region; and if he will make a statement.

Mr. Trippier: In co-operation with the local authorities and other public bodies, the Government will be submitting to the European Commission applications for the north-west region. These are being prepared in the expectation that ERDF aid of up to £60 million annually will be available for such programmes in that region. On this basis the Merseyside integrated development operation, the Manchester-Salford-Trafford integrated development operation and the Mersey basin II national programmes will be seeking an average annual ERDF grant of £25 million, £20 million and £15 million respectively. In addition, authorities may continue to submit separately applications for infrastucture projects which are not included in the programmes.

Those figures compare favourably with total ERDF grants of £51·6 million committed to the region in 1987, of which £19·8 million was for local authorities. Decisions on actual grant awards are, of course, made by the European Commission.

Local Authorities (Receipts)

Mr. Brazier: To ask the Secretary of State for the Environment if he will publish the information he has collected on the accumulated capital receipts held by local authorities at the end of 1986-87.

Mr. Ridley: My Department has now received accumulated capital receipts returns for 1986-87 from 97 per cent. of English local authorities. On the basis of these it is estimated that at the end of 1986-87 local authorities in England held accumulated receipts giving rise to spending permission in later years of £9·4 billion. Some of these receipts were notional, such as leasing disposals. The cash from much of the remainder had been used for such purposes as repaying debt and financing capitalised housing repairs. After allowing for such factors, only £5·3 billion out of the £9·4 billion spending permission could be converted to cash.

I have today placed in the Library, a table showing for each local authority which has provided a return *(a)* the accumulated receipts giving rise to spending permission and *(b)* the amount which could be converted into cash.

NORTHERN IRELAND

Anglo-Irish Agreement

Mr. McCusker: To ask the Secretary of State for Northern Ireland how many views and proposals on the role and composition of bodies appointed by him or by departments subject to his direction and control have been received from the Government of the Irish Republic under article 6 of the Anglo-Irish Agreement; how many recommendations for appointments have been put forward; how many offers or approaches have been made; and how many such offers have been accepted.

Mr. Tom King: There have been several discussions through the Intergovernmental Conference about the role of a number of public bodies in Northern Ireland. The Irish side has to date suggested 39 people who might be considered for public appointments in Northern Ireland; these names include 19 people who were already on the central appointments unit's list; 12 people suggested by the Irish currently hold a total of 20 public appointments.

Property Compensation

Mr. Beggs: To ask the Secretary of State for Northern Ireland how the sum of £50 is arrived at as an offer of compensation based on site value in an area scheduled for redevelopment, for a property yielding £16 per week rental income; and if he will re-examine the level of compensation currently offered in respect of some properties in Agnes street, Carrickfergus.

Mr. Needham: The redevelopment area referred to was vested under the Local Government Act (Northern Ireland) 1972 and the Housing (Northern Ireland) Order 1981.

The housing order directs that when assessing compensation on the acquisition of a house, classified as unfit for human habitation and incapable of being rendered fit at reasonable expense, then the value to be ascertained is the site value on the assumption that all buildings are removed and available for redevelopment within the building byelaws in force at the date of vesting. In these circumstances, the structure on the site and the rental income generated from that structure are not relevant.

The £50 offer of compensation represented an assessment of the value of a small site in Carrickfergus at 3 July 1986 (the operative date of the vesting order).

A claimant in any case is under no obligation to accept when he believes the compensation offered is unrealistic. Recourse may be made to the Lands Tribunal for Northern Ireland.

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he will introduce amending legislation to ensure that owners of properties denied access to home improvement grants for a prolonged period because of pending proposals for redevelopment by the Northern Ireland Housing Executive will receive fair compensation for property acquired through voluntary negotiation or after a vesting order.

Mr. Needham: Compensation for property acquired by the Housing Executive is governed by current values in an open market determined on the basis of either the value of the houses or of the sites cleared of all buildings as appropriate under the Housing (Northern Ireland) Order 1981. Consideration is being given to amending legislation which would abolish the site value rule in article 91(1) of the 1981 order.

NI 2000

Sir John Biggs-Davison: To ask the Secretary of State for Northern Ireland if he will undertake to place before Parliament the progress reports that he will receive from the chairman of NI 2000.

Mr. Viggers: No, not as a matter of course.

Data Protection

Mr. Cohen: To ask the Secretary of State for Northern Ireland how many subject access requests under the terms of the Data Protection Act his Department has received; what was his estimate of this number; whether he is reconsidering the subject access fee charged by his Department as a result; and whether he will make a statement.

Mr. Viggers: The Northern Ireland Office and the Northern Ireland Departments have received a total of 20 subject access requests. The estimate for the first year was 3,800 requests. Subject access fees have not been reconsidered.

ACE Funding

Mr. Jim Marshall: To ask the Secretary of State for Northern Ireland what consideration he has given to the proposals put forward by the Northern Ireland committee of the Irish Congress of Trade Unions on new procedures to deal with the withdrawal of ACE funding from organisations on grounds of security; and if he will make a statement.

Mr. Viggers: I have considered carefully the proposals put forward by the Northern Ireland committee of the Irish Congress of Trade Unions but I am satisfied that for security reasons it would not be possible to adopt them.

Mr. Jim Marshall: To ask the Secretary of State for Northern Ireland what consideration he has given to adopting new procedures, which will include the right of reply, when decisions are being made on the possible withdrawal of ACE funding from organisations on grounds of security; and if he will make a statement.

Mr. Viggers: I am satisfied that the current arrangements are appropriate in these cases and have no plans to change them. Where funding is withdrawn the organisation concerned is advised that the action taken is in accordance with the Government's stated policy. Representations can be made to the Government by aggrieved bodies and these are considered in light of the circumstances in each case.

Free School Meals

Mr. Hume: To ask the Secretary of State for Northern Ireland whether free school meals will be available to the children of those receiving family income supplement on 11 April; and if he will make a statement.

Mr. Needham: As family income supplement ends on Sunday 10 April 1988 and family credit will be introduced from Monday 11 April 1988, free school meals will not be available to these children on 11 April 1988. To ensure, however, that families do not lose out at this time a transitional payment of family credit, which includes an amount for school meals, will be made on 12 April 1988. This will be in addition to a second payment, covering the period from 12 April to 18 April, which will be paid on Tuesday 19 April 1988.

RUC (Chief Constable)

Mr. Austin Mitchell: To ask the Secretary of State for Northern Ireland if he will list the official engagements for 19 May 1986 of Sir John Hermon, Chief Constable of the Royal Ulster Constabulary.

Mr. Tom King: The Chief Constable's arrangements are matters for him.

Mr. Austin Mitchell: To ask the Secretary of State for Northern Ireland whether the Chief Constable of the Royal Ulster Constabulary, Sir John Hermon, was in touch by telephone at any time on 19 May 1986 with Mr. James Anderton, chief constable of Manchester, or any of the other senior police officers meeting at the Royal hotel, Scarborough, on that date; and if he will make a statement.

Mr. Tom King: I have no knowledge of such matters.

Public Bodies

Mr. McCusker: To ask the Secretary of State for Northern Ireland when he will answer the question from the hon. Member for Upper Bann which was tabled for answer on 18 February relating to the composition and membership of public bodies in Northern Ireland.

Mr. Tom King: Today.

Libya (Exports)

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he will make it his policy to seek to end exports from the United Kingdom to Libya, in view of the recent arms discoveries in Northern Ireland believed to have originated in Libya.

Mr. Mellor: I have been asked to reply.

No. We do not operate economic sanctions against Libya, and British firms remain free to use their own judgment on whether to trade with Libya. We do not, however, actively promote trade with Libya. Nor is there any question of the Government issuing licences for defence exports to Libya or of resuming diplomatic relations whilst Libyan involvement in terrorist activity and support for the IRA continues.

Terrorism

Mr. Beggs: To ask the Secretary of State for Northern Ireland what assistance has been given by the Government of France in establishing the quantity of illegal arms shipped to Irish Republican terrorists.

Mr. Mellor: I have been asked to reply.

There has been full co-operation between the French Government and ourselves on all aspects of the Eksund case. As the matter is now the subject of French judicial proceedings, it would be inappropriate for me to comment further.

Mr. William Ross: To ask the Secretary of State for Northern Ireland if he will indicate the type and calibre of firearms most commonly used by the Irish Republican

Army in attacks on the security forces and the type and calibres of the firearms most commonly used to assassinate members of the security forces when off duty.

Mr. Tom King: I refer the hon. Gentleman to the answer given by my right hon. Friend the Minister of State on 7 March 1988, at columns *73-74*.

Driving Licences

Mr. Beggs: To ask the Secretary of State for Northern Ireland what information he has as to how many persons resident in Northern Ireland have obtained a Great Britain driving licence by submitting an accommodation address in England, Scotland or Wales at which they can be contacted in each of the last three years.

Mr. Peter Bottomley: I have been asked to reply. This information is not available.

Mr. Beggs: To ask the Secretary of State for Northern Ireland if Northern Ireland residents who have had a Northern Ireland driving licence revoked can obtain a driving licence in Great Britain without disclosing details regarding the loss of a Northern Ireland driving licence.

Mr. Peter Bottomley: I have been asked to reply. A Northern Ireland licence holder could not obtain a full British driving licence in these circumstances.

Social Fund

Mr. Hume: To ask the Secretary of State for Northern Ireland if he will make a statement outlining the staffing arrangements for the social fund, indicating the numbers and grades or titles of officers at each social security office, with an outline of their respective roles.

Mr. Needham *[holding answer 8 March 1988]:* The arrangements are currently being finalised but broadly speaking, staff engaged on single payments work will be allocated to social fund work from April 1988. Work to determine the mix of grades and the distribution of these staff to each social security office is under way. Job descriptions have been agreed with the departmental trade union side but further discussions are needed on the specific grades and numbers.

Mr. Hume: To ask the Secretary of State for Northern Ireland if he will describe the procedures for appealing or requesting a review of a decision by a social fund officer; what provisions have now been made for such procedures; and what requirements, rights or other factors must be considered in reviewing a decision by a social fund officer.

Mr. Needham *[holding answer 8 March 1988]:* The procedure for making applications for review of determinations by social fund officers is set out in the Social Fund (Application for Review) Regulations (Northern Ireland) 1988 (SR1988 No. 20) which comes into operation on 11 April 1988. Briefly, the application must be made in writing within 28 days of the decision having been issued and the reason for the application must be stated.

Applications for review will be considered within the social security office by the social fund officer who made the original decision and by a senior officer. If the applicant remains dissatisfied the decision will be reviewed by a social fund inspector who will operate independently from the social security office.

In reviewing a decision a social fund officer must have full regard to all the circumstances which existed at the time of the original decision together with any new evidence or relevant change of circumstances.

Royal Ulster Constabulary

Mr. Mallie: To ask the Secretary of State for Northern Ireland (1) how many serving members of the Royal Ulster Constabulary have been charged with murder or manslaughter since 1969;

(2) how many serving members of the Royal Ulster Constabulary have been convicted of murder or manslaughter since 1969, giving the name and date in each case.

Mr. Tom King *[holding answers 29 February 1988]:* Statistics prior to 1977 are not readily available. Since 1977 four serving members of the Royal Ulster Constabulary have been charged with murder and two with manslaughter. One officer has been convicted of manslaughter. It is not the practice to disclose details of individual cases.

Firearms

Mr. William Ross: To ask the Secretary of State for Northern Ireland how many firearms and of what types have been *(a)* stolen and *(b)* recovered from (i) the Regular Army, (ii) the Ulster Defence Regiment, (iii) the Royal Ulster Constabulary and (iv) the Royal Ulster Constabulary Reserve in Northern Ireland in each of the last five years for which figures are available.

Mr. Tom King *[holding answer 26 February 1988]:* The information is as follows:

	Revolvers/Pistols		*Light Machine Guns*		*Rifles*		*Others*	
	Stolen	*Recovered*	*Stolen*	*Recovered*	*Stolen*	*Recovered*	*Stolen*	*Recovered*
Army								
1983	2	—	—	—	—	—	—	—
1984	—	—	—	—	—	—	—	—
1985	1	—	—	—	—	—	—	—
1986	2	—	—	—	—	—	—	—
1987	—	—	—	—	—	—	—	—
UDR			—					
1983	2	—	—	—	—	—	—	—
1984	1	—	—	—	1	—	—	—
1985	9	2	—	—	—	—	—	—
1986	1	4	—	—	—	—	—	—
1987	40	27	4	3	135	139	4	—

	Revolvers/Pistols		Light Machine Guns		Rifles		Others	
	Stolen	Recovered	Stolen	Recovered	Stolen	Recovered	Stolen	Recovered
RUC								
1983	9	6	—	—	—	—	—	—
1984	6	3	—	—	—	—	—	—
1985	5	2	—	—	—	—	—	—
1986	9	5	—	—	—	—	1	—
1987	6	3	—	—	—	—	—	—
RUCR								
1983	3	1	—	—	—	—	—	—
1984	2	—	—	—	—	—	—	—
1985	1	1	—	—	—	—	—	—
1986	2	—	—	—	—	—	—	—
1987	4	1	—	—	—	—	—	—

Notes:
1. Recoveries indicated in 1983 refers only to those weapons stolen in 1983 and not before.
2. Recoveries indicated from 1984-87 are in respect of recovery of weapons stolen in the years 1983-1987.

SOCIAL SERVICES

NHS Pay

Mr. Kirkwood: To ask the Secretary of State for Social Services (1) if he will list in the *Official Report*, the percentage increases in average pay levels, in (i) cash terms and (ii) real terms for *(a)* doctors, *(b)* nurses and midwives, *(c)* ancillary staff, *(d)* administrative and clerical staff and *(e)* professions allied to medicine, over the periods (1) 1974 to the latest year for which figures are available, (2) 1979 to the latest year and (3) 1980 to the latest year;

(2) what have been the percentage increases in National Health Service staff pay levels for the following groups *(a)* doctors and dentists, *(b)* nurses, midwives and health visitors, *(c)* professions allied to medicine, *(d)* administrative and clerical staff, and *(e)* ancillary staff, since (i) 1979-80, and (ii) 1980-81, up to the latest year for which figures are available; and what have been the increases in the retail price index over the same periods.

Mr. Newton: Comparable information about average pay levels over the periods requested is not available. The table gives details of increases in rates of pay. The extent by which basic rates are enhanced by additional earnings varies between staff groups and is substantial in the case of ancillary staff.

Percentages

Period	*Staff group* Nurses and Midwives	Doctors and Dentists	Professions allied to medicine	Ancillary staff	Administrative and clerical
1974 to 1987					
Cumulative average settlement	272·6	317·8	n/a	240·0	250·2
Cumulative change in retail price index	266·1	266·1	n/a	266·1	266·1
Real terms increase	1·8	14·1	n/a	(7·1)	(4·3)
1979 to 1987					
Cumulative average settlement	126·3	113·7	134·2	81·7	63·0
Cumulative change in retail price index	75·3	75·3	75·3	75·3	75·3
Real terms increase	29·1	21·9	33·6	3·7	(7·0)
1980 to 1987					
Cumulative average settlement	64·0	62·6	69·9	45·4	43·0
Cumulative change in retail price index	49·9	49·9	49·9	49·9	49·9
Real terms increase	9·4	8·5	13·3	(3·0)	(4·6)

Notes:
1. The period covered is from 1 August of each base year to 31 July 1987.
2. The cumulative change in the retail prices index is that from July of the base year to July 1987.
3. The real terms increase is the cumulative average settlement deflated by the increase in the retail prices index over the period.
4. Figures in brackets indicate real terms reductions.
n/a = not available.

Dental Services (Disciplinary Cases)

Mr. Radice: To ask the Secretary of State for Social Services what were the numbers of disciplinary cases concerning dental services in the years 1982 to 1986 in relation to *(a)* the number resolved without an oral hearing, *(b)* the number resolved with an oral hearing, *(c)* the number, after an oral hearing, where the contractor was found to be in breach of his terms of service and *(d)* the number where a withholding resulted, together with the average size of the withholding.

Mrs. Currie: Information about the investigation of complaints concerning the family practitioners is not available centrally in the form requested.

In the years 1982-86, the following cases were completed in respect of the dental practitioner services:

	1982	1983	1984	1985	1986
Disciplinary action—					
Cases investigated	303	323	421	651	599
Breach found	114	118	196	343	298

It is not possible, from centrally held information, to calculate an average level of withholding concerning all cases. During the period in question the following range of withholdings was applied:

	1982	1983	1984	1985
Decision to withhold remuneration	91	80	145	255
Amount withheld—				
Less than £100	40	28	40	69
£100-£249	14	13	31	26
£250 and over	37	39	74	160

In 1986 the form of presentation changed. The figures are:

	Number
Under £500	124
£500-£999	49
£1,000-£1,999	39
£2,000 and over	8

Nurses (Pay)

Mr. Sayeed: To ask the Secretary of State for Social Services how nurses' pay has altered in real terms *(a)* between 1974 and 1979, *(b)* between 1979 and 1984 and *(c)* since the pay review body was set up in 1984.

Mr. Newton: The information requested is as follows:

Pay-round Years (1 August-31 July)	Percentage movement in real terms pay[1]
1974-75—1978-79	−2·1
1979-80—1983-84	+1·5
1983-84—1986-87	+1·6

[1] Percentage movements in real terms pay reflect the percentage cash increase/decrease for the pay round year deflated by the increase in the retail prices index throughout the pay round year.

National Health Service Pay

Mr. Pike: To ask the Secretary of State for Social Services (1) on what basis his Department has not in the past eight years fully funded pay awards in the National Health Service:

(2) what proportion of pay awards to nurses have been met through extra central Government funding for each of the last five years; and what studies have been made and what steps taken by his Department over that period to ensure that the difference between each pay award and the Government allocation for that purpose could be made up without detriment to levels of patient care.

Mr. Newton: Prior to 1982-83 health authorities were funded on a system of volume planning and funds were provided by the Government to meet increases in expenditure. Since then authorities have operated under the cash planning system and are expected to meet all expenditure within the total resources available to them. Nevertheless in three of the last four years we have provided additional funds to help authorities meet the cost of review body awards.

Neither initial allocations nor (except in 1984-85) additional funding was earmarked specifically for the pay of individual staff groups such as nurses. The following proportions are a notional assessment based on the nurses' percentage share of the cost of review body awards and relate to the period since the inception of the nurses review body.

Proportion of cost of nurses' pay award in:

	Initial allocation per cent.	Additional funding per cent.	Total per cent.
1984-85	39·5	46·5	86·1
1985-86	80·4	—	80·4
1986-87	77·1	17·7	94·9
1987-88	39·4	54·1	93·5

Totals do not sum due to rounding.

Although no specific studies of the type described have been undertaken, health authorities are aware of the need to plan flexibly to meet any pay and price pressures that arise and of the additional revenue available to them as a result of savings released by their cost improvement programmes.

Trent RHA

Mr. Alexander: To ask the Secretary of State for Social Services what were the costs to public funds of the administration of Trent regional health authority in each year since 1982.

Mr. Newton: Following is the information derived from the annual accounts of the health authorities comprising the Trent region.

It would be misleading to interpret a regional health authority's data in isolation from that of the districts it manages. Regions are managed in an integrated way and, therefore, to provide a more accurate picture, regional health authority and district health authority figures should be combined.

Expenditure on headquarters administration

	Trent regional health authority £000	District health authorities £000	Region total £000
1982-83	5,327	26,355	31,682
1983-84	7,773	23,646	31,419
1984-85	8,358	24,484	32,842
1985-86	8,884	21,786	30,670
1986-87	10,683	22,847	33,530

Notes:

1. Expenditure on headquarters administration includes all current expenditure on the pay and pay related costs of staff of all disciplines (including general managers) employed at headquarters levels and their office costs and overheads. It excludes the cost of clerical and secretarial support staff employed in departments at hospital and unit levels: such costs are regarded as operational.

2. Prior to 1 April 1985 many of the district health authorities had an associated family practitioner committee (FPC) and those authorities' expenditure for the years before that date includes elements relating to FPCs' administrative expenses which are not separately identifiable.

Hip Replacement Operations

Mr. Simon Hughes: To ask the Secretary of State for Social Services if he will estimate for each district health authority within Greater London *(a)* the current length of time an individual would be expected to wait for a hip replacement operation and *(b)* the number of individuals currently waiting for a hip replacement operation who have been on the waiting list for (i) up to one year, (ii) between one and two years, (iii) between two and three years, (iv) between three and four years and (v) over four years.

Mr. Newton: None of the information requested is available centrally. Information on in-patient waiting lists is collected by specialty of treatment and not by intended method of treatment-operation. A one in 10 sample of hospital discharge records provide data about the waiting experience of patients who have been treated, but at district level the sample is too small to provide reliable estimates for hip replacement operations.

Regional information for 1985—the latest year for which data are held centrally—is given in the table.

Estimated median interval in weeks between the time a patient was placed on the waiting list and the date of admission to NHS hospitals for total hip replacement and other arthroplasty of hip, Thames regions, 1985

Region	Time
North West Thames	13
North East Thames	18
South East Thames	23
South West Thames	26

Hospital Waiting Lists

Mr. Robert B. Jones: To ask the Secretary of State for Social Services by how much National Health Service waiting lists have changed between 1979 and 1987 in *(a)* the North West Thames regional health authority and *(b)* the North West Hertfordshire district health authority.

Mr. Newton: The in-patient waiting list for North West Thames regional health authority has decreased by 9·3 per cent. from 48,503 to 44,007 between 31 March 1979 and 31 March 1987. The in-patient waiting list for North West Hertfordshire district health authority has also decreased over the same period, from 2,743 to 1,544, a fall of 43·7 per cent.

Dr. Owen: To ask the Secretary of State for Social Services if he will list the average waiting time for each specialty by regional health authority and the average for England, Wales and Scotland, respectively.

Mr. Newton: The table shows the median interval between the date an in-patient was placed on the waiting list and the date of admission (estimated centrally using a 10 per cent. sample of anonymised hospital records) for those specialties where most of the sample numbers were large enough to give reliable estimates at regional level.

Median Waiting Time (in weeks) of waiting list cases treated, by specialty and region, NHS hospitals, England 1985

Specialty	Northern	Yorkshire	Trent	East Anglian	North West Thames	North East Thames	South East Thames	South West Thames
All Non-Psychiatric Specialties	7	8	8	8	5	6	7	8
General Medicine	2	2	3	3	2	1	1	1
Neurology	2	3	5	5	1	3	2	2
Rheumatology	3	4	2	4	1	2	1	1
General Surgery	5	6	5	5	4	5	5	5
Ear, Nose and Throat	14	13	15	12	11	11	11	12
Traumatic and Orthopaedic	10	9	15	14	9	13	15	12
Ophthalmology	11	14	13	11	13	9	11	12
Urology	6	7	7	9	6	7	8	8
Plastic Surgery	12	12	9	13	6	9	12	12
Thoracic Surgery	6	3	7	2	1	1	5	1
Oral Surgery	15	19	15	19	12	15	12	12
Gynaecology	6	6	7	6	3	5	5	7

Median Waiting Time (in weeks) of waiting list cases treated, by specialty and region, NHS hospitals, England 1985

Specialty	Wessex	Oxford	South Western	West Midlands	Mersey	North Western	SHA's	England
All Non-Psychiatric Specialties	9	8	8	8	5	7	5	7
General Medicine	1	1	2	2	0	3	3	2
Neurology	7	5	2	5	5	3	3	3
Rheumatology	2	11	2	4	3	2	1	3
General Surgery	6	5	6	6	5	5	3	5
Ear, Nose and Throat	15	11	13	11	9	15	15	12
Traumatic and Orthopaedic	17	12	15	12	8	11	6	12
Ophthalmology	14	18	13	20	9	11	11	13
Urology	10	8	7	10	8	6	4	8
Plastic Surgery	13	14	10	14	9	14	21	12

Specialty	Wessex	Oxford	South Western	West Midlands	Mersey	North Western	SHA's	England
Thoracic Surgery	3	1	4	6	2	1	5	3
Oral Surgery	15	22	20	13	8	13	0	15
Gynaecology	6	7	6	6	6	6	—	6

Mr. Allen: To ask the Secretary of State for Social Services what are the hospital waiting list figures for England and by English health regions for September 1987.

Mr. Newton: The September waiting list figures are being compiled now and will be published as soon as possible.

Mr. Allen: To ask the Secretary of State for Social Services if he will give the hospital waiting list figures by specialty for the Nottingham district health authority and the Trent region, for the latest available date.

Mr. Newton: The latest available information about NHS waiting lists is contained in the summary booklet, "Hospital in-patient waiting list—England at 31 March 1987," a copy of which is in the Library.

NHS Administrators

Mr. Conway To ask the Secretary of State for Social Services (1) how many administrators were employed in the National Health Service at district health authority level in 1978-79 and 1986-87;

(2) how many administrators were employed in the National Health Service at regional health authority level in 1978-79 and 1986-87.

Mr. Newton: It is not possible readily to distinguish, from staff engaged on administrative and clerical work in the National Health Service, those solely engaged as administrators. The table provides figures for administrative and clerical staff in the respective years:

Administrative and Clerical Staff in Post at Regional Health Authority Level and at District Health Authority Level in England at 30 September.

	Whole-time equivalents [1]	
	Regional Health Authority Level	*District Health Authority Level*
1978	7,500	84,900
1986	7,800	95,500

Source: DHSS Annual Census of NHS Non-Medical Manpower

[1] Figures are rounded to the nearest one hundred (100) whole-time equivalents.

[2] 1978 figures include staff at area health authority level whose functions were devolved to district health authorities as a result of the 1982 reorganisation.

AIDS

Mr. Butler: To ask the Secretary of State for Social Services what evidence he has of improved practice in the general population following the AIDS advertising campaign.

Mr. Newton: I refer my hon. Friend to my reply to him on 22 February at column *34*.

Community Nurses

Mr. Butler: To ask the Secretary of State for Social Services whether he will take steps fully to integrate community nurses into the primary health care team.

Mr. Newton: It is for health authorities to determine the organisation and management structure of community nursing services. However, we have long encouraged the development of primary health care teams, in which community nurses are an integral part, and gave fresh endorsement to the team approach in a guidance circular (HC(87)29/HC(FP)(87)10) issued to health authorities and family practitioner committees in November.

Mr. Chris Smith: To ask the Secretary of State for Social Services when he expects the drugs Ampligen and Imuthiol (DTC) to become available for the treatment of AIDS patients in the United Kingdom.

Mr. Newton: I am not able to say whether these products are likely to become licensed for use in this country. So far no application for a product licence or clinical trial has been received. It should be noted, however, that medical practitioners have the right to import and prescribe medicines for their individual patients even if the product is not licensed for use in this country.

Consultants (Private Practice)

Mr. Steinberg: To ask the Secretary of State for Social Services how many National Health Service consultants supplement their income through private practice in the Northern regional health authority area.

Mr. Newton: This information is not available. The hon. Member may wish to write to the chairman of Northern regional health authority for information on the types of contract held by the consultants in its employment.

Channel Tunnel

Mr. David Shaw: To ask the Secretary of State for Social Services what are the additional resources that are being made available to the South East Thames regional health authority and the South East Kent health authority in order to finance training and other costs already incurred and likely to occur in connection with ensuring that emergencies and casualties that may arise during the construction and future operation of the Channel tunnel are adequately provided for.

Mr. Newton: In the main the Department does not identify funds for specific purposes. Resource allocations to regions are aimed at securing progress, over time, towards targets which take account of, amongst other things, change in the size and composition of the population served, the relative health care needs of the region and patient flows between regions.

The allocation of resources to districts is a matter for regions. It is for regions and districts to determine, within

a national framework of health care priorities, and in the light of local needs and circumstances, how all their resources can best be used.

Foetuses and Foetal Material

Mr. Alton: To ask the Secretary of State for Social Services (1) how many nursing homes have his approval to supply foetuses or foetal material to institutions and organisations; and if he will list the purposes for which the foetuses or foetal material are required;

(2) what forms of final disposal of foetuses or foetal material are used by institutions and organisations supplied by nursing homes; and what systems or checks his Department has for ensuring that disposal is done in an approved manner;

(3) how many National Health Service hospitals supply foetuses or foetal material to institutions and organisations; and if he will list the purposes for which the foetuses or foetal material is used;

(4) what forms of final disposal of foetuses or foetal material are used by institutions and organisations supplied by National Health Service hospitals; and what systems or checks his Department has for ensuring that disposal is done in an approved manner;

(5) what fees are charged by National Health Service hospitals or private nursing homes to institutions and organisations for the supply of foetal material and foetuses; and whether such fees are subject to the approval and monitoring of his Department;

(6) what arrangements are in operation for obtaining the consent of parents before the disposal of foetuses or foetal material to institutions and organisations by National Health Service hospitals and private nursing homes; and what steps his Department takes to ensure that such arrangements are followed.

Mr. Newton: The Department approves the arrangements for the supply of foetal material by nursing homes approved under the Abortion Act 1967. Arrangements for the supply of material by NHS hospitals are the responsibility of individual health authorities.

The use and disposal of human foetal material in this country is controlled in accordance with the code of practice recommended in the report of the advisory group on the use of foetuses and foetal material for research (Peel report 1972). The code of practice stipulates amongst other things that a precondition of research should be that there is no objection on the part of the parent and that there is no monetary exchange for foetuses or foetal material. In the private sector the Department satisfies itself that these requirements will be met before approval is granted.

Private sector places currently approved to supply foetal material are as follows:

Approved place and material supplied to	*Purpose*
Calthorpe Nursing Home	
Birmingham Children's Hospital East Birmingham Hospital Birmingham Maternity Hospital	Research on chorionic villus sampling
Park View Clinic	
Foetal Tissue Bank, Royal Marsden Hospital	Various projects on virology, immunology, oncology, biochemistry and molecular biology
Robert Nursing Home	
Birmingham University Medical School	The study of genetics, umbilical vessels, comparative histology, cancer and foetal development

The final disposal of material is a matter for the receiving organisations themselves.

Medical Consultants

Mrs. Virginia Bottomley: To ask the Secretary of State for Social Services whether he has any plans to review the basis on which medical consultants are employed by the National Health Service.

Mrs. Currie: I refer my hon. Friend to my reply to the hon. Member for Nottingham, North (Mr. Allen) on 18 January 1988 at column *565*.

Welfare of Children

Mr. Boyes: To ask the Secretary of State for Social Services how much has been spent by social services departments under section 1 of the Child Care Act 1980.

Mr. Newton: The figures are given in the table.

Net current expenditure under Section 1 of the Child Care Act 1980 —England

Year	*Cash (£ million)*
1982-83	3·358
1983-84	4·184
1984-85	7·255
1985-86	6·561
1986-87[1]	8·262

[1] Provisional.

Special Hospital Patients

Mr. Kirkwood: To ask the Secretary of State for Social Services if, pursuant to his answer to the hon. Member for Roxburgh and Berwickshire of 16 February, *Official Report*, columns *555-56*, he will list in the *Official Report* the length of time each of the patients listed has been waiting for transfer, in numbers of months.

Mr. Newton: The information is as follows:

Hospital	Number of patients awaiting a vacancy in an identified hospital	Length of wait in months (as at 4 January 1988)[1]	Number of patients awaiting a vacancy in local authority accommodation	Length of wait in months (as at 4 January 1988)[2]
Broadmoor	1	1	—	—
	1	2	—	—
	1	3	—	—
	3	4	—	—
	1	7	—	—
	1	9	—	—
	1	10	—	—
	1	12	—	—
Moss Side	3	2	1	4
	1	3	—	—
Park Lane	3	1	1	2
	1	4	1	3
	1	10	1	6
	—	—	1	9
Rampton	3	1	1	2
	1	2	1	3
	2	4	—	—
	1	6	—	—
	3	6	—	—
	3	7	—	—
	1	9	—	—
	1	10	—	—
	1	12	—	—
	1	20	—	—

[1] In the case of patients subject to restrictions under the Mental Health Act, the length of wait is calculated from the date on which the Home Secretary's consent to transfer was obtained. For unrestricted patients, the calculation is from the date on which a placement was agreed between the special hospital and the receiving hospital.

[2] The length of wait is calculated from the date on which the Mental Health Review Tribunal ordered the patient's discharge.

General Practitioners

Dr. Owen: To ask the Secretary of State for Social Services how many general practitioners there are per 10,000 of the population in *(a)* Greater London and *(b)* the rest of England.

Mr. Newton: At 1 October 1986 the numbers of general medical practitioners per 10,000 population in Greater London and the rest of England were 5·5 and 5·1 respectively.

Dr. Owen: To ask the Secretary of State for Social Services if he will estimate the cost of training a family doctor.

Mr. Newton: About £110,000 comprising £40,000 for university costs of undergraduate medical education—as defined in my reply to the hon. Member for Holborn and St. Pancras (Mr. Dobson) on 23 November 1987 at column *81*—and a further £70,000 for the direct salary costs of doctors during their pre-registration year and three years vocational training for general practice. Since training is basically on-the-job there is an offsetting but unquantifiable value of the service contribution made by these doctors.

National Insurance

Mr. Anderson: To ask the Secretary of State for Social Services what is his estimated loss of revenue over the last three years for which figures were available arising from employers collecting national insurance contributions but failing to transfer the same to the Department; and whether he has any plans to tighten existing procedures in this respect.

Mr. Scott: Reliable estimates of these losses are not available. We have no plans to change the procedures outlined in my reply to the hon. Member for Tooting (Mr. Cox) on 2 February at column *576*. However, these are kept under constant review.

Hypothermia

Mr. John Marshall: To ask the Secretary of State for Social Services how frequently hypothermia is cited as a cause of death; and to what extent the incidence of hypothermia is changing.

Mrs. Currie: I refer my hon. Friend to my reply to my hon. Friend the Member for Gravesham (Mr. Arnold) on Tuesday 8 March 1988.

Severe Weather Payments

Mr. Stern: To ask the Secretary of State for Social Services if he has any plans to alter the working of the arrangements for severe weather payments so far in the current winter.

Mr. Scott: There are no plans to amend the current scheme for exceptionally cold weather payments before it ends in April. The Social Security Bill currently before Parliament provides for payments in respect of cold weather to be made after this winter from the social fund. The details of the new scheme will be decided later this year.

Internal Examinations

Ms. Richardson: To ask the Secretary of State for Social Services whether he has issued guidelines to hospitals to ensure that no internal examinations are conducted upon women under anaesthetic without their written consent; and if he will publish the guidelines.

Mrs. Currie: The Department's guidelines provide that an explanation of the nature and effect of an operation or

investigation procedure under anaesthetic must be given to a patient and the patient's written consent obtained. Separate consent should be obtained if patients are to be involved in teaching of medical or other students. The guidelines were issued as circulars HM(73)8 as amended by HC(77)18, and DS30/71. Copies of the circulars are available in the Library.

Meningococcal Septicaemia

Ms. Richardson: To ask the Secretary of State for Social Services how many deaths over the last 10 years have been attributed to having meningococcal septicaemia.

Mrs. Currie: Before 1979, meningococcal septicaemia (ICD (8)[1] 036·1 Meningococcaemia without mention of meningitis) included Waterhouse-Friderichsen syndrome. Since 1979, meningococcaemia (ICD (9)[1] 036·2) and Waterhouse-Friderichsen syndrome, meningococcal (ICD (9)[1] 036·3) have been coded separately. The table therefore, shows both of these latter conditions from 1979.

Year	*ICD(8)[1] 036·1*	*ICD(9)[1] 036·2*	*ICD(9)[1] 036·3*
1978	52	—	—
1979	—	53	12
1980	—	33	8
1981	—	40	15
1982	—	34	15
1983	—	40	10
1984	—	47	6
1985	—	46	14
1986	—	75	20
1987[2]	—	71	6

[1] International Classification of Diseases 8th and 9th revisions.
[2] Provisional—
The 1987 figure for the number of notifications of acute and meningococcal meningitis is provisional as it is based on the notifications reported to OPCS each week. It does not include all late or corrected notifications, and is therefore liable to a small change at a later date.
The annual statistics should be compared with caution as
(i) The 9th revision of the ICD was introduced on 1 January 1979.
(ii) A change in coding was introduced on 1 January 1984.
(iii) Figures for 1986 and 1987 exclude deaths in the first 28 days of life.

Out-patient Appointments

Mr. Butler: To ask the Secretary of State for Social Security what information he has as to the proportion of out-patient appointments that are not kept.

Mrs. Currie: I regret that this information is not held centrally.

Family Planning

Mr. Steel: To ask the Secretary of State for Social Services (1) what information he has about the comparative cost of providing family planning advice and services through *(a)* local health authorities and *(b)* general practitioners;

(2) if he will make a study of the comparative cost of providing family planning services through *(a)* general practitioners and *(b)* family planning clinics; and if he will make a statement.

Mr. Newton: We are aware of local studies which have questioned the cost-effectiveness of transferring family planning services from clinics to general practitioners but information collected centrally does not enable a study of comparative costs of the two complementary services to be made. It remains Government policy that people should be able to choose their source of family planning advice, and we have no present plans to commission such a study.

Amniocentesis Tests

Mr. Wigley: To ask the Secretary of State for Social Services (1) what is his estimate of the numbers of amniocentesis tests which were undertaken in England in the most recent year for which the information is available; and what information he has as to how many of these tests were followed by *(a)* an abortion, *(b)* a normal birth, *(c)* the birth of a disabled child and *(d)* a miscarriage;

(2) if he will list the routine statistics which are collected centrally by his Department concerning *(a)* amniocentesis techniques of foetal diagnosis, and *(b)* chorionic villus sampling techniques; and whether he has any plans for extending the statistical information gained by his Department in these areas.

Mrs. Currie: While information is routinely collected centrally on the number of amniocentesis and chorionic villus sampling operations performed in NHS hospitals on in-patients and day-cases, these procedures are normally carried out as out-patient procedures and no central data are available, although they may be held locally.

There are at present no plans to extend the collection of routine statistics to cover details of out-patient procedures.

Abortion notifications provide details of abortions conducted on the grounds of foetal abnormality but do not indicate what tests or other evidence have been used to make the diagnosis.

It is not possible to link individual cases from the two sets of information. Nor is it possible to link details of the operation with information relating to the subsequent birth of a child nor to a miscarriage unless this occurs within the same consultant episode

Mr. Wigley: To ask the Secretary of State for Social Services what is his estimate of the proportion of women who are offered an amniocentesis test and take up such an offer.

Mrs. Currie: I regret that this information is not collected centrally.

Mr. Wigley: To ask the Secretary of State for Social Services, if he will list those health authorities in England in which foetal diagnosis by amniocentesis and related techniques are available; and if he will indicate for each such area what age thresholds are applied for women with no apparent genetic risk for limiting the availability of amniocentesis.

Mrs. Currie: The information requested on foetal diagnosis by amniocentesis and related techniques can be produced only at a disproportionate cost. No information is held centrally on age thresholds for limiting amniocentesis to women with no apparent genetic risk.

Benefit Appeal Tribunals

Mr. Holt: To ask the Secretary of State for Social Services what is the average length of time appellants wait before attending an appeals tribunal for *(a)* mobility allowance and *(b)* attendance allowance.

Mr. Portillo: Social security appeal tribunals hear lay questions on mobility allowance and attendance allowance; medical appeal tribunals hear medical questions on mobility allowance and the Attendance Allowance Board reviews medical questions for attendance allowance. The national administrative statistics for *social security appeal tribunals show* that in Great Britain for the quarter ending 30 June 1987 (the latest available figures), the average time taken between the lodgement and hearing of an appeal is 19·1 weeks for mobility allowance and 30·5 weeks for attendance allowance. I regret that equivalent estimates are not available for medical appeal tribunal hearings or reviews by the Attendance Allowance Board.

Drug Tariff Products

Mr. John Townend: To ask the Secretary of State for Social Services on what basis dispensers of drugs tariff medicines and products are reimbursed; and if he will make it his policy to claw back all discounts which effectively reduce the true cost of the drug tariff items to dispensers below the tariff reimbursement price, rather than introducing an averaging system.

Mr. Newton: Pharmacists are reimbursed monthly for the cost of the medicines and other products they dispense on the basis of either a price listed in the drug tariff or the manufacturer's list price. Apart from the payment for some medicines and other products on which no discount is available, a percentage is deducted from the monthly total of these prices in order to take account of the discounts which pharmacists can obtain. The level of discount obtained is established by periodic inquiries, agreed between the Department and the representatives of the profession, and reflected in a graduated discount scale published in the drug tariff. The same principle applies to payments made to dispensing doctors.

Reimbursement on the basis of actual prices paid, rather than through an averaging system, would remove the incentive to purchase as economically as is consistent with good dispensing practice and we have no plans for such a change.

Dental Charges

Mr. Barry Field: To ask the Secretary of State for Social Services how many civil servants have been employed administering dental charges in each of the last four years.

Mrs. Currie: About 10 civil servants in the Department are regularly engaged in duties in connection with dental charges, including preparations of forecasts, estimates, legislation and guidance, and dealing with correspondence. None is wholly or mainly engaged in such duties.

Meningitis

Mr. Tredinnick: To ask the Secretary of State for Social Services (1) whether any evidence is available to his Department regarding a possible link between recent cases of meningitis and imported Greek yoghurt carrying the meningitis bacterium; and if he will make a statement;

(2) what tests have been conducted on imported Greek sheep's yoghurt to establish whether it contains meningitis-carrying bacteria; and if he will make a statement.

Mrs. Currie: There is no evidence of a connection between meningococcal meningitis and the consumption of any particular foodstuff. Recent cases of meningitis have been mainly meningococcal meningitis, which is caused by a different organism from that which causes listeria meningitis. A recent case of listeria meningitis was associated with a cheese made in this country.

All imported food is subject to routine sampling by port health authorities. We have no evidence to associate imported Greek sheep's milk yoghurt with illness caused by the listeria organism, which is in any case unlikely to occur in an acidic product such as yoghurt.

Social Security Reform

Miss Widdecombe: To ask the Secretary of State for Social Services what proportions of those working families who are eligible for family credit are *(a)* tenants paying rent, *(b)* mortgagors, *(c)* outright owner-occupiers and *(d)* non-householders; and if he will illustrate the effect on net weekly spending power of introducing the reformed structure of income-related benefits for the following categories (i) a married couple with one earner and two children aged 13 and 16 years and (ii) a married couple with one earner and three children aged three, eight and 11 years, assuming, where appropriate, that the families (A) pay average local authority rent and rates, (B) have a £13,000 outstanding mortgage and pay appropriate weekly mortgage interest, (C) own their own home outright and pay average local authority rates and (D) are non-householders and pay no rent, mortgage interest, or rates, in each example showing both current and post-reform net weekly spending power, and any change between the two, for earnings ranging from £70 to £200 in £10 steps.

Mr. Portillo: The tenure composition of the family credit eligible population is as shown:

Family credit eligible population tenure

	Per cent.
Rent paying tenants	50
Mortgagors	38
Outright owners	8
Non-Householders	4
Total	100

The information on net weekly spending power is provided in the tables. Overall two thirds of family credit recipients are expected to gain or be unaffected.

Table 1 Married couple, one earner—2 children aged 13 and 16
Average local authority rent and rates 1988-89
Net weekly spending power £

Gross earnings	*Pre-reform*	*Post-reform*	*Increase (+)/ Decrease (−)*
70	96·55	97·65	+1·10
80	97·98	98·00	+0·02
90	97·93	98·39	+0·46
100	97·88	99·86	+1·98
110	94·98	101·18	+6·20
120	94·08	103·10	+9·02
130	95·66	105·02	+9·36
140	94·91	106·94	+12·03
150	96·11	108·86	+12·75
160	102·51	110·78	+8·27

Gross earnings	Pre-reform	Post-reform	Increase (+)/ Decrease (−)
170	108·91	112·70	+3·79
180	115·31	115·31	—
190	121·71	121·71	—
200	128·11	128·11	—

Table 2 Married couple, one earner—2 children aged 13 and 16
£13,000 mortgage, average local authority rates
Net weekly spending power £

Gross Earnings	Pre-reform	Post-reform	Increase (+)/ Decrease (−)
70	—	—	—
80	—	—	—
90	—	—	—
100	86·67	100·11	+13·44
110	85·42	101·43	+16·01
120	86·17	103·35	+17·18
130	90·92	105·27	+14·35
140	96·02	107·19	+11·17
150	96·36	109·11	+12·75
160	102·76	111·03	+ 8·27
170	109·16	112·95	+ 3·79
180	115·56	115·56	—
190	121·96	121·96	—
200	128·36	128·36	—

Note:
Below £100 gross weekly earnings a borrower would be unlikely to get a £13,000 mortgage.

Table 3 Married couple, one earner—2 children aged 13 and 16
outright owner, average local authority rates
Net weekly spending power £

Gross Earnings	Pre-reform	Post-reform	Increase (+)/ Decrease (−)
70	100·46	113·99	+13·53
80	103·14	115·92	+12·78
90	104·34	117·51	+13·17
100	105·54	118·98	+13·44
110	104·29	120·30	+16·01
120	105·04	122·22	+17·18
130	104·69	124·14	+19·45
140	109·79	126·06	+16·27
150	115·23	127·98	+12·75
160	121·63	129·90	+ 8·27
170	128·03	131·82	+ 3·79
180	134·43	134·43	—
190	140·83	140·83	—
200	147·23	147·23	—

Table 4
Married couple, one earner—2 children aged 13 and 16
Non-householder: No rent, mortgage or rates
Net weekly spending power £

Gross Earnings	Pre-Reform	Post-Reform	Increase (+)- Decrease (−)
70	104·25	122·40	+18·15
80	107·33	124·82	+17·49
90	108·93	126·80	+17·87
100	110·53	128·78	+18·25
110	109·93	130·10	+20·17
120	111·33	132·02	+20·69
130	112·23	133·94	+21·71
140	118·63	135·86	+17·23
150	125·03	137·78	+12·75
160	131·43	139·70	+8·27
170	137·83	141·62	+3·79
180	144·23	144·23	—
190	150·63	150·63	—
200	157·03	157·03	—

Table 5
Married couple,. one earner—3 children aged 3, 8 and 11
Average local authority rent and rates
Net weekly spending power £

Gross Earnings	Pre-Reform	Post-Reform	Increas (+)- Decrease (−)
70	111·80	100·13	−11·67
80	113·23	100·55	−12·68
90	113·18	102·53	−10·65
100	113·13	104·51	−8·62
110	110·65	105·83	−4·82
120	109·75	107·75	−2·00
130	108·85	109·67	+0·82
140	108·54	111·59	+3·05
150	110·34	113·51	+3·17
160	112·31	115·43	+3·12
170	116·16	117·35	+1·19
180	122·56	122·56	—
190	128·96	128·96	—
200	135·36	135·36	—

Table 6 Married couple, one earner—3 children aged 3, 8 and 11
£13,000 mortgage, average local authority rates
Net weekly spending power £

Gross Earnings	Pre-Reform	Post-Reform	Increase (+)/ Decrease (−)
70	—	—	—
80	—	—	—
90	—	—	—
100	101·11	104·76	+3·65
110	100·02	106·08	+6·06
120	100·77	108·00	+7·23
130	101·52	109·92	+8·40
140	104·35	111·84	+7·49
150	109·45	113·76	+4·31
160	112·56	115·68	+3·12
170	116·41	117·60	+1·19
180	122·81	122·81	—
190	129·21	129·21	—
200	135·61	135·61	—

Note: Below £100 gross weekly earnings a borrower would be unlikely to get a £13,000 mortgage.

Table 7 Married couple, one earner—3 children aged 3, 8 and 11
Outright owner, average local authority rates
Net weekly spending power £

Gross earnings	Pre-reform	Post-reform	Increase (+)/ Decrease (−)
70	114·90	118·13	+3·23
80	117·58	119·67	+2·09
90	118·78	121·65	+2·87
100	119·98	123·63	+3·65
110	118·89	124·95	+6·06
120	119·64	126·87	+7·23
130	120·39	128·79	+8·40
140	118·12	130·71	+12·59
150	123·22	132·63	+9·41
160	128·88	134·55	+5·67
170	135·28	136·47	+1·19
180	141·68	141·68	—
190	148·08	148·08	—
200	154·48	154·48	—

Table 8 Married couple, one earner—3 children aged 3, 8 and 11
Non-householder: No rent, mortgage or rates

	Net weekly spending power £		
Gross Earnings	Pre-Reform	Post-Reform	Increase (+)/ Decrease (−)
70	118·43	127·05	+8·62
80	121·51	129·47	+7·96
90	123·11	131·45	+8·34

Gross Earnings	Net weekly spending power £ Pre-Reform	Post-Reform	Increase (+)/ Decrease (−)
100	124·71	133·43	+8·72
110	124·11	134·75	+10·64
120	125·51	136·67	+11·16
130	126·91	138·59	+11·68
140	125·88	140·51	+14·63
150	132·28	142·43	+10·15
160	138·68	144·35	+5·67
170	145·08	146·27	+1·19
180	151·48	151·48	—
190	157·88	157·88	—
200	164·28	164·28	—

Notes to tables:
1. All main assumptions as in "Impact of the Reformed Structure of Income Related Benefits", October 1987, copies of which are held in the Library.
2. Net weekly spending power is defined after payment of income tax and national insurance, receipt of benefits, payment of net housing costs and work-related expenses (travel costs).
3. Average weekly local authority rents for these family types are assumed to be £19·12, local authority rates £8·02, water rates £1·78. A £13,000 mortgage is assumed to imply a net (after tax) mortgage interest payment of £18·87 per week.

NHS (Administrative Costs)

Mr. Butler: To ask the Secretary of State for Social Services what was the proportion of administrative costs within the National Health Service as a proportion of current costs in *(a)* 1978, *(b)* 1979 and *(c)* the latest available year.

Mr. Steen: To ask the Secretary of State for Social Services what is the total cost of the administration of the National Health Service in each of the last seven years; if he will express this as a percentage of the total annual cost of the National Health Service; and if he will make a statement.

Mr. Newton *[holding answer 14 January 1988]:* Following is information, covering both hospital and community health services and family practitioner services, derived from annual accounts submitted to the Department:

National health service—headquarters administration

	Expenditure on headquarters administration £'000	As a proportion of total current expenditure Per cent.	As a proportion of total expenditure (current & capital) Per cent.
1978-79	255,899	4·41	4·15
1979-80	306,193	4·41	4·16
1980-81	378,311	4·26	4·00
1981-82	393,377	3·97	3·72
1982-83	403,292	3·75	3·52
1983-84	418,429	3·66	3·45
1984-85	444,016	3,63	3·41
1985-86	479,047	3·71	3·47
1986-87	516,624	3·72	3·48

Sources:
Annual financial accounts of:—
(i) regional and district health authorities and the special health authorities for the London postgraduate teaching hospitals. (Predecessor authorities for the years prior to 1982-83.)
(ii) family practitioners committees.
(iii) the Dental Estimates Board and the Prescription Pricing Authority.

Notes:
1. Expenditure on headquarters administration includes all current expenditure on the pay and pay related costs of staff of all disciplines (including general managers) employed at headquarters levels and their office costs and overheads. It excludes the cost of clerical and secretarial support staff employed in departments at hospital and unit levels: such costs are regarded as operational.
2. The table includes the total expenses of the Dental Estimates board and the Prescription Pricing Authority which are regarded as wholly administrative. Expenditure by other bodies and special health authorities providing central services to the National Health Service (eg. the Central Blood Laboratories Authority) and expenditure met centrally by the Department is excluded.

"Regional Health Authorities (Expenditure)

Mr. Hayes: To ask the Secretary of State for Social Services if he will itemise in cash terms the amount spent by each regional health authority on administration in 1979, 1980, 1981, 1982, 1983, 1984, 1985, and 1986."

Mr. Newton *[holding answer 7 December 1987]:* Tables showing each health authority's expenditure on headquarters administration for the years requested have been placed in the Library.

Mr. Robin Cook: To ask the Secretary of State for Social Services (1) if he will give per capita spending on health and personal social services in cash terms and at 1987-88 prices for each year since 1979 to the latest available date for *(a)* all ages, *(b)* up to four years, *(c)* five to 15 years, *(d)* 16 to 64 years, *(e)* 65 to 74 years and *(f)* 75 years and over, giving the amount spent on (i) hospital and community services, (ii) family practitioner services, (iii) personal social services and (iv) total in England;

Mr. Newton *[holding answer 18 February 1988]:* Estimates of gross current expenditure per head of population on health and personal social services, in cash and at 1987-88 prices, for each year between 1979-80 and 1985-86, the latest year for which these estimates are available are given in the table.

These figures are derived through successive estimations starting with the Department's programme budget analysis, details of which are provided annually to the Social Services Committee and are published by the Committee in minutes of evidence associated with its report on public expenditure on the social services 1987 (HC 413). Expenditure on each of the services identified is then apportioned to different age groups from data on the use of services derived from a variety of sources. Due to these changes in sources and definitions data for the earliest years may not be fully consistent with those for later years.

Estimated gross current expenditure per head of population (England)

£ (cash)

	All age groups	Births	0 to 4	5 to 15	16 to 64	65 to 74	75+
Personal social services							
1979-80	35	15	45	45	10	55	210

	All age groups	Births	0 to 4	5 to 15	16 to 64	65 to 74	75+
1980-81	40	15	55	55	15	60	260
1981-82	45	20	60	65	15	65	275
1982-83	50	20	65	70	15	65	305
1983-84	55	20	70	75	20	75	330
1984-85	60	25	75	75	20	80	345
1985-86	60	25	80	80	20	80	355
Family practitioner services							
1979-80	35	40	30	25	35	45	85
1980-81	45	50	40	30	40	60	105
1981-82	50	60	50	40	45	65	115
1982-83	60	65	55	50	50	75	125
1983-84	65	70	60	55	55	85	135
1984-85	70	80	70	60	60	100	150
1985-86	75	85	75	65	65	100	150
Hospital and community health services							
1979-80	115	625	120	50	65	220	545
1980-81	145	790	145	60	80	290	710
1981-82	160	915	150	70	85	325	770
1982-83	175	1,005	160	75	90	340	840
1983-84	185	1,025	160	75	95	370	875
1984-85	195	1,075	175	80	100	395	925
1985-86	200	1,110	185	90	105	390	970
Total for above services							
1979-80	185	680	195	120	110	320	840
1980-81	230	855	240	145	135	410	1,075
1981-82	255	995	260	175	145	455	1,160
1982-83	285	1,090	280	195	155	480	1,270
1983-84	305	1,115	290	205	170	530	1,340
1984-85	325	1,180	320	215	180	575	1,420
1985-86	335	1,220	340	235	190	570	1,475

Estimated gross current expenditure per head of population (England)

£ (1987-88 prices[1])

	All age groups	Births	0 to 4	5 to 15	16 to 64	65 to 74	75+
Personal social services							
1979-80	60	25	75	75	20	95	360
1980-81	60	25	85	85	20	85	385
1981-82	60	25	80	85	20	90	365
1982-83	65	25	80	85	20	80	380
1983-84	65	25	85	90	20	90	390
1984-85	65	25	85	85	25	90	390
1985-86	65	25	85	85	25	90	385
Family practitioner services							
1979-80	65	70	55	45	60	80	150
1980-81	65	75	55	45	60	85	155
1981-82	70	80	65	55	60	90	155
1982-83	75	85	70	60	65	95	155
1983-84	75	85	75	65	65	105	160
1984-85	80	95	80	70	70	110	170
1985-86	80	90	80	70	70	110	160
Hospital and community health services							
1979-80	200	1,085	205	85	110	385	950
1980-81	215	1,160	215	90	120	425	1,045
1981-82	215	1,220	200	90	115	435	1,030
1982-83	215	1,250	200	90	115	425	1,045
1983-84	220	1,220	195	90	115	440	1,045
1984-85	220	1,225	200	90	115	450	1,055
1985-86	215	1,195	200	95	110	420	1,045
Total above services							
1979-80	325	1,180	335	205	190	560	1,460
1980-81	340	1,260	355	220	200	595	1,585
1981-82	345	1,325	345	230	195	615	1,550
1982-83	355	1,360	350	235	200	600	1,580
1983-84	360	1,330	355	245	200	635	1,595
1984-85	365	1,345	365	245	210	650	1,615
1985-86	360	1,310	365	250	205	620	1,590

[1] Adjusted in line with the GDP deflator at market prices.

Mr. Simon Hughes: To ask the Secretary of State for Social Services why he will not publish figures for Greater London as a whole, for Health Service expenditure in real terms, using the National Health Service pay and prices deflator.

Mr. Newton: The composition of an individual health authority's expenditure, or that of a group of health authorities in a particular metropolitan area, can differ significantly from the national average. It is therefore not appropriate to revalue such expenditure by reference to centrally assessed movements in pay and prices.

Prescriptions

Dr. Owen: To ask the Secretary of State for Social Services if he will list for each year since 1975 the net ingredient cost per prescription given.

Mr. Newton: The average net ingredient cost of prescriptions dispensed in England for each year from 1975 to 1986 (the latest year available) is as follows:

Average Net Ingredient Cost per Prescription

	£
1975	0·94
1976	1·17
1977	1·47
1978	1·69
1979	1·94
1980	2·36
1981	2·78
1982	3·14
1983	3·48
1984	3·69
1985	3·92
1986	4·24

Mr. Ron Davies: To ask the Secretary of State for Social Services (1) why two prescription charges are made for a single course of Cyclo-Progynova tablets;

(2) if he will list all single course treatment where more than one prescription charge is made;

(3) what are the purposes for which a course of Cyclo-Progynova are prescribed;

(4) if he will list those courses of treatment which are similar in purpose or similar in content to Cyclo-Progynova; and in each case what prescription charge or charges are levied;

(5) who are the manufacturers of Cyclo-Progynova tablets; and what similar courses of treatment they provide which are available to National Health Service patients;

(6) what revenue has accrued to the National Health Service from Cyclo-Progynova tablets and other courses of treatment respectively for which dual prescription charges are levied in the last full year for which figures are available.

Mr. Harry Ewing: To ask the Secretary of State for Social Services if he will make a statement about the practice of applying a double prescription charge for Cyclo-Progynova used in the treatment of cancer in women.

Mr. Newton *[holding answers 26 February and 4 March 1988]:* A prescription charge is payable in respect of each quantity of a drug dispensed. Therefore, where more than one drug is required for a patient's treatment, more than one charge is payable, unless the patient is exempt.

Packs of cyclo-progynova, which is licensed for the treatment of menopausal conditions, and for which the licence holder is Schering Health Care Ltd., contain two separate drugs. More details of the product and its uses may be found in the ABPI Data Sheet Compendium, a copy of which is in the Library. A comprehensive list of every other licensed product of similar purpose or similar content cannot be produced without disproportionate cost, but a list of the more widely used products of this nature may be found in the British National Formulary, which is also in the Library.

I regret that information on the revenue from charges for cyclo-progynova is not available, nor is it possible to say how many courses of treatment result in more than one prescription charge.

Housing Benefit and Rent Rebates

Mr. Worthington: To ask the Secretary of State for Social Services what were the numbers of people claiming (i) housing benefit and (ii) rent rebates, listing separately *(a)* standard, *(b)* certificated and *(c)* supplement, for each year from 1984 to 1987, for each district council and regional council area in Scotland.

Mr. Portillo *[holding answer 26 February 1988]:* The available information has now been placed in the Library. The figures represent estimated numbers of benefit recipients in each authority. The number of unsuccessful claims is not available.

EC (Health Care Expenditure)

Mr. Robin Cook: To ask the Secretary of State for Social Services if he will publish in the *Official Report* a table showing health care expenditure per head in each of the European Economic Community countries, expressed in the common purchasing power standard.

Mr. Newton *[holding answer 1 March 1988]:* The following table shows for 1985 (or for the latest available year) health care expenditure per head in total and for the public and private sectors in EEC countries expressed in terms of pounds sterling using OECD purchasing power parities.

Expenditure on health care per head of population in EEC countries in 1985

EEC Country[1]	£'s per head: total	£'s per head: public	£'s per head: private
Belgium	451	347	104
Denmark	430	361	69
France	562	446	116
Germany	563	439	124
Greece[2]	127	121	6
Ireland	309	268	41
Italy	416	332	84
Netherlands	531	420	111

EEC Country[3]	[1]£'s per head total	public	private
Portugal[2]	150	106	44
Spain[2]	237	170	67
United Kingdom	355	320	35

Source: OECD.
[1] Expressed in pounds sterling using OECD purchasing power parities.
[2] Data for 1984.
[3] Luxembourg is excluded from the table due to reported inconsistencies in the national health accounts.

Long-stay Patients

Dr. Owen: To ask the Secretary of State for Social Services what is the annual cost to the National Health Service of all long-stay patients, respectively, in geriatric hospitals, hospitals for the mentally handicapped and mentally ill, and psychiatric hospitals.

Mrs. Currie *[holding answer 3 March 1988]:* Costing returns submitted by health authorities include returns for the following hospital types, geriatric, mental handicap, and mental illness, but do not separately identify expenditure dependent on length of stay.

In 1986-87, total current expenditure in England on in-patients in these hospitals was as follows:

	£
Geriatric hospitals	275,899,208
Mental handicap hospitals	[1]481,182,993
Mental illness hospitals	[2]795,317,915

[1] Includes expenditure on community units for the mentally handicapped.
[2] Excludes expenditure on psychiatric units within general hospitals etc. which is not separately identifiable centrally.

Whitley Hospital, Coventry

Mr. Nellist: To ask the Secretary of State for Social Services if he will call for a report from the chairman of Coventry district health authority about the financial arrangements, including rental payments, entered into with Coventry Church housing association in advance of the formal Secretary of State's decision on the closure proposals affecting Whitley hospital in Coventry, South-East.

Mrs. Currie *[holding answer 3 March 1988]:* All aspects of Coventry health authority's proposal for the future patterns of health services in the district are currently being examined by Ministers, as part of a reference on the closure of Whitley hospital and other service changes.

Abortions

Mr. Lofthouse: To ask the Secretary of State for Social Services what has been the total number of abortions, under the terms of the Abortion Act 1967, in the Pontefract district health authority area for each year from 1983 up to the latest year for which figures are available; how many of these abortions were performed in emergency to save the life of the pregnant woman; and what is the latter figure expressed as a percentage of the former.

Mr. Newton *[holding answer 1 March 1988]:* The information is shown in the table.

Number of notifications of abortions performed on usual residents of Pontefract district health authority, and number of mentions of ground 5[1], 1983-86

Year	Number of abortions	Mention of ground 5
1983	346	0
1984	339	0
1985	355	0
1986	408	0

[1] Ground 5 of the 1967 Abortion Act permits abortions to be performed "in emergency to save the life of the mother".

Hospitals

Mr. David Davis: To ask the Secretary of State for Social Services what is the average and total change in running costs for hospitals where old hospitals have been replaced by newly built hospitals providing an equivalent or near-equivalent service; and what is the total capital invested in this group of hospitals since 1979.

Mrs. Currie: Since 1979 about 250 hospital building schemes each costing £1 million have been completed at a total cost of nearly £1·5 billion. I regret that comparative information linking running costs and activity data by hospitals of different ages is not available.

Mental Illness Hospitals

Dr. Owen: To ask the Secretary of State for Social Services what are the most recent figures for the number of *(a)* full-time consultant psychiatrists, *(b)* adult in-patients, *(c)* out-patient attendances and *(d)* day patient attendances in hospitals for the mentally ill.

Mrs. Currie: The information requested is set out in the table.

Mental illness: Consultant staff and hospital attendance England 1986

	Number
Consultants (WTE)[1] in adult mental illness and psychotherapy (at 30 September):	
Total	1,128
Whole-time	843
Maximum part-time[2]	141
Other part-time	144
In-patients, aged 16 and over (at 31 December)	59,780
Total out-patient attendances	1,720,895
Day patient attendances in main hospitals	940,167
Day patient attendances in day hospitals	2,770,869

[1] Whole-time equivalents, rounded to nearest whole number.
[2] These are usually treated as whole-time staff to reflect their substantially whole-time commitment.

Telephone Exchange for the Deaf

Mr. Cohen: To ask the Secretary of State for Social Services, pursuant to the answer of 19 February, *Official Report* column *784*, what options are being considered for the long-term arrangements for providing the telephone exchange for the deaf; and if he will make a statement.

Mr. Scott: Discussions are in train involving the Royal National Institute for the Deaf, British Telecom and Government Departments about setting up a research study which will address a wide range of options.

Family Allowance

Mr. Lewis: To ask the Secretary of State for Social Services whether any special arrangements will be made to compensate families on income support from 1 April for the loss of family allowance when a son, or daughter, in full-time education reaches the age of 19 years.

Mr. Scott: Transitional protection ensures that families entitled to supplementary benefit during week commencing 4 April and to income support from 11 April, will receive at least as much benefit income under the income support scheme at the point of change. We have no plans to make other arrangements.

TRADE AND INDUSTRY

Patent Office

16. **Mr. Simon Hughes:** To ask the Chancellor of the Duchy of Lancaster what representations he has had from businesses on the transfer of the Patent Office.

Mr. Kenneth Clarke: I have received just over 100 representations, about half from firms of patent and trade mark agents and the rest from industrial and commercial businesses.

Industrial Revenue Bonds

17. **Mr. Steen:** To ask the Chancellor of the Duchy of Lancaster when he expects to announce his plans for industrial revenue bonds for the inner cities.

Mr. Kenneth Clarke: The Government have at present no plans to introduce industrial revenue bonds.

Enterprise Initiative

18. **Mr. Gwilym Jones:** To ask the Chancellor of the Duchy of Lancaster what has been the response to his Department's new enterprise initiative.

Mr. Atkins: Response to the enterprise initiative continues to be excellent. More than 42,000 inquiries have been received. We are on course to achieve our White Paper target figure of 1,000 consultancy projects per month.

Regional Assistance

19. **Mr. Clelland:** To ask the Chancellor of the Duchy of Lancaster what his Department plans to spend in regional assistance in each of the next four years.

Mr. Atkins: My Department's planned level of expenditure on the main regional assistance measures in the years 1988-89 to 1990-91 is £330 million, £304 million and £265 million respectively. In accordance with normal practice, plans for 1991-92 have not been made.

Pen Tops

20. **Mr. Janner:** To ask the Chancellor of the Duchy of Lancaster when he expects the technical committee of the British Standards Institute to discuss new safety standards for pen tops.

Mr. Butcher: The British Standards Institutions (BSI) is taking urgent steps to develop this standard. Responsibility for controlling the work will rest with BSI but I understand that the first meeting of the technical committee concerned is likely to take place in April.

Confectionery

21. **Mr. Gregory:** To ask the Chancellor of the Duchy of Lancaster what was the value of United Kingdom *(a)* exports and *(b)* imports of confectionery in the last year for which figures are available; and if he will make a statement.

Mr. Alan Clark: In 1987 exports of confectionery goods were valued at £405 million and imports £330 million.

Training Centres

22. **Mr. Rowe:** To ask the Chancellor of the Duchy of Lancaster if he will consider establishing training centres for people on approved courses which do not qualify for local education authority grants.

Mr. Butcher: This is a matter for my right hon. Friend the Secretary of State for Education and Science.

Economic Progress

23. **Mr. Stokes:** To ask the Chancellor of the Duchy of Lancaster if he will take steps to convey to industry that economic progress will only be maintained by greater appreciation of the need for the highest quality, value, and reliable delivery to the customer of goods and services.

Mr. Butcher: The whole thrust of the enterprise initiative is to promote best practice in these and other aspects of performance.

EC (Single Market)

24. **Mr. Fallon:** To ask the Chancellor of the Duchy of Lancaster what progress has been made in removing barriers to free trade in the European Community; and what further action is being taken to ensure that by 1992 there is a genuine single market in Europe.

Mr. Alan Clark: The Community is making encouraging progress towards the completion of the single European market by the target date of 31 December 1992. More than 100 individual measures aimed at removing barriers have been agreed in the last 18 months, 48 of them during the United Kingdom presidency in the second half of 1986. Following implementation of the Single European Act, the increased use of majority voting is already speeding up the process of decision taking. Priorities for decisions this year include standards, opening up public purchasing, liberalising capital movements, and freedom of establishment for the professions.

37. **Mr. Sayeed:** To ask the Chancellor of the Duchy of Lancaster what representations he has received on the Government's plans to prepare British companies for the completion of the single market in 1992.

Mr. Kenneth Clarke: Since we announced our campaign the DTI has received an encouragingly large number of representations from all sectors of British business. All have warmly welcomed the priority which the Government are giving to completing the single market and the steps we are taking to make British business aware of the challenge.

Confederation of British Industry

25. **Ms. Mowlam:** To ask the Chancellor of the Duchy of Lancaster when he last met the Confederation of British Industry; and what matters were discussed.

Mr. Kenneth Clarke: My last meeting with the CBI was on 25 January. Our discussions on this occasion were mainly concerned with inner city issues.

European Space Agency

26. **Mr. Colvin:** To ask the Chancellor of the Duchy of Lancaster when he last met the chairman of the European Space Agency; and what subjects were discussed.

Mr. Kenneth Clarke: The Director-General of the European Space Agency (ESA), Dr. Luest, called on me when he was in London on 16 February. We discussed ESA matters and United Kingdom involvement in ESA programmes.

Industrial Competitiveness

27. **Mr. Allen McKay:** To ask the Chancellor of the Duchy of Lancaster how the international competitiveness of British industry has changed in the last year.

Mr. Butcher: In the third quarter of 1987, the latest period for which data are available, relative unit labour costs in manufacturing were broadly unchanged from their level in the corresponding quarter of the previous year.

Industry-School Links

28. **Mr. Irvine:** To ask the Chancellor of the Duchy of Lancaster what steps he is taking to forge closer collaborative links between industry and schools.

Mr. Butcher: A number of measures to forge closer collaborative links between industry and schools were announced as part of the enterprise initiative in the White Paper "DTI-the department for Enterprise" published on 12 January 1988. Three new targets were set:

every year 10 per cent. of teachers should have the opportunity to gain some personal experience of the world of business

every young person should have two or more weeks of work experience, suited to his or her ability and needs, before leaving school

every trainee teacher should gain an appreciation of the needs of employers and the importance of links between schools and employers.

In addition, the Government's policy statement, "Action for Cities", announced by the Prime Minister on 7 March contained a range of initiatives including the Department of Employment's proposals to develop "compacts", initially in 12 of the urban programme areas. My Department will be working closely with DES and MSC to foster these partnerships and a wide range of other links between schools and business.

Company Liquidations

29. **Mr. Anthony Coombs:** To ask the Chancellor of the Duchy of Lancaster how many company liquidations there were in Hereford and Worcester in the year 1983 to date.

Mr. Maude: Company liquidations are not analysed by county, but Hereford and Worcester are part of the area administered by the Official Receiver's office in Gloucester, which processed an estimated 351 compulsory liquidations in the years 1983 to 1987. No regional analysis is available of creditors' voluntary liquidations, the other type of insolvent company liquidation.

Tokyo Stock Exchange

30. **Mr. Illsley:** To ask the Chancellor of the Duchy of Lancaster to what factors he attributes the more rapid recovery of the Tokyo stock exchange than the British stock exchange since the crash.

Mr. Maude: Many factors influence the behaviour of prices in different markets; and I do not propose to speculate about them.

Film Industry

31. **Mr. Menzies Campbell:** To ask the Chancellor of the Duchy of Lancaster what measures he plans to take to encourage the revival of the British film industry.

Mr. Butcher: The Government maintain the view that the provisions of the Films Act 1985 offer a framework within which the commercial film industry can develop successfully. British Screen Finance Ltd., which received Government funds under the terms of the Films Act, has in just over two years supported over 35 feature and short films. In addition, more than 20 projects have received Government finance under the development scheme managed by the National Film Development Fund.

Uniform Business Rate

32. **Mr. Matthew Taylor:** To ask the Chancellor of the Duchy of Lancaster what effects he expects the uniform business rate to have on his Department's regional policy.

Mr. Kenneth Clarke: The introduction of the uniform business rate will mean that firms throughout the country with premises of the same rateable value will pay the same rates. This will be of enormous benefit to my Department's policy of encouraging enterprise in the regions.

Mergers Policy

33. **Mr. Battiste:** To ask the Chancellor of the Duchy of Lancaster what representations he had received on Her Majesty's Government's mergers policy.

Mr. Maude: The Department has received a large number of representations during the course of the recent review of law and policy on mergers and restrictive trade practices and these are listed in the Department's recent publication, "Mergers Policy" which is available in the Library of the House.

Association of Innovation Centres Executives

34. **Mr. Stott:** To ask the Chancellor of the Duchy of Lancaster when he next expects to meet Dr. Donaldson, secretary of the Association of Innovation Centres Executives, to discuss Government funding for industry.

Mr. Butcher: My right hon. and learned Friend has no plans to meet the secretary of the Association of Innovation Centre Executives, Dr. Donaldson. However, I recently met Dr. Donaldson and other members of AICE to discuss the work of innovation centres, and ways in

which these centres might be able to contribute to DTI's new innovation policies. I have agreed to visit the north-east innovation centre later in the year.

Financial Services Act

35. **Mr. Wallace:** To ask the Chancellor of the Duchy of Lancaster what percentage of investment firms have registered with the Securities and Investments Board or self-regulatory organisations by the deadline laid down in the Financial Services Act.

Mr. Maude: The Securities and Investments Board calculates that, on P-Day, approximately 5,100 firms were already members of recognised self-regulating organisations and around 9,140 applications were in the course of consideration. It is not possible to say what percentage of investment firms such a figure constitutes.

36. **Mr. Morgan:** To ask the Chancellor of the Duchy of Lancaster what representations he has received requesting the postponement of implementation of section 9 of the Financial Services Act.

Mr. Maude: Section 9 of the Financial Services Act was brought into force in June 1987. No representations requesting postponement of the section were made.

52. **Mr. McCrindle:** To ask the Chancellor of the Duchy of Lancaster if he is now able to announce the date of authorisation under the Financial Services Act.

Mr. Maude: Section 3 of the Financial Services Act will require any person carrying on investment business in the United Kingdom to be authorised or exempted. It remains my intention that this section and other key investor protection provisions of the Act should be commenced in April, but the precise date has not yet been determined.

Competition Policy and Consumer Protection

38. **Mr. Dykes:** To ask the Chancellor of the Duchy of Lancaster what recent representations he has received from heavy industry on competition policy issues and consumer protection matters; and if he will make a statement.

Mr. Maude: The Department is in regular contact with both individual firms and representative groups from all sides of industry, including heavy industry; in the course of these contacts, industry's views on a range of matters, including competition policy and consumer protection are discussed.

ICI Teesside

39. **Mr. Holt:** To ask the Chancellor of the Duchy of Lancaster how many automatic grants under the regional aid programmes have been made to ICI Teesside in each of the past 10 years; and what was their value.

Mr. Atkins: Details of regional development grant payments made to ICI and its subsidiaries above £25,000 are published in *British Business*. The dates of publication were as follows:

	Date of publication
1977-78	
Q1	12 August 1977
Q2	4 November 1977
Q3	10 March 1978
Q4	19 May 1978
1978-79	
Q1	11 August 1978
Q2	3 November 1978
Q3	16 February 1979
Q4	18 May 1979
1979-80	
Q1	19 October 1979
Q2	7 December 1979
Q3	22 February 1980
Q4	6 June 1980
1980-81	
Q1	29 August 1980
Q2	28 November 1980
Q3	13 February 1981
Q4	15 May 1981
1981-82	
Q1	7 August 1981
Q2	6 November 1981
Q3	12 February 1982
Q4	7 May 1982
1982-83	
Q1	13 August 1982
Q2	29 October 1982
Q3	4 February 1983
Q4	6 May 1983
1983-84	
Q1	29 July 1983
Q2	4 November 1983
Q3	3 February 1984
Q4	25 May 1984
1984-85	
Q1	31 August 1984
Q2	9 November 1984
Q3	15 February 1985
Q4	10 May 1985
1985-86	
Q1	16 August 1985
Q2	17 January 1986
Q3	11 April 1986
Q4	20 June 1986
1986-87	
Q1	19 September 1986
Q2	5 December 1986
Q3	10 April 1987
Q4	10 July 1987
1987-88	
Q1	4 September 1987
Q2	18 December 1987
Q3	12 February 1988

Notes:

Details published are:

(i) original RDG scheme: individual payments which exceed £25,000;

(ii) revised RDG scheme: payments to individual undertakings in a travel-to-work area which cumulatively exceed £25,000 in any one quarter.

Information Technology

40. **Mr. Henderson:** To ask the Chancellor of the Duchy of Lancaster what is his latest estimate of the balance of trade in information technology for 1987.

Mr. Maude: The crude trade deficit (1) in the products of the information technology and electronics industries (2) in the first nine months of 1987, not seasonally adjusted, was £1·7 billion.

(1) Imports (cif) less Exports (fob)
(2) Activity headings 3301, 3302, 3441, 3442, 3443, 3444, 3453 and 3454 of the Standard Industrial Classification (1980)

Audio Cassettes (Levy)

41. **Mr. Simon Coombs:** To ask the Chancellor of the Duchy of Lancaster what recent representations he has received on the need for a levy on blank audio cassette tape.

57. **Mr. Greg Knight:** To ask the Chancellor of the Duchy of Lancaster how many representations he has received *(a)* for and *(b)* against the introduction of a blank tape levy.

Mr. Maude: My Department received more than 1,000 responses to the 1985 Green Paper "The Recording and Rental of Audio and Video Copyright Material" and the 1986 White Paper "Intellectual Property and Innovation" both of which addressed the question of a levy on blank tape. A large proportion of respondents commented on that question and the majority were opposed to the introduction of a levy. Since the Copyright, Designs and Patents Bill was published in October 1987, my Department has dealt with 80 further representations on the matter and of these, 42 were in favour of a levy and 38 against.

Product Improvement

42. **Mr. David Nicholson:** To ask the Chancellor of the Duchy of Lancaster what has been the response to his Department's initiative to help developing firms improve the quality of their products.

Mr. Butcher: The national Quality Campaign was launched in April 1983 with the aim of providing a wider awareness of the importance of quality. Since its launch, it is estimated that the campaign has reached more than 70,000 firms. There is continued high demand for the comprehensive range of campaign booklets and videos. Quality-related events have been developed on a regional, company-supplier or sectoral basis. Around 20 such activity programmes have been held with the most recent one in Brighton last month for the south-east region.

There are around 9,000 company entries in the latest edition of the "Register of Quality Assessed United Kingdom Companies," a 50 per cent. increase on the previous edition. In addition, the level of demand for assisted quality consultancy advice has been significant —more than 5,000 so far. This help continues to be available through the enterprise initiative. From this it is clear that more and more firms are adopting the positive approach to quality which is so vital to the United Kingdom's competitiveness.

Aerospace Industry

43. **Mr. Page:** To ask the Chancellor of the Duchy of Lancaster if he will make a statement on the export performance of the aerospace industry in 1987 and on its prospects for the coming year.

Mr. Atkins: Final figures for 1987 are not yet available but provisional estimates indicate that the British aerospace industry exported some £5·5 billion of goods during the year. Prospects for the coming year are good with expected exports of around £6 billion.

Manufactured Imports and Exports

44. **Mr. Tom Clarke:** To ask the Chancellor of the Duchy of Lancaster what has been the growth in manufactured imports and exports in the last 12 months and in the last eight years.

Mr. Alan Clark: The information is as follows:

Change in the volume of trade in manufactures in the last twelve months
Overseas trade statistics basis seasonally adjusted 1980 = 100

	Import volume	*Export volume*
Index, February 1986 to January 1987	148·8	114·6
Index, February 1987 to January 1988	165·4	124·1
Percentage change	+11	+8¼

Volume of trade in manufactures 1980-1987
Overseas trade statistics basis 1980 = 100

	Import volume index	*Export volume index*
1980	100·0	100·0
1981	97·9	94·4
1982	107·3	96·4
1983	121·4	95·8
1984	133·9	104·5
1985	140·6	110·8
1986	148·2	114·1
1987	162·6	123·8

Loan Companies (Advertising)

45. **Mr. Nicholas Bennett:** To ask the Chancellor of the Duchy of Lancaster what plans there are to seek to protect the consumer from misleading advertising by loan companies.

Mr. Maude: It is already an offence under section 46 of the Consumer Credit Act 1974 to publish an advertisement which is false or misleading in a material respect. In addition the Consumer Credit (Advertisements) Regulations regulate the form and content of advertisements for credit in some detail and ensure that consumers are given full and accurate information on relevant matters, including the total cost of credit. I believe, nevertheless, that there is scope for improving the protection provided by the current regulations and my Department will shortly circulate revised draft regulations which simplify and clarify the existing provisions and contain additional safeguards for borrowers, particularly in the area of secured lending.

Shipbuilding

46. **Mr. David Porter:** To ask the Chancellor of the Duchy of Lancaster what representations he has had recently from the British shipbuilding industry; and if he will make a statement.

Mr. Atkins: Representations have recently been made about the competition faced by United Kingdom private

sector merchant yards from other yards in the Community. The particular case has been drawn to the attention of the European Community.

Consumers Association

47. **Mr. Foulkes:** To ask the Chancellor of the Duchy of Lancaster when he next intends to meet the Consumers Association; and what matters he intends to discuss.

Mr. Butcher: I intend to meet the director general of the Consumers Association on Wednesday 23 March to discuss a number of topics relevant to consumers.

Credit Cards

48. **Mr. Morley:** To ask the Chancellor of the Duchy of Lancaster if he has any plans for the further regulation of credit cards.

Mr. Maude: No. I believe that the legal framework established by the Consumer Credit Act 1974 already ensures that credit card users are adequately protected.

Manufactures

49. **Mr. Barry Jones:** To ask the Chancellor of the Duchy of Lancaster what is his latest estimate of the balance of trade in manufactures for 1987.

Mr. Alan Clark: For 1987 there was a deficit of £6·5 billion in trade in manufactures.

Business (Marketing Skills)

50. **Mr. Day:** To ask the Chancellor of the Duchy of Lancaster what has been the response to his Department's initiative to help developing businesses improve their marketing skills.

Mr. Butcher: Response to the interprise initiative continues to be excellent. More than 42,000 inquiries have been received. We are on course to achieve our White Paper target figure of 1,000 consultancy projects per month.

Manufactured Goods

51. **Mr. Win Griffiths:** To ask the Chancellor of the Duchy of Lancaster what was the value in real terms of manufactured goods imported to, and exported from, the United Kingdom in June 1979 and the last month for which estimated figures are available.

Mr. Alan Clark: The information is as follows:

United Kingdom trade in manufactures for June 1979 and January 1988 at 1980 prices

£ million

	Imports	*Exports*
June 1979	2,695	3,061
January 1988	4,693	3,429

Regional Development Grant (Tourism)

53. **Mr. Pike:** To ask the Chancellor of the Duchy of Lancaster how much regional development grant has been paid to the north-west region in respect of the tourism industry in the past 12 months.

Mr. Atkins: Data on payments of regional development grants are held by reference to the 1980 standard industrial classification. There is no specific code for tourism under this classification. The main activities which make up the tourist industry are not eligible for RDG. It is possible that projects involving activities which are eligible for RDG, such as central services, may be submitted by applicants who are active in the tourist industry, but information on grant paid in such circumstances is not available.

National Association of Citizens Advice Bureaux

54. **Mr. Rathbone:** To ask the Chancellor of the Duchy of Lancaster when he last met the chairman of the National Association of Citizens Advice Bureaux; and what matters were discussed.

Mr. Butcher: I met the chairman of the National Association of Citizens Advice Bureaux on Monday 7 March when we discussed a number of current issues including the funding of the services provided by the citizens advice bureaux.

Takeovers

55. **Mr. Flynn:** To ask the Chancellor of the Duchy of Lancaster what steps he intends to take to reduce the scale of takeover activity and the consequent loss of jobs in Wales, Scotland and the north of England.

Mr. Maude: Mergers policy has been under review. The main conclusions were announced in the recent White Paper "DTI—the department for Enterprise"; and more detailed conclusions were set out in the Department's policy document "Mergers Policy" published on 3 March. The Government's policy is that the main—though not exclusive—consideration in determining whether mergers should be referred to the Monopolies and Mergers Commission will be their potential effect on competition. Where competition is not affected, the Government believe that it is normally right for proposed mergers to be decided by the market without intervention by official agencies. But mergers may occasionally raise other issues which affect the public interest and the discretion to refer them to the MMC is to be retained.

Balance of Trade

56. **Mr. Thornton:** To ask the Chancellor of the Duchy of Lancaster what was the contribution to the United Kingdom balance of trade in 1986-87 of *(a)* the aerospace industry, *(b)* information technology and *(c)* pharmaceutical industries.

Mr. Atkins: The crude balance of trade for the sectors listed for the financial year 1986-87 is:

	£ million
(a) Aerospace	+2,106
(b) Electronics and Information technology[1]	−1,894
(c) Pharmaceuticals	+850

[1] The "electronics and information technology" sector has been taken to comprise activity headings 3301/2, 3441-4 and 3453/4 of the Standard Industrial Classification (Revised 1980).

Research and Development

59. **Mr. Franks:** To ask the Chancellor of the Duchy of Lancaster what information he has as to what percentage of turnover is invested in research and development by *(a)* the electronics industry, *(b)* the chemical industry and *(c)* the pharmaceutical industry.

Mr. Maude: In 1985, expenditure by United Kingdom industrial enterprises on research and development they performed and financed from their own resources as a percentage of sales and work done, was as follows:

	Per cent.
Products of the electronics industry, including office machinery and electronic data processing equipment	6·5
Products of the chemical industry, excluding pharmaceutical products	1·7
Pharmaceutical products	10·2

65. **Mr. Ingram:** To ask the Chancellor of the Duchy of Lancaster what proportion of gross domestic product was spent on non-military research and development in Britain for the last year for which figures are available; and what is the Organisation for Economic Co-operation and Development average.

Mr. Maude: The latest available information relates to 1985 and is shown in the table. It was published in table 5.10 in the 1987 "Annual Review of Goverment Funded Research and Development (R and D)". The Organisation for Economic Co-operation and Development (OECD) does not compile information on gross expenditure on R and D (GERD) for non-defence purposes for member countries. The figures given are rough estimates for certain countries. They are based on GERD, which is published by OECD for member countries, adjusted to eliminate expenditure on R and D for defence purposes, with the result expressed as a percentage of gross domestic product (GDP).

Estimated GERD for civil purposes as a percentage of GDP in 1985

	Percentage
United Kingdom	1·7
United States of America	1·9
Federal Republic of Germany	2·5
France	[1]1·8
Japan	[2]2·5

[1] 1984 estimate.
[2] 1983 estimate.

66. **Ms. Armstrong:** To ask the Chancellor of the Duchy of Lancaster what plans he has to encourage a higher level of research and development expenditure by British industry.

Mr. Butcher: A major objective of my Department's recently announced innovation policy is to encourage industry to fund more of its own R and D, as well as to encourage co-operation between companies and the academic science base. The Government have created the right climate to enable industry to invest more in R and D.

70. **Mr. Cran:** To ask the Chancellor of the Duchy of Lancaster if he will make a statement on the code approved by the Accounting Standards Committee requiring disclosure in company accounts of spending on research and development; and what further plans he has to encourage greater commitment by companies to research and development.

Mr. Maude: The Accounting Standards Committee is considering the responses to its exposure draft 41 which proposed changes to its "Statement of Standard Accounting Practice 13", including a new requirement that company accounts should disclose expenditure on research and development. The Government support this proposal and we are hopeful that a revised standard will be agreed later this year.

Steel Industry

60. **Mr. Moss:** To ask the Chancellor of the Duchy of Lancaster what representations he has received on the decision to return the British Steel Corporation to the private sector.

Mr. Kenneth Clarke: I have received a small number of letters from various parties about points of detail. I have so far received a few representations about the principle of privatisation itself. I regard this as a matter which is no longer particularly controversial except within a narrow political circle.

Airbus Project

61. **Mr. Burt:** To ask the Chancellor of the Duchy of Lancaster when he will meet ministerial colleagues from France and Germany to discuss the Airbus project.

Mr. Atkins: My right hon. and learned Friend the Chancellor of the Duchy of Lancaster met his French and German colleagues on 1 March to discuss the Airbus project, and expects to be in regular contact with them on this issue.

Export Initiative

62. **Mr. Hind:** To ask the Chancellor of the Duchy of Lancaster what has been the response to his Department's export initiative.

Mr. Alan Clark: Since the launch on 12 January, nearly 9,000 export initiative booklets have been requested. While it is too soon to provide detailed figures on the take-up of the various schemes, considerable interest has been shown by exporters in the marketing initiative which provides access to independent consultancy advice on, among other things, how companies should approach and plan for their business abroad.

Manufacturing Investment

63. **Mr. McFall:** To ask the Chancellor of the Duchy of Lancaster what was the level of manufacturing investment in 1987 and in 1979.

Mr. Maude: The provisional estimate of investment in manufacturing industry, including leased assets, for 1987 is £7·4 billion at 1980 prices. The corresponding investment in 1979 and 1983 was £8·2 billion and £5·6 billion respectively at 1980 prices.

Inner Cities (New Businesses)

64. **Mr. Andrew Hargreaves:** To ask the Chancellor of the Duchy of Lancaster what are the latest figures for the establishment of new businesses in inner-city areas.

Mr. Kenneth Clarke: A total of 46,000 new businesses were registered for VAT in urban priority areas in 1986. That is the latest year for which complete figures are available. The number of VAT registered businesses in the inner cities was 307,000 at the end of 1986—2·3 per cent. higher than the two years before.

We have no accurate figures for the number of new businesses below the threshold for VAT in urban priority areas. However about one third of all enterprise allowance scheme applicants come from these areas and we expect to have 110,000 entrants nationally in 1988-89.

Consumer Credit

67. **Sir Fergus Montgomery:** To ask the Chancellor of the Duchy of Lancaster if he has any plans to seek to change the level of protection afforded by the Consumer Credit Act.

Mr. Maude: The Consumer Credit Act already provides comprehensive protection for consumers. I have no plans to change the basic framework of protection provided by the Act although I propose amendments to the Act, when there is a suitable opportunity, to simplify and clarify certain provisions which have caused difficulty both for lenders and their customers. I also propose amendments to the Act to remove all business hire and credit from its scope. These changes have been supported by organisations representing unincorporated businesses and sole traders who are at present within the scope of the Act. I am also proposing to amend the Consumer Credit (Advertisements) Regulations to clarify and simplify the existing provisions and provide additional safeguards for borrowers, particularly in the area of secured lending. I believe that these changes would enhance the present level of borrower protection while at the same time reducing the burden on business.

Information Technology and Science Graduates

68. **Mrs. Maureen Hicks:** To ask the Chancellor of the Duchy of Lancaster what information he has on the trend for information technology graduates and those with science degrees to take employment in the City rather than in manufacturing industry; and if he will make a statement.

Mr. Butcher: My Department regularly receives information on the first employment destinations of UK university graduates from the Department of Education and Science. Whilst many jobs in manufacturing are open to graduates of any discipline, others require specific expertise, graduates in subjects which are less strongly attracted to careers where a general level of academic attainment is required, including some in the financial and commercial sectors. It should be noted that only a small proportion of such jobs are in the City.

The tables illustrate the recent trends in the first employment of engineering and science university graduates:

Table 1

Type of work distribution of new first degree university engineering graduates entering United Kingdom employment (per cent.)

	1980	*1982*	*1984*	*1985*	*[1]1986*
All engineering					
Engineering, scientific, technical, computing	87	85	84	83	83
Financial	2	3	4	4	6
Other	10	12	12	14	10
Mechanical engineering					
Engineering, scientific, technical, computing	93	88	86	86	86
Financial	1	2	3	3	4
Other	6	9	10	10	10
Electrical and electronic engineering					
Engineering scientific, technical, computing	94	93	94	94	91
Financial	—	1	1	1	1
Other	6	5	6	6	8
Numbers entering employment					
All engineering	5,065	5,325	6,417	6,412	5,362
Mechanical engineering	841	1,008	1,164	1,197	1,010
Electrical, electronic engineering	1,257	1,418	1,852	1,774	1,013

[1] The university subject classification changed in 1986. The apparent short fall in electrical and electronic engineering is due to a major part of this subject group being transferred to other categories in the classification, where they are not readily identifiable.

Source: Universities Statistical Record, First Destinations Survey, annual volumes.

Table 2

Sectoral distribution of new first degree university engineering graduates entering United Kingdom employment (per cent.)

	1980	*1982*	*1984*	*1985*	*[1]1986*
All engineering					
Manufacturing	60	61	65	63	61
Finance, commerce	5	7	8	8	10
Other	36	33	27	29	30
Mechanical engineering					
Manufacturing	80	79	77	76	74
Finance, commerce	3	4	6	5	7
Other	16	16	18	19	19

	1980	1982	1984	1985	[1]1986
Electrical and electronic engineering					
Manufacturing	78	74	79	77	73
Finance, commerce	1	3	4	4	6
Other	21	22	16	19	21

Source: Universities Statistical Record, First Destinations Survey, annual volumes.

Table 3

Type of work distribution of new first degree university science graduates entering United Kingdom employment (per cent.)

	1980	1982	1984	1985	1986
All Sciences (excludes psychology and geography)					
Scientific, engineering, technical, computing	60	55	56	55	54
Financial	15	17	18	20	22
Other	26	28	26	25	24
Biological sciences					
Scientific, engineering, technical, computing	49	45	45	47	45
Financial	10	9	11	12	15
Other	41	45	44	41	40
Physics					
Scientific, engineering, technical, computing	78	72	75	71	68
Financial	5	9	7	11	13
Other	17	20	17	18	19
Maths, computer studies					
Scientific, engineering, technical, computing	64	63	62	60	58
Financial	24	25	27	30	31
Other	12	13	11	10	10
Numbers entering employment					
All sciences	6,082	5,860	7,655	8,020	6,742
Biological sciences	1,486	1,427	1,525	1,643	1,578
Physics	945	946	1,252	1,229	1,097
Maths computer studies	1,721	1,823	2,600	2,659	2,682

[1] Changes to the subject classification mean that the 1986 figures are not fully compatible with previous years.
Source: Universities Statistical Record, First Destinations Survey, annual Volumes.

Table 4

Sectoral distribution of new first degree university science graduates entering United Kingdom employment (per cent.)

	1980	1982	1984	1985	[1]1986
All science					
Manufacturing	40	36	38	35	30
Financial, commerce	27	30	33	35	38
Other	33	33	29	30	32
Biological sciences					
Manufacturing	23	21	21	22	21
Financial, commerce	20	20	23	25	27
Other	56	59	56	53	52
Physics					
Manufacturing	58	55	58	50	40
Financial, commerce	13	17	18	24	25
Other	29	27	24	27	36
Mathematics, computer studies					
Manufacturing	38	35	34	31	27
Mechanical engineering	43	47	49	52	54
Electrical, electronic engineering	19	18	17	17	19

Source: Universities Statistical Record, First Destinations Survey, annual volumes.

Television and Radio Programmes (Publication)

69. **Mr. Speller:** To ask the Chancellor of the Duchy of Lancaster if he will take steps using his powers in relation to monopolies, to facilitate the publication of advance television and radio programmes by newspapers and other periodicals.

Mr. Maude: No. The policies and practices of the British Broadcasting Corporation and of Independent Television Publications Ltd. of limiting the publication by others of advance programme information have already been investigated by the Monopolies and Mergers Commission. In a report published on 11 September 1985 the Commission concluded that these policies and practices did not operate against the public interest.

Inner City Task Forces

71. **Mr. Frank Cook:** To ask the Chancellor of the Duchy of Lancaster if he has any plans to expand the number of inner city task forces.

Mr. Kenneth Clarke: Not at the moment. The eight new task forces are establishing themselves very well but I see no reason to expand the numbers further. I wish to retain the close contact between Ministers and task forces, the informality, short lines of command and ability to innovate and experiment which have been the main advantages of the task force initiative so far.

Car Manufacturing

Mr. Harry Greenway: To ask the Chancellor of the Duchy of Lancaster if he will estimate the number and geographical spread of firms which are dependent upon the car manufacturing industry; and if he will make a statement.

Mr. Atkins: There are no data on which to provide an estimate of the number and geographical spread of firms which are dependent upon the car manufacturing industry. However it is estimated that there are some 2,000 firms supplying components to the vehicle industry generally of which 20 or so of the largest firms account for over 75 per cent. by value of United Kingdom annual vehicle component production. For many suppliers the vehicle industry represents only one of their markets. There is a traditional concentration of vehicle components suppliers in the west midlands.

Motor Vehicles (South Korea)

73. **Mr. Speed:** To ask the Chancellor of the Duchy of Lancaster what is the current amount of motor vehicle exports to and imports from South Korea, together with the duties and tariffs levied by the United Kingdom on Korean vehicle imports and those levied by South Korea on United Kingdom vehicle exports.

Mr. Alan Clark: Exports of motor vehicles to South Korea for the 11 months January to November 1987 amounted to £0·5 million; imports for the same period amounted to £16·9 million.

The tariffs levied by the United Kingdom on Korean vehicle imports range from 10 per cent. to 22 per cent. Passenger vehicles are also subject to 10 per cent. car tax, and 15 per cent. VAT is levied on all vehicles.

Tariffs levied by the Republic of Korea on United Kingdom vehicles exports range from 15 per cent. to 30 per cent. Additional duties include a special excise tax, ranging from 10 per cent. to 40 per cent. and a defence tax of 30 per cent. In addition 10 per cent. VAT is levied on the total.

Managed Workshops

Mrs. Virginia Bottomley: To ask the Chancellor of the Duchy of Lancaster when he will announce the first managed workshop in an inner city area.

Mr. Kenneth Clarke: There are already many managed workshops in inner cities, but I believe that more are needed to provide premises and advice for people starting new businesses.

English Estates is leading the new DTI-funded programme announced on 7 March and is already involved in negotiations with private sector companies. We should be able to announce specific new projects in the near future.

Restrictive Trade Practices

72. **Mr. John Greenway:** To ask the Chancellor of the Duchy of Lancaster when he expects to be able to make a statement about the Government's policy on restrictive trade practices.

Mr. Maude: The Government published a Green Paper on restrictive trade practices policy yesterday. I refer my hon. Friend to the answer I gave yesterday to my hon. Friend the Member for Hertfordshire, South-West (Mr. Page).

Written Answers to Questions

Thursday 10 March 1988

WALES

Amniocentesis Tests

Mr. Wigley: To ask the Secretary of State for Wales what is his estimate of the number of amniocentesis tests which were undertaken in Wales in the most recent year for which the information is available.

Mr. Grist: The information is not available centrally.

Forestry

Mr. Ron Davies: To ask the Secretary of State for Wales if he will give details of the numbers of forestry grant or felling licence applications currently referred to him by the Forestry Commission and the dates when they were so referred; when he expects to be able to announce a decision for each one; and for which cases further consultation is still being considered.

Mr. Peter Walker: I am considering two forestry planting grant applications to which objections have been raised. The sites are at Bwlch-y-Garreg and Bara Ceirch in Dyfed, and relate to the proposed planting of some 97 hectares in each case. These applications were referred to me on 30 December 1987 and I intend to advise the forestry commissioners on my views shortly.

Higher Education (Welsh Language)

Dr. Thomas: To ask the Secretary of State for Wales which courses at each of the institutions of higher and further education in Wales are available to students to study *(a)* partly and *(b)* entirely through the medium of the Welsh language.

Mr. Wyn Roberts: The board for Welsh medium teaching of the University of Wales has reported that in 1986-87 students of the university were pursuing courses partly or entirely through the medium of Welsh as follows:

University College of Wales, Aberystwyth
Degree courses in Education, Drama, History, Welsh History, Philosophy, French, Geography, Religious Studies, Music and Politics, Post-graduate teacher training.

University College of North Wales, Bangor
Degree courses in Education, Drama, History, Welsh History, Biblical Studies, Theology, Music and Sociology. Post-graduate teacher training.

St. Davids University College, Lampeter
Degree courses in Archaeology, History, Theology and Religious Studies.

University College Cardiff
A degree course in Home economics.

The University of Wales is also able to provide tuition partly or wholly through the medium of Welsh, in a range of other subjects. They are centred mainly at the University college of Wales, Aberystwyth and the University college of North Wales, Bangor, with some provision at University college, Cardiff, St. Davids University college Lampeter, and University college, Swansea.

In the public sector courses of advanced further education are available wholly or partly through the medium of Welsh as follows:

Trinity College Carmarthen
Degree courses in the Rural Environment and 19th and 20th century Studies, a Bachelor of Education course, and Post-graduate teacher training in Religious Education.

Bangor Normal College
Degree courses in Communications, Administration and Environmental Studies, a Bachelor of Education course and Post-graduate teacher training course for primary school teachers.

Gwent College of Higher Education
Teacher training course in Craft, Design and Technology.

South Glamorgan Institute of Higher Education
Degree course in Speech Therapy and Post-graduate teacher training courses in Art and Phyical Education.

Welsh College of Librarianship
A Degree course and Post-graduate course in Librarianship.

In 1986 public sector colleges reported that courses of non-advanced further education were available partly or entirely in the Welsh language as follows:

Institution	*Secretarial*	*Business/ Commerce*	*Nursery Nursing (NNEB)*	*Agriculture*	*Home Economics/ Community care*	*Health studies*	*Hairdressing*	*Communication*	*Technician*
Aberystwyth College of FE	•	•							
Ammanford Technical College			•						
Gwynedd Technical College	•		•						
Llandrillo Technical College	•	•							
Llysfasi College of Agriculture				•					
Coleg Meirinydd	•			•	•	•	•	•	
Coleg Pencraig	•								

Institution	Secretarial	Business/ Commerce	Nursery Nursing (NNEB)	Agricul-ture	Home Economics/ Community care	Health studies	Hairdress-ing	Commun-ication	Technician
Montgomery College				•					
North East Wales Inst. of HE								•	
West Glamorgan Inst. of HE	•								

[1] Including a post-graduate course.

Information on the funds allocated at institutions specifically for the promotion of teaching through the medium of Welsh is not held centrally.

Education Reform

Dr. Thomas: To ask the Secretary of State for Wales what estimates his Department has made of the additional teachers required in *(a)* the primary sector and *(b)* the secondary sector in each local education authority area in Wales to teach each of the foundation and core subjects outlined in the Education (Reform) Bill at present before Parliament.

Mr. Wyn Roberts: It is too early to make precise estimates. Local education authorities will be expected to plan on the basis of the national curriculum being implemented incrementally over a number of years broadly within the framework of the present planned resources. That framework includes plans for the overall pupil to teacher ratio to continue to fall from its present level to reach 17:1.

Within primary schools where the majority of teachers teach right across the curriculum supply is not expected to be a problem. In secondary schools measures will be necessary and plans are in hand to boost teacher numbers in particular subjects, but an increase in teacher numbers overall may not be necessary.

PRIME MINISTER

Community Care

Q7. **Mr. Allen:** To ask the Prime Minister if she will make a statement on the co-ordination of the Government's policy for community care of the elderly, mentally ill and mentally handicapped.

The Prime Minister: All the relevant Departments work closely together to achieve the necessary co-ordination for community care policies.

British Standard Time

Q131. **Mr. Flynn:** To ask the Prime Minister what action she intends to take in response to the representations she has received in favour of putting the clock forward by one hour to restore British standard time and double British summer time.

The Prime Minister: I refer the hon. Gentleman to the reply given by my hon. Friend the Parliamentary Under-Secretary of State for the Home Department (Mr. Hogg) to the hon. Member for Meirionnydd Nant Conwy (Dr. Thomas) on 2 March 1988, at column 567.

Stabilisers

Q146. **Mr. Teddy Taylor:** To ask the Prime Minister if the European Council has now received the necessary assurances on stabilisers to enable it to finalise the provisional agreement reached on 11 and 12 February; and if she will make a statement.

The Prime Minister: The meeting of the Foreign Affairs Council on 22 February endorsed the non-arable stabilisers proposals (paragraph 4-11 of annex 1 to document SN 461/1/88, a copy of which is in the Library of the House), thus enabling the overall agreement reached by the European Council on 11-12 February to be finalised, subject to detailed legal texts being agreed on all points.

Thurlaston

Q161. **Mr. Pawsey:** To ask the Prime Minister if she has any plans to make an official visit to Thurlaston, north Rugby.

The Prime Minister: I have at present no plans to do so.

Engagements

Mr. Harry Greenway: To ask the Prime Minister if she will list her official engagements for Thursday 10 March.

Mr. Ieuan Wyn Jones: To ask the Prime Minister if she will list her official engagements for Thursday 10 March.

Mr. Wigley: To ask the Prime Minister if she will list her official engagements for Thursday 10 March.

Mr. Stern: To ask the Prime Minister if she will list her official engagements for Thursday 10 March.

Mr. Andrew Smith: To ask the Prime Minister if she will list her official engagements for Thursday 10 March.

The Prime Minister: This morning I presided over a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today, including one with a delegation from the National Pensioners Convention. This evening I am attending a reception for the winners of the 1987 Queen's awards for export and technology.

ATTORNEY-GENERAL

Legal Aid

Mrs. Dunwoody: To ask the Attorney-General if legal aid will still be available to women suffering from violence in the home, following the changes proposed in the Legal Aid Bill *[Lords]*.

The Attorney-General: Yes, subject, as now, to the applicant's means being within the qualifying limits and to the application being judged reasonable by the legal aid authorities.

"Spycatcher"

Mr. Dobson: To ask the Attorney-General if he will bring up to date the information provided in his answer to the hon. Member for Newham, North-West (Mr. Banks) on 22 October 1987, *Official Report*, column *839*, on legal actions in respect of "Spycatcher"; and if he will provide details in the same form in respect of Mr. Anthony Cavendish's memoirs.

The Attorney-General: The information is as follows:

Spycatcher

The High Court of Australia has today reserved judgment in the Government's appeal in the action brought against Heinemann (Australia) and Mr. Peter Wright. The total amount of costs expended to date by the Government in these proceedings is about £485,000.

In England and Wales the House of Lords will hear on 7 June the Government's appeal in the action brought against *The Guardian*, *The Observer* and *The Sunday Times* newspapers. The total amount of costs expended to date by the Government in these proceedings is about £43,000.

In New Zealand the Court of Appeal has reserved judgment in the Government's appeal in the action brought against *The Dominion* newspaper. The total amount of costs expended to date by the Government in these proceedings is about £74,000.

In Hong Kong an interim injunction was obtained last August against *The South China Morning Post* newspaper. No date for the hearing of the substantive action has yet been set. The total amount of costs expended to date by the Government in these proceedings is about £1,200.

Cavendish

In England and Wales interim injunctions were obtained in January against *The Observer* and *The Sunday Times* newspapers, and later varied, to restrain the publication of material from Mr. Cavendish.

In the same month in Scotland an interim interdict to the same effect was obtained against *The Scotsman* newspaper, but later recalled. A fresh application for an interim interdict failed, and the Government's appeal against that refusal is due to be heard on 15 March.

To date no costs have been expended by the Government in these proceedings.

EDUCATION AND SCIENCE

Education Standards

Mr. Anthony Coombs: To ask the Secretary of State for Education and Science what representations he has received about the standards in education.

Mrs. Rumbold: We have received over 10,000 responses to our consultation paper on the national curriculum. A number of respondents have noted that many children now fail to do as well as they could and should, and recognise the importance of a curriculum which sets clear and appropriate objectives for all pupils.

Special Educational Needs

Mr. Matthew Taylor: To ask the Secretary of State for Education and Science when he expects to publish proposals to extend the support of special educational needs into the 16 to 19 years further education sector.

Mr. Dunn: Clause 81 of the Education Reform Bill puts beyond doubt the duty of local education authorities to provide full-time education for all who seek it up to the age of 19, including those with special educational needs.

Daily Worship

Mr. Bowis: To ask the Secretary of State for Education and Science if he will list for each local education authority the number of schools which do not have a daily act of worship.

Mrs. Rumbold: This information is not collected by the Department.

Teachers of the Deaf

Mr. Ashley: To ask the Secretary of State for Education and Science how many teachers have been seconded for training as teachers of the deaf in the academic year 1988-89 under the new grant related in-service training scheme; and what steps he has taken to ensure that at least the minimum number of teachers necessary to maintain the current supply will be trained in that year.

Mrs. Rumbold: Figures are not yet available for courses starting in September 1988. We have made provision through the LEA training grants scheme to support the training of 110 specialist teachers of the deaf through in-service training. This, with the numbers qualifying through initial training, is sufficient to maintain supply broadly at current levels. LEAs have, however, forecast that they will spend some 50 per cent. more in 1988-89 than the sum allocated under the training grant scheme to provide for the 110 trainees.

Mr. Ashley: To ask the Secretary of State for Education and Science how many qualified teachers of the deaf are employed in maintained and non-maintained schools; and how many teachers not having a specialist qualification are employed to teach hearing-impaired children.

Mrs. Rumbold: Information in the form requested is not available. The available information, which covers England and Wales as at March 1986, is as follows:

In maintained and direct grant special schools there were 704 full-time teachers who were recorded as holding qualifications for teaching the hearing-impaired. In maintained nursery, primary and seconday schools there were 692 full-time teachers teaching classes for hearing-impaired or visually handicapped children. Of these, 477 were recorded as holding qualifications for teaching the hearing-impaired, 26 for teaching the visually handicapped and 189 had neither type of qualification recorded.

Higher Education

Rev. Martin Smyth: To ask the Secretary of State for Education and Science how many students from *(a)* Northern Ireland, *(b)* countries within the EEC and *(c)* countries outside the EEC are currently attending higher education courses in (i) Scotland, (ii) England and (iii) Wales.

Mr. Jackson: The information is shown in the following table:

Full-time and sandwich students in higher education, 1986
Great Britain *Thousands*

	England	*Wales*	*Scotland*
Domiciled in Northern Ireland	4·9	0·3	1·5

	England	Wales	Scotland
Other United Kingdom	430·5	29·2	73·6
European Community	7·4	0·3	0·8
Other Countries	38·3	3·1	6·3

Chiropody

Ms. Richardson: To ask the Secretary of State for Education and Science how many schools of chiropody will remain under local education authority control following the establishment of the Polytechnics and Colleges Funding Council; what proportion of state registered chiropodists in England and Wales they account for; what safeguards will be introduced to ensure that funding of the chiropody course will not be adversely affected at these schools as a result of the new proposals and that the numbers of chiropody students will be maintained; and if he will make a statement.

Mr. Jackson: In England and Wales there are 11 institutions which offer courses leading to qualification as a state registered chiropodist. One school falls within the National Health Service. Of the 10 schools at educational institutions, six will remain in local authority control. In the current year the students enrolled at these six institutions represent about 70 per cent. of the total. Under long-standing guidance by education departments to local education authorities, the non-clinical elements of courses in chiropody at educational institutions are a charge to the education service. I do not expect that arrangement to change. LEA institutions will settle the levels of funding of their courses within the total resources made available by the authority. But authorities' expenditure on such courses of higher education will score as grant-related expenditure.

HOME DEPARTMENT

Civil Defence, Swindon

Mr. Simon Coombs: To ask the Secretary of State for the Home Department if he is satisfied with the provisions for civil defence in Swindon; and if he will make a statement.

Mr. John Patten: Responsibility for civil defence planning rests with county councils which are assisted by district councils. We are satisfied that Wiltshire county council, and the district councils within the county, are making good progress towards meeting their statutory obligations.

Driving Disqualification

Mr. Holt: To ask the Secretary of State for the Home Department how many people have been disqualified from driving in each of the past 10 years; and what is the present total number of disqualified drivers.

Mr. John Patten: The number of disqualifications imposed by the courts in each year from 1977 to 1986 is published in table 16 of Home Office statistical bulletin, issue 36/87, "Offences Relating To Motor Vehicles, England and Wales 1986", copies of which are in the Library. It is estimated on the basis of records held on the police national computer that about 240,000 persons are currently disqualified from driving in Great Britain.

Convicted Murderers

Mr. Holt: To ask the Secretary of State for the Home Department how many convicted murderers in prison now have served *(a)* 30 years, *(b)* 25 years, *(c)* 20 years, *(d)* 15 years, *(e)* 10 years, *(f)* five years and *(g)* under five years.

Mr. Douglas Hogg: Information on the time spent under sentence in prison department establishments in England and Wales by sentenced murderers held in such establishments on 30 September 1987 is given in the table. More detailed information about all life sentenced prisoners is given annually in "Prison Statistics, England and Wales", table 1(f) of the latest issue, for 1986, (Cm. 210), a copy of which is in the Library.

Sentenced murderers held under their original sentence[1] in Prison Department establishments in England and Wales on 30 September 1987: by time spent under sentence in such establishments

Years spent under sentence[3]	Number of prisoners[2]
Under 5	794
5 and under 10	646
10 and under 15	247
15 and under 20	68
20 and under 25	23
25 and under 30	5
30 and over	1
Total	1,784

[1] Excluding 68 murderers recalled following an earlier release on licence.

[2] The figures are those recorded centrally and are approximate.

[3] Excluding any time spent on remand in custody or in non-prison department establishments.

Football Matches (Policing Costs)

Mr. Fallon: To ask the Secretary of State for the Home Department whether he will estimate the net annual costs to public funds of policing Football League matches.

Mr. Douglas Hogg: The information on which to base such an estimate is not available centrally. It is for police authorities to determine the charges for providing police officers for duty inside the ground and to ensure that, so far as possible, they recover the full cost.

Young Offenders (Fines on Parents)

Mr. Boswell: To ask the Secretary of State for the Home Department how many orders have been made by the courts imposing financial penalties on parents for crimes committed by children in their care, in each of the last five years.

Mr. John Patten: The readily available information, which may be incomplete, is given in table 7.16 of "Criminal Statistics, England and Wales 1986" (Cm. 233), a copy of which is in the Library.

EC (Time Zones)

Mr. Boswell: To ask the Secretary of State for the Home Department if he will list the member states of the European Community which broadly operate on the same time zone as the United Kingdom and those one and two hours in advance, respectively, together with their total

respective populations and the total population living in advanced time zones in Europe west of the Greenwich meridian.

Mr. Douglas Hogg: The information requested is as follows:

	Population (million)
Same Time Zone as United Kingdom	
Republic of Ireland	3·5
United Kingdom	56·1
	59·6
One hour in advance of United Kingdom	
Belgium	9·9
Denmark	5·1
France	54·6
Germany	61·0
Italy	57·1
Luxembourg	0·4
Netherlands	14·5
Portugal	10·2
Spain	38·6
	251·3
Two hours in advance of United Kingdom	
Greece	9·9

It is not possible to estimate, save at disproportionate cost, how many people in Portugal and parts of Spain and France live to the west of the Greenwich meridian.

Equal Opportunities

Rev. Martin Smyth: To ask the Secretary of State for the Home Department (1) if he will list all the complaints made to the Equal Opportunities Commission of discrimination against women in the last five years, together with the names of the complainant and the organisation complained against and the subsequent outcome; and if he will make a statement;

(2) if he will list all the complaints of discrimination in employment made to the Commission for Racial Equality in the last five years, together with the names of the complainant and the organisation complained against and the subsequent outcome; and if he will make a statement.

Mr. John Patten: Information about complaints made to the Equal Opportunities Commission and the Commission for Racial Equality is, consistent with considerations of confidentiality, included in the commissions' annual reports, copies of which are in the Library. It is not possible to list details of the complaints because in many cases this would involve a breach of confidentiality between the individual and the commission.

Rev. Martin Smyth: To ask the Secretary of State for the Home Department if he will list for the past five years for which figures are available the bodies investigated by (i) the Commission for Racial Equality and (ii) the Equal Opportunities Commission, and the subsequent outcome.

Mr. John Patten: Information about the formal investigations conducted under the powers contained in section 48 of the Race Relations Act 1976 and section 57 of the Sex Discrimination Act is included in the annual reports of the Commission for Racial Equality and Equal Opportunities Commission, copies of which are in the Library.

Fires in the Home

Mr. Clelland: To ask the Secretary of State for the Home Department what action he has taken, following publication of the report in the "Fire and Safety Journal 12 (1987)" on housing factors and fires in two metropolitan boroughs, to reduce the incidence of fires in the home.

Mr. John Patten: The findings of the report corroborate the approach which the Home Office has followed in directing its fire precautions publicity primarily at those groups most at risk from fire in the home. Local authority fire brigades use Home Office printed publicity extensively especially when associated with television, radio or press advertising campaigns designed to target selectively the most vulnerable groups. New ways of directing fire precautions advice to those most at risk are being explored.

Fire Services (Clwyd)

Mr. Barry Jones: To ask the Secretary of State for the Home Department if he will increase funding for fire services to Clwyd county council to a level sufficient to ensure that the Buckley fire station does not close and that the Queensferry station does not suffer cutbacks; and if he will make a statement.

Mr. John Patten: I refer the hon. Member to the reply given to his question on 8 March, at column *109*, by my right hon. Friend the Secretary of State for Wales.

Panamanian Consulate, London

Mr. Tony Banks: To ask the Secretary of State for the Home Department (1) if he will call for a report from the Commissioner of Police of the Metropolis as to who was in possession of the Panamanian consulate premises in London when the police responded to an alleged bomb scare; what advice was given to them; and if he will make a statement;

(2) if he will call for a report from the Commissioner of Police of the Metropolis as to the date and the time at which the message was received by the Metropolitan police that a bomb had been placed in the Panamanian consulate premises in London; who received the message; who was consulted; what action was taken; and if he will make a statement.

Mr. Douglas Hogg: A telephone call was received by British Telecom at 11 pm on 2 March from an unknown male who stated that there was a bomb at the Panamanian consulate in Tudor street, London, EC4. The message was passed at 11.2 pm to New Scotland Yard and the City of London police were alerted immediately. There were two security guards on the premises who were advised in accordance with normal practice that the decision whether the consulate should be evacuated and searched, with police assistance, rested with them.

RUC (Chief Constable)

Mr. Austin Mitchell: To ask the Secretary of State for the Home Department what communications Sir Lawrence Byford, the Chief Inspector of Constabulary, had with Sir John Hermon, the Chief Constable of the Royal Ulster Constabulary, in May 1986; and if he will make a statement.

Mr. Douglas Hurd: I understand from Sir Lawrence Byford that there were none.

RUC (Stalker Inquiry)

Mr. Austin Mitchell: To ask the Secretary of State for the Home Department what representations he received up to 31 May 1986 about the implications for the morale and efficiency of the Royal Ulster Constabulary of the inquiries being conducted by Mr. John Stalker; and if he will make a statement.

Mr. Douglas Hogg: None. My right hon. Friend has no responsibilities for either the morale or the efficiency of the Royal Ulster Constabulary.

Criminal Injuries Compensation Board

Mr. Nicholas Winterton: To ask the Secretary of State for the Home Department if there has been any improvement since the answer of 20 November 1987, *Official Report*, column *716*, in the length of time taken by the Criminal Injuries Compensation Board to process cases; and if he will make a statement.

Mr. John Patten: The latest annual report of the board, (Cm. 265), copies of which are in the Library, shows at paragraph 7 that 50 per cent. of cases resolved in the financial year 1986-87 were decided within a year of application. The increase in the time taken to resolve cases reflects the backlog of cases caused by a large rise in applications over recent years.

Mr. Nicholas Winterton: To ask the Secretary of State for the Home Department if, when he next meets the chairman of the Criminal Injuries Compensation Board, he will raise with him the reasons for the number of apologies sent to applicants because of delays in dealing with cases; and if he will make a statement.

Mr. John Patten: Delays in dealing with applications arise from the board's substantially increased work load over the last few years. The number of applications received in 1986-87 was about 42,300, higher than in any previous year and about 2,500 more than in 1985-86. To help reduce the delays in dealing with applications the Government provided £77 million for the criminal injuries compensation scheme in the Estimates for this financial year — an increase of £33 million over previously planned provision — and plan to make £81 million available in 1988-89 and £89 million in 1989-90. This increased privision will finance a rise in the number of compensation payments and has enabled the board to recruit 90 additional staff at its new office in Glasgow who will help to deal with the backlog of claims.

FOREIGN AND COMMONWEALTH AFFAIRS

Miss Elena Gurevich

Mr. John Marshall: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will raise the case of Miss Elena Gurevich of Moscow with the Government of the Soviet Union; and if he will make a statement.

Mr. Mellor: We regularly raise the plight of refuseniks with the Soviet authorities and shall continue to do so. We understand that Elena Gurevich may already have received permission to leave the Soviet Union.

Panama

Mr. Tony Banks: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions have taken place between Her Majesty's Government and the Government of the United States of America in respect of the current situation in Panama.

Mr. Eggar: The situation in Panama has been discussed in the course of our normal contacts with the United States Government.

Antarctic Treaty

Mr. Shersby: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his policy for consolidating Britain's long-term presence in the British Antarctic territory in advance of the revision of the Antarctic treaty in 1991; and if he will make a statement.

Mr. Eggar: There is no automatic requirement for the Antarctic treaty to be reviewed in or after 1991. My right hon. Friend the Secretary of State for Education and Science announced on 13 November 1987, at column 322, additional funding totalling £30 million over the period 1988-89 to 1990-91 for the British Antarctic Survey (BAS), funded through the Natural Environment Research Council. The greater part of this provision will purchase a research and supply ship to replace RRS John Biscoe. The new vessel will make important contributions to research in the Southern ocean and will support more scientists in Antarctica. Halley and Signy stations will be rebuilt, and a fourth Twin Otter purchased to augment the BAS fleet.

Moscow (Ministerial Visit)

Mr. Mullin: To ask the Secretary of State for Foreign and Commonwealth Affairs if, pursuant to his answer of 7 March, he will list the eight individuals whose cases were raised by Mr. Shevardnadze during his recent visit to Moscow.

Mr. Mellor: It is not our practice to reveal details of individual prisoners without their consent.

DEFENCE

Greenham Common

Ms. Richardson: To ask the Secretary of State for Defence what action he proposes to take to compensate Greenham Common peace women who have been convicted through the use of Ministry of Defence byelaws which have been ruled by Mr. Justice Lait at Reading Crown court as being invalid.

Mr. Freeman: I have nothing to add at this stage to the reply I gave to the hon. Member for Leyton (Mr. Cohen) on 3 March 1988 at column *687*.

Dual-capable Aircraft

Mr. Cohen: To ask the Secretary of State for Defence, pursuant to his answer of 23 February *Official Report*, column *142*, if he will list the three types of dual-capable aircraft currently in service with the Royal Air Force.

Mr. Ian Stewart: The three types of dual capable aircraft currently in service with the Royal Air Force are the Tornado, the Buccaneer and the Nimrod.

Ferry Dispute (Use of Naval Vessels)

Mr. Wilson: To ask the Secretary of State for Defence if he will make a statement on the circumstances in which Royal Navy vessels were used to convey passengers to the Isle of Arran during the current ferry dispute; on whose authority they were used; and at what cost.

Mr. Ian Stewart: On 5 March a request was received from a field study centre on the Isle of Arran for RN assistance in transporting to the island a group of schoolchildren who had travelled from all over the United Kingdom to participate in a course at the centre.

This was a last minute request as, it was claimed, an industrial dispute had prevented the children from travelling on the Caledonian MacBrayne ferry. Commodore Clyde authorised the use of RMAS fleet tender Cricklade which was already in the area and able to fit the task into its planned programme. There was, therefore, no extra cost to public funds.

Vanguard Submarine (Loss)

Mr. Dalyell: To ask the Secretary of State for Defence when, pursuant to his answer of 7 March, *Official Report*, column *60*, he expects his inquiry into the loss of pieces of a Vanguard submarine on 5 to 6 February to be completed.

Mr. Sainsbury: The inquiry referred to is being carried out by the company concerned and not by my Department, but I expect to be able to give further information shortly.

Racial Discrimination

Mr. Speller: To ask the Secretary of State for Defence (1) how many complaints of racial discrimination have been taken to the Commission for Racial Equality in respect of soldiers serving in the British Army; and how many have been found to be proven;

(2) how many complaints of racial discrimination have been taken to the Commission for Racial Equality in respect of soldiers serving in the Prince of Wale's Division; and how many have been found to be proven.

Mr. Freeman *[holding answer 9 March 1988]:* Under the Race Relations Act 1976 the Race Relations Board and the Community Relations Commission were replaced by the Commission for Racial Equality. Section 75(8) and (9) of that Act provides that a complaint of racial discrimination which is made by a person subject to the Service Discipline Acts and which is concerned with any aspect of that person's service in the armed forces will be dealt with under the redress of grievance machinery provided for in the Service Discipline Acts. There have been no cases of redress of grievance of a racial nature which have been referred to the Ministry of Defence.

TRANSPORT

British Rail (Financial Support)

Mr. Andrew Smith: To ask the Secretary of State for Transport if he has any plans to change present levels of financial support for British Rail in the light of increasing demand for rail services.

Mr. David Mitchell: The objectives agreed with the chairman of the British Railways Board in October 1986 provide for a reduction in public service obligation grant to the board to £555 million (at 1986-87 prices) in 1989-90. Increasing demand reflects well on the board's efforts to improve the quality and marketing of its services, and rising revenues from passengers make a valuable contribution towards reducing the cost to the taxpayer.

EC (Rail Transport)

Mr. Adley: To ask the Secretary of State for Transport what response the Government are making to the call by the Economic and Social Committee of the European Economic Community in April 1987, repeated at the Mannheim conference in October 1987, for member states to quantify and apply in their transport policies the environmental, energy and safety advantages of rail over road transport; and if he will make a statement.

Mr. David Mitchell: The Government do not at present intend to respond formally to the views expressed by the Economic and Social Committee, since it is for the EC Commission to decide whether to submit proposals for Community legislation to the Council of Ministers.

However, the Government accept that where investment in the grant-aided passenger railway would have significant benefits for the community, for example in reducing road congestion by attracting more passengers to the railway, and which could not be paid for through fares, those benefits should be included in the project appraisal. Furthermore, the Government recognise the substantial environmental benefits that the transfer of road freight to rail can give in certain circumstances. Grants are available from the Government under section 8 of the Railways Act 1974 for consignors towards the capital cost of the necessary facilities, where without grant the proper decision would be to use road.

Public Service Vehicles

Mr. Burns: To ask the Secretary of State for Transport if his Department proposes to seek to amend the requirements for a public service vehicle licence for vehicles so as to include those carrying 11 or more people; and if he will make a statement.

Mr. David Mitchell: I have no plans to amend the current requirement that anyone who operates a vehicle with more than eight passenger seats has to comply with the licensing requirements for public service vehicles unless they are specifically exempted.

Departmental Contracts

Rev. Martin Smyth: To ask the Secretary of State for Transport whether he has any plans to monitor the ethnic and gender composition of staff employed by companies contracted to provide goods and services to his Department; and if he will make a statement.

Mr. Peter Bottomley: No.

Rail Freight

Mr. McLeish: To ask the Secretary of State for Transport if he will give the total value and tonnage of freight carried by British Rail in Scotland (ScotRail) in each of the years from 1979-80 to 1986-87; what percentage of this was from the supply of coal to Scottish power stations: and what percentage of British Rail's *(a)* total income and *(b)* freight income this represents for each of these years.

Mr. David Mitchell: This information is not available.

Brockworth Bypass

Mr. Marland: To ask the Secretary of State for Transport whether he is yet able to announce the date for the public inquiry into the Brockworth bypass.

Mr. Peter Bottomley: Recent work has indicated that there may be a need for some redesign to the junction layouts, on account of both objections received and the latest estimates of traffic growth. I have deferred the arrangements for an inquiry while these points are considered further. I shall make a further statement as soon as I can.

Ferry Safety

Mr. Tony Lloyd: To ask the Secretary of State for Transport if he will make a statement on his discussions with British ferry owners about the safety of ferries.

Mr. Channon: My officials hold regular meetings with British ferry owners to discuss the Government's ferry safety programme. I am glad to say that the General Council of British Shipping, and British ferry owners generally, have been co-operating fully with the Government in the implementation of this programme.

Mr. Tony Lloyd: To ask the Secretary of State for Transport which recommendations of Mr. Justice Sheen regarding older ferries he has decided not to implement; and if he will make a statement.

Mr. Channon: None. I refer the hon. Member to the reply I gave to my hon. Friend the Member for Dover (Mr. Shaw) on 3 March, at column 653, in which I stated the current position in relation to roll-on/roll-off ferries built before 1980.

Mr. Tony Lloyd: To ask the Secretary of State for Transport if he will give details of the number of inspections performed by marine inspectors *(a)* in the two years prior to the sinking of the Herald of Free Enterprise and *(b)* since that date to the latest date for which information is available; and if he will make a statement.

Mr. Channon: In the two-year two-month period prior to the sinking of the Herald of Free Enterprise 1,501 inspections of United Kingdom ships and 5,823 inspections of foreign ships were made. From 6 March 1987 to 29 February 1988, 1,178 inspections of United Kingdom ships and 2,256 inspections of foreign ships were made.

Settle-Carlisle Railway

Mr. Nicholas Bennett: To ask the Secretary of State for Transport what recent representations he has received on the future of the Settle to Carlisle railway line; and if he will make a statement.

Mr. David Mitchell: I continue to receive many representations from Members of this House, local authorities and others with an interest in this Line. I expect that a decision will be announced very shortly now.

CIVIL SERVICE

Management Reform

Mr. Baldry: To ask the Minister for the Civil Service if he will make a statement on the effects upon the delivery of service to the public of the recently announced reforms in the management of the Civil Service.

Mr. Luce: The aim of the "Next Steps" proposals is to produce a better service to the public and the Government by improving management in the Civil Service. Better management should lead to improved value for money for the taxpayer.

Former Crown Servants

Mr. Baldry: To ask the Minister for the Civil Service whether he will publish a further report on business appointments of former Crown servants.

Mr. Luce: I have today placed copies of a statistical report entitled "Acceptance of Outside Appointments by Crown Servants—1987" in the Libraries of Parliament.

Discretionary Pay

Mr. Baldry: To ask the Minister for the Civil Service if he will make a statement about the discretionary pay scheme for grades 2 and 3 staff in the home Civil Service.

Mr. Luce: My right hon. Friend the Prime Minister announced on 23 April 1987 the introduction of a scheme of discretionary increments for staff in grades 2 and 3 and said that the increments would be in payment with effect from 1 October 1987. Awards have been made to 27 Grade 2s and 84 grade 3s (respectively 20 and 17 per cent. of all those in each grade). The cost of the awards in the current

financial year is £117,750, equivalent to £235,500 in a full year, or about 1 per cent. of the annual pay bill for the grades concerned.

THE ARTS

East Durham Arts Committee

Mr. Cummings: To ask the Minister for the Arts if he will visit the county of Durham to meet the East Durham Arts Committee.

Mr. Luce: I have no immediate plans to do so.

TRADE AND INDUSTRY

Departmental Buildings

Mr. Cran: To ask the Chancellor of the Duchy of Lancaster if he will list the location and status of all buildings within his Department located in London, and the annual cost of rents, rates and maintenance of each.

Mr. Butcher: I would refer my hon. Friend to the answer given on 3 March, by my hon. Friend the Parliamentary Under-Secretary of State for the Environment. In the case of the Department of Trade and Industry, the Department occupies accommodation in 23 buildings in the London postal area, ranging from its main HQ building at 1-19 Victoria street, down to the small offices of the inner city task forces. The following list gives the name and location of these buildings.

Department of Trade and Industry
Offices located in the London postal area

1	1-19 Victoria Street	SW1
2	10-18 Victoria Street	SW1
3	20 Victoria Street	SW1
4	Kingsgate House	SW1
5	Ashdown House	SW1
6	Allington Towers	SW1
7	29 Bressenden Place	SW1
8	Dean Bradley House	SW1
9	Ebury Bridge House	SW1
10	Millbank Tower	SW1
11	Minster House	SW1
12	State House	WC1
13	Drury Lane	WC2
14	Southampton Buildings	WC2
15	Gavrelle House	EC1
16	Atlantic House	EC1
17	Companies House	EC1
18	Eileen House	SE1
19	Cornwall House	SE1
20	Waterloo Bridge House	SE1
21	Inner City Task Force—London	E1
22	Inner City Task Force—London	SE15
23	Inner City Task Force—London	W10

GEC-Plessey Merger

Mr. Allen: To ask the Chancellor of the Duchy of Lancaster if he will make a statement on the merger of GEC and Plessey.

Mr. Maude: On 29 January my right hon. and noble Friend the Secretary of State announced his decision not to refer to the Monopolies and Mergers Commission the proposal by GEC and Plessey to establish a joint venture company to handle the telecommunications interests of both companies. His decision was in accordance with the advice of the Director General of Fair Trading.

My right hon. and noble Friend has asked the Director General to negotiate with GEC modifications to the undertakings given by GEC following the MMC's report of August 1986 on the proposed merger between GEC and Plessey, to the extent that such modifications are necessary in order to allow the proposed joint venture to proceed.

Clothing Industry (Grants)

Mr. Jack Thompson: To ask the Chancellor of the Duchy of Lancaster if he will list the Government grants available to the clothing industry in areas with full development and intermediate development status.

Mr. Atkins: The clothing industry is eligible for a range of Government assistance which is available to firms through my Department in development and intermediate areas, namely, regional selective assistance, and in development areas (as from 1 April 1988) investment and innovation grants for firms with fewer than 25 employees. (Until 31 March 1988 firms in development areas may apply for regional development grant.)

In addition, the clothing industry is able to benefit from assistance which is available on a national basis under the enterprise initiative: grants towards consultancy under the business development initiatives (available at a higher rate in assisted and urban programme areas); and support for exporting, collaborative research, and partnerships between manufacturing companies and higher education institutions.

Business Development Initiative

Mr. McLeish: To ask the Chancellor of the Duchy of Lancaster (1) if he will estimate the amount of expenditure on the business development initiative (support for consultancy services) to be paid out in Scotland for each year 1988-89, 1989-90 and 1990-91;

(2) if he will estimate the amount of expenditure of the business development initiative (consultancy services) to be paid out in each of the standard English regions and Wales, for each year 1988-89, 1989-90 and 1990-91;

(3) if he will estimate the amount of expenditure on the business development initiative (consultancy services) in assisted areas and non-assisted areas for each of the years 1988-89, 1989-90 and 1990-91.

Mr. Kenneth Clarke: Spending on the consultancy initiatives in each region will depend on the response of firms to them. We are giving additional encouragement to firms in assisted areas and urban programme areas through a higher rate of support. The public expenditure White Paper (Cm. 288) does not make provision for spending in regions separately. Total provision is £74 million in 1988-89, £91 million in 1989-90 and £109 million in 1990-91.

Business Innovation Grant Scheme

Mr. McLeish: To ask the Chancellor of the Duchy of Lancaster (1) if he will estimate the amount of expenditure on the businesss innovation grant scheme to be paid out in Scotland for each year 1988-89, 1989-90 and 1990-91;

(2) if he will estimate the amount of expenditure on the business innovation grant scheme to be paid out in each of the standard English regions and Wales for each year 1988-89, 1989-90 and1990-91;

(3) if he will estimate the amount of expenditure on the business investment grant to be paid out in each of the standard English regions and Wales for each of the years 1988-89, 1989-90 and 1990-91.

Mr. Kenneth Clarke: The new grants for small firms employing fewer than 25 to help finance investment and innovation projects will be available from 1 April in the development areas (DAs) of Great Britain. My Department is responsible for expenditure on investment projects in English DAs and for expenditure on innovation projects in DAs in England, Scotland and Wales. The public expenditure White Paper includes provision of £14 million in 1988-89, £42 million in 1989-90 and £55 million in 1990-91 for DTI expenditure on new incentives for the development areas which form part of the enterprise initiative. The provision for Wales is contained within the Welsh Office expenditure plans for industry, energy, trade and employment, which are £194 million for 1988-89, £180 million for 1989-90 and £180 million for 1990-91.

The amount of expenditure which will be paid out in any particular area will depend on demand for the scheme and the appraisal of individual applications.

Shipbuilding (State Aid)

Mr. Page: To ask the Chancellor of the Duchy of Lancaster what action has been taken by the European Commission on the state aid offered by the French authorities to secure a contract to build a ship for Brittany Ferries in a French yard.

Mr. Atkins: In January 1987 we asked the European Commission to investigate any state aid the French authorities might offer to secure an order for a cross-Channel ferry for Brittany Ferries from Chantier Navales de L'Atlantique. The opportunity for this was article 4(5) of the new sixth directive on aid to shipbuilding. British Shipbuilders Govan yard was bidding for this order, as was a Dutch yard. French entry late in the competition followed the loss of another order by its yard.

The Commission has now written to the French authorities to say that the aid that they proposed to make available in support of this order contravenes the sixth directive and must be trimmed to the level that would have been available in support of an order from Holland. The result is that the French yard is set to suffer a significant loss, since it decided to proceed with building in advance of the Commission's decision. Although the Commission is not in a position to prevent orders being taken, the result is a salutary warning to other yards of the dangers of contracting in advance of decisions on cases referred to the Commission. I welcome the decision as an important step in securing fair competition among Community shipbuilders.

Motor Auctions

Mr. Allen McKay: To ask the Chancellor of the Duchy of Lancaster what action he intends to take to protect the interest of consumers attending motor auctions in circumstances which preclude many of the civil claims which purchasers would otherwise enjoy against fraudulent dealers.

Mr. Butcher: No action is being contemplated. Vendors at auction who are acting in the course of business are subject to the requirements of the Sale of Goods Act 1979 and the Unfair Contract Terms Act 1977. Such vendors cannot restrict or exclude a purchaser's rights in respect of faulty goods by reference to a contract term, unless the term satisfied the requirement of reasonableness set out in the 1977 Act.

Mr. Allen McKay: To ask the Chancellor of the Duchy of Lancaster what measures exist to ensure that motor auctioneers maintain sufficiently accurate records to enable police and trading standard officers to carry out their statutory duties relating to dangerous, misdescribed or stolen vehicles.

Mr. Butcher: Although there is no specific legal requirement for motor auctioneers to maintain records about the vehicles which pass through their hands, I understand that the majority of them do so, and the Society of Motor Auctions requires this of its members.

Motor Trade (Abuses)

Mr. Allen McKay: To ask the Chancellor of the Duchy of Lancaster what action he proposes to take arising as a result of his meeting with the Director General of Fair Trading, representatives of the local authority organisations, the motor industry and consumer groups.

Mr. Butcher: It was agreed at that meeting that it was desirable to amend section 60 of the Road Traffic Act 1972 to make it easier for trading standards officers to deal with the sellers of unroadworthy vehicles. It was also agreed that a number of other suggestions to help combat the sale of unroadworthy vehicles and the fraudulent alteration of odometers would be examined further. My Department and the Department of Transport are keeping in touch with the Office of Fair Trading and the various interested parties will be kept informed of progress on this matter.

Mr. Allen McKay: To ask the Chancellor of the Duchy of Lancaster what legislative measures he intends taking to control fraud dishonesty and negligence in the used car trade as highlighted in recent reports published by local authority associations and the Consumers Association on abuses in the motor trade.

Mr. Butcher: Fraud, dishonesty and negligence are already extensively controlled by the criminal and civil law and I do not consider that any major new legislative measures are necessary or desirable. However, my Department and the Department of Transport are looking at a number of suggestions for making the existing law easier to enforce and apply.

Regional Aid

Mr. Frank Field: To ask the Chancellor of the Duchy of Lancaster if he will publish in the *Official Report* the amount of regional preferential assistance paid to each standard region of England, Scotland and Wales in 1986-87, identifying separately the main forms of assistance; and if he will publish equivalent data for each year since 1978-79.

Mr. Atkins *[holding answer 8 March 1988]:* The information requested is as follows:

Government expenditure on regional preferential assistance for industry[1]

(£ millions)

Form of assistance	*Region*	*Financial year*								
		1978-79	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*1986-87*
1. Regional development grant	Northern	135·0	122·4	117·5	143·9	127·2	101·3	89·0	67·3	102·2
	North West	64·3	58·7	105·7	143·4	97·3	83·0	80·0	62·1	101·3
	Yorkshire/ Humberside	30·2	21·5	38·7	47·1	36·4	23·5	26·8	24·2	27·1
	South West	6·0	5·0	8·5	10·3	11·0	7·8	9·5	8·6	15·3
	East Midlands	2·3	2·4	3·2	7·2	8·8	8·2	3·8	4·4	8·4
	West Midlands	0·1	—	—	—	—	—	—	—	—
	England	238·1	210·0	273·7	351·9	280·7	223·8	209·0	166·6	254·4
	Scotland	107·3	70·2	113·3	142·7	287·3	143·0	109·0	107·5	170·5
	Wales	71·5	50·7	103·5	122·2	121·5	72·1	92·7	84·4	88·8
	Great Britain[2]	416·9	330·9	490·5	616·8	689·6	438·9	410·6	358·5	513·4
2. Selective financial assistance	Northern	10·7	11·5	13·0	21·1	21·1	11·1	14·9	16·0	18·0
	North West	40·1	20·6	15·2	[3]15·7	18·3	[3]14·7	11·4	12·7	18·2
	Yorkshire/ Humberside	5·2	6·8	6·1	7·1	10·6	8·7	9·1	7·2	10·2
	South West	2·4	3·1	1·7	1·7	2·7	2·0	1·7	2·3	4·7
	East Midlands	0·7	0·9	0·5	1·0	4·2	9·4	6·3	3·9	2·1
	West Midlands	—	—	—	—	—	—	—	4·6	9·8
	England	59·1	42·9	36·5	46·6	56·9	45·9	43·5	46·7	63·0
	Scotland	12·4	14·0	21·2	19·0	20·1	23·9	29·3	46·9	35·4
	Wales	30·4	6·1	7·8	10·0	14·5	12·2	17·9	21·8	27·2
	Great Britain[2]	103·4	78·9	74·0	75·6	91·5	82·0	90·7	115·4	125·6
3. Expenditure by English estates on land and factories	Northern	13·2	13·9	14·9	10·1	10·2	12·3	18·3	11·1	16·9
	North West	9·6[3]	[3]7·4	9·3	[3]15·7	[3]8·2	[3]6·5	10·2	11·1	9·0
	Yorkshire/ Humberside	2·0	3·8	7·4	7·4	5·9	3·3	6·0	2·9	4·1
	South West	1·2	2·6	1·3	2·8	2·7	2·1	2·5	0·9	2·2
	East Midlands	0·4	0·8	0·9	0·4	0·7	—	—	—	—
	West Midlands	0·1	0·1	—	—	—	—	—	0·9	0·2
	England	26·5	28·6	33·9	36·4	27·7	24·2	37·0	26·9	32·4
Expenditure by Scottish and Welsh development agencies on land and factories	Scotland	27·8	37·8	47·3	55·1	46·4	43·6	23·3	32·4	20·2
	Wales	30·2	43·4	60·0	65·9	46·2	28·4	30·1	25·4	27·6
4. Highland and Islands development board	Scotland	6·1	8·5	11·4	11·8	15·6	17·3	22·9	17·9	15·8
5. Development board for rural Wales	Wales	—	—	—	—	—	4·1	5·3	6·1	6·8

[1] All figures are gross and include payments to nationalised industries.
[2] The Great Britain total for individual forms of assistance may not always equal the sum of the component parts due to the inclusion of items which cannot be allocated to regions, and because of rounding.
[3] Includes expenditure in Cumbria, otherwise shown within the totals for the northern region.

The items included in the expenditure are: regional development grants and regional selective assistance; expenditure on land and factories by the English Industrial Estates Corporation, the Scottish and the Welsh Development Agencies; and expenditure on land and factories and grants by the Development Board for Rural Wales, and the Highlands and Islands Development Board.

EMPLOYMENT

Industrial Accidents

Ms. Armstrong: To ask the Secretary of State for Employment (1) how many people suffered industrial accidents from which they were *(a)* temporarily and *(b)* permanently injured (i) in the Northern regional health authority area and (ii) nationally, during the period 1979 to 1987;

(2) how many people died as a result of industrial accidents *(a)* in the Northern regional health authority area and *(b)* nationally, during the period 1979 to 1987.

Mr. Nicholls: I refer the hon. Member to my reply to the hon. Member for Oldham, West (Mr. Meacher) on 16 December 1987, at column *578*, in which I gave the available national information on reported industrial accidents. Figures for the Northern regional health authority could be provided only at disproportionate costs.

Industrial Diseases

Ms. Armstrong: To ask the Secretary of State for Employment how many people died as the result of recognised industrial diseases *(a)* in the Northern regional health authority area and *(b)* nationally, during the period 1979 to 1987.

Mr. Nicholls: The latest statistics available show 7,181 deaths in Great Britain during the period 1979 to 1986 which can be attributed to recognised industrial diseases. This figure has been obtained by combining figures for death benefit awards under the industrial injuries and pneumoconiosis, byssinosis and miscellaneous diseases benefit schemes with figures of certifications that death was due to pneumoconiosis made under the workers' compensation scheme. I regret that there are no separate figures for the Northern regional health authority.

Wages

Mr. Meacher: To ask the Secretary of State for Employment what information he has as to the annual percentage increase in real wages in *(a)* the United Kingdom, *(b)* France, *(c)* Germany, *(d)* the United States of America, and *(e)* Japan in each year since 1979; and what has been the aggregate percentage increase in real wages in each of these countries over the period 1979 to 1987.

Mr. Lee: The following table sets out the available information published by the Organisation for Economic Co-operation and Development covering real earnings in manufacturing industry. Figures for 1987 are not yet available.

Real Hourly Earnings in Manufacturing[4]
Year to Year percentage changes

	1979	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*	*1986*	*Aggregate percentage change 1979-86*
United Kingdom[1]	1·9	−0·1	1·3	2·4	4·2	3·5	2·8	4·1	19·6
France[2]	2·1	1·3	0·9	3·1	1·4	0·4	0·2	1·7	9·3
Germany	1·3	0·7	−0·9	−0·3	0·0	−0·1	2·3	3·8	5·5
United States	−2·5	−4·2	−0·5	0·2	0·6	−0·2	0·3	0·1	−3·7
Japan[3]	3·5	−0·5	0·7	2·1	2·0	2·4	1·9	2·0	11·1

Source: OECD Historical Statistics 1960-1985 and OECD Economic Outlook No. 42 December 1987.
Notes:
[1] United Kingdom figures are based on average weekly earnings.
[2] France's figures are based on hourly rates of pay.
[3] Japan's figures are based on monthly earnings.
[4] International comparisons of real hourly earnings in the economy as a whole are not available.

Labour Costs

Mr. Meacher: To ask the Secretary of State for Employment what information he has as to the percentage annual change in unit labour costs in manufacturing in each year since 1979 in *(a)* the United Kingdom, *(b)* France, *(c)* West Germany, *(d)* the United States of America and *(e)* Japan.

Mr. Lee: The following table sets out the available information. Annual figures for 1987 are not yet available:

Unit labour costs in manufacturing
Percentage change on previous year

	United Kingdom	*France*	*Germany*	*United States*	*Japan*
1979	18	8	3	10	0
1980	22	15	8	12	0
1981	9	12	5	7	4
1982	3	11	3	6	−1
1983	1	8	−1	−2	−2
1984	2	6	1	−2	−4
1985	3	5	2	0	−2
1986	4	2	3	0	1

Notes:
1. The percentages are calculated from index series produced by the International Monetary Fund, except for Great Britain, figures for which are published in the *Employment Gazette*.
2. The source index series are in local currency and are not adjusted for exchange rate changes.

Middlesbrough and Hartlepool (Dock Labour Scheme)

Mr. Gregory: To ask the Secretary of State for Employment how many permanent registered dock workers in the Middlesbrough and Hartlepool dock labour board area in each year from 1980 to 1986 have been dismissed by their employer for an offence justifying summary dismissal under the disciplinary provisions of the dock labour scheme; how many of these men have been reinstated by order of the local dock labour board and appeal tribunals; and if he will make a statement.

Mr. Nicholls *[holding answer 7 March 1988]*: The figures requested are as follows:

	1980	*1981*	*1982*	*1983*	*1984*	*1985*	*1986*
Permanent workers dismissed for offence justifying summary dismissal	4	13	1	—	—	—	—

	1980	1981	1982	1983	1984	1985	1986
Reinstated by order of Middlesbrough and Hartlepool Dock Labour Board and Appeal Tribunals	1	2	1	—	—	—	—
Dismissal upheld by Middlesbrough and Hartlepool Dock Labour Board and Appeal Tribunals	3	—	—	—	—	—	—

[1] 1 worker resigned before his case was considered.

Community Programme

Mr. McLeish: To ask the Secretary of State for Employment if he will give the number of places on the community programme sponsored by the voluntary sector, local authorities and private industry for each of the years 1986-87 and 1987-88 and for Scotland, England and Wales.

Mr. Nicholls *[holding answer 25 February 1988]:* The information requested is provided in the following table. The table shows the approximate numbers of authorised community programme places at November 1986 and at October 1987, the latest date for which figures are available.

Numbers of authorised community programme places

		Voluntary Sector		Local Authorities		Private Sector	
	County Total	Total	Percentage	Total	Percentage	Total	Percentage
Scotland November 1986	36,900	12,900	35	22,900	62	150	0·4
Scotland October 1987	35,300	14,100	40	20,100	57	210	0·6
Wales November 1986	25,900	13,000	50	12,100	47	260	1
Wales October 1987	24,800	11,900	48	12,200	49	300	1
England November 1986	223,100	124,900	56	87,000	39	4,910	2
England October 1987	210,400	113,600	54	82,100	39	6,100	3

Note:
The totals in the three categories do not sum to 100 per cent. because small numbers of places are sponsored by other types of organisations.

NORTHERN IRELAND

Republic of Ireland (Students)

Mr. McCusker: To ask the Secretary of State for Northern Ireland how many students from Northern Ireland are presently studying in the Irish Republic; and what is the estimated cost of their tuition fees for 1987-88.

Dr. Mawhinney: Some 489 such students attend full-time further and higher education courses at an estimated cost of £505,000.

Police Authority

Mr. McCusker: To ask the Secretary of State for Northern Ireland when he hopes to announce a reconstituted Police Authority for Northern Ireland; if any of the nominations have been made by the Government of the Irish Republic; and if he will make a statement.

Mr. Tom King: The reconstitution of the Police Authority for Northern Ireland will be announced before the term of office of the present authority expires on 28 June 1988. The process of obtaining nominations is not yet complete.

Mr. Brendan Burns

Mr. William Ross: To ask the Secretary of State for Northern Ireland if he will give the reasons why the request for the extradition of Brendan Burns failed.

Mr. Tom King *[holding answer 7 March 1988]:* The original warrants for the extradition of Brendan Burns were held to be defective.

Factory (Shrigley, Co. Down)

Mr. McGrady: To ask the Secretary of State for Northern Ireland (1) what efforts he is making to secure a new tenant for the factory at Shrigley, county Down, owned by Pettard Garnor plc; and if he will make a statement;

(2) if he will list the dates and amounts of Government grants made by the Industrial Development Board, Northern Ireland, to Garnar Booth plc in the fiscal year 1986-87, and in the period from 1 April 1987 to 28 February 1988;

(3) what discussions he has had or proposes to have with Pittard Garnar about the proposed closure of its factory at Shrigley, Killyleagh; and if he will make a statement.

Mr. Viggers *[holding answer 8 March 1988]:* No grants have been made by the Industrial Development Board for

Northern Ireland to either Garnar Booth plc or Pittard Garnar plc in relation to the wholly owned subsidiary Atlantic Tanning Company Ltd., Killyleagh. However, in the period mentioned a total sum of £225,803·11 was made direct by the Industrial Development Board to the Atlantic Tanning Company Ltd. under two separate offers of financial assistance agreed in 1986.

Pittard Garnar plc and the Industrial Development Board are co-operating in the search for alternative uses for the site at Shrigley, Killyleagh. A number of discussions have already taken place with interested parties and more are scheduled. It is too early yet to say if any of these discussions will prove fruitful. All avenues will be explored.

I have not had any discussions with Pittard Garnar plc. I was fully aware of the negotiations which the Industrial Development Board was conducting with Pittard Garnar plc and of its offer to support any viable recovery plan for the Atlantic Tanning Company Ltd. In the event Pittard Garnar plc has made it clear that the decision to cease production at its operation in Killyleagh was taken for wholly commercial reasons.

Environmentally Sensitive Areas

Mr. Ron Davies: To ask the Secretary of State for Northern Ireland why the designation of environmentally sensitive areas in Northern Ireland has been delayed; when he expects the first formal designation to be made; and what plans he has for further designations in the Province.

Mr. Viggers *[holding answer 8 March 1988]:* The delay in designating environmentally sensitive areas (ESAs) in Northern Ireland has been caused by the need to introduce primary legislation to enable such designations to take place, and by the lengthy consultations with the EC Commission to ensure that the proposals for the Province's first ESA would be acceptable for approval under EC regulation 797/85. A statutory rule is presently being prepared and it is expected that the Mourne mountains and Slieve croob ESA will be formally designated in the near future.

One more ESA is planned in the present round of designations. Recommendations that an area of north-east Antrim (The Glens) is worthy of ESA status are being considered.

Social Security Reform

Mr. Hume: To ask the Secretary of State for Northern Ireland what will be *(a)* the last date of payment of family income supplement and the period covered by such payment, *(b)* the first date of payment of family credit for those currently in receipt of family income supplement and the period covered by such payment and *(c)* the first date of payment of family credit to those not presently in receipt of family income supplement and the period covered by such payment.

Mr. Needham *[holding answer 9 March 1988]:* The last payment of family income supplement will be made on 5 April 1988 to Sunday 10 April 1988. Although the period covered is six days, the payment will be a full week's benefit.

The first payment of family credit for those currently in receipt of family income supplement will be made on 12 April 1988. This will be a full week's payment but will in effect be made simply to cover the transitional gap of one day (11 April).

The first payment of family credit for those not currently in receipt of family income supplement will be made on 19 April 1988 and this payment will cover the period from Tuesday 12 April 1988 to Monday 18 April 1988.

HOUSE OF COMMONS

Expenditure

Mr. Allen: To ask the Lord President of the Council what steps he has taken to satisfy himself of the cost-effectiveness of expenditure in connection with the House for which Ministers are responsible.

Mr. Wakeham: The cost-effectiveness of expenditure on departmental votes incurred in relation to the work of this House is the responsibility of the individual Ministers concerned. Any proposals for such expenditure are subject to normal parliamentary scrutiny and control.

Efficiency Scrutiny

Mr. Allen: To ask the hon. Member for Berwick-upon-Tweed, as representing the House of Commons Commission, if the House of Commons Commission will arrange for an efficiency scrutiny of the House; and if he will make a statement.

Mr. Beith: The efficient working of the staff of the House is scrutinised on a continuing basis by the Board of Management, and by the Staff Inspectorate and the Internal Auditor, both of whom report directly to the Commission. Authority for additional expenditure or services must be obtained from the Accounting Officer and be approved by the Commission.

After a comprehensive series of inspections, a unified pay and grading structure has been agreed with the trade unions representing staff of the House, which contributes to the requirements of the House of Commons Administration Act that pay and conditions of staff of the House are kept broadly in line with those in the Home Civil Service.

The Staff Inspector has now been instructed to conduct a rolling programme of reviews of specific areas of the work of the House Departments; and this rolling programme will be reviewed every six months. An important part of the Staff Inspector's reviews is, of course, to examine the efficient and economical use of resources.

Group Accident Insurance

Mr. Wallace: To ask the hon. Member for Berwick-upon-Tweed, as representing the House of Commons Commission, what changes have been made to hon. Members' group accident insurance arrangements.

Mr. Beith: The death and capital benefits available under the terms of the policy have been increased to £113,000 as from 1 January 1988. The memorandum by the Accountant, which gives details of the cover and exclusions, is held in the Library.

NATIONAL FINANCE

Economic Policy

12. **Mr. Blunkett:** To ask the Chancellor of the Exchequer what criteria he uses in deciding the relative priority to be accorded to *(a)* cutting income tax rates; *(b)* increasing expenditure on overseas aid to the level of the United Kingdom commitment to 0·7 per cent. of gross national product.

Mr. Major: The latest plans show increased provision for the overseas aid programme, which is now projected to grow by 3 per cent. in real terms between 1986-87 and 1990-91.

25. **Sir John Farr:** To ask the Chancellor of the Exchequer what percentage of the economy he estimates will remain in public hands at the end of the next parliamentary Session.

Mr. Norman Lamont: No decision has yet been taken on the timing of future asset sales.

Group of Five

15. **Mr. Haselhurst:** To ask the Chancellor of the Exchequer when he next expects to meet his counterparts in the group of five major industrial countries; and what matters will be discussed.

37. **Mr. Harris:** To ask the Chancellor of the Exchequer when he next expects to meet his counterparts in the group of five major industrial countries.

51. **Mr. Yeo:** To ask the Chancellor of the Exchequer when he next expects to meet his counterparts in the group of five major industrial countries.

Mr. Lawson: I expect to see my Finance Minister colleagues at the IMF Interim Committee in Washington next month.

VAT (Hospital Radio Equipment)

16. **Mr. Amess:** To ask the Chancellor of the Exchequer what recent representations he has had on value added tax on hospital radio broadcasting equipment.

Mr. Lilley: My right hon. Friend has received no further representations since the reply I gave to my hon. Friend on 12 February.

Special Car Tax

17. **Mr. Simon Coombs:** To ask the Chancellor of the Exchequer what representations he has received seeking the abolition of the special car tax.

Mr. Lilley: My right hon. Friend has received a number of representations on this subject.

North Sea Oil

18. **Mr. Doran:** To ask the Chancellor of the Exchequer what is his latest estimate of North sea oil revenue from all sources for each year up to 1991.

61. **Mr. Worthington:** To ask the Chancellor of the Exchequer what is his latest estimate of North sea oil revenue from all sources for each year up to 1991.

Mr. Major: My right hon. Friend the Chancellor will be publishing revised projections at the time of the Budget.

Nationalised Industries

19. **Mr. Gill:** To ask the Chancellor of the Exchequer if he will publish a comprehensive list of the subsidiary and associate companies of the 10 major industries remaining in state ownership.

Mr. Norman Lamont: This information can be found in the annual report and accounts of the industries which are available in the Library.

EC Council of Ministers

20. **Mr. Knox:** To ask the Chancellor of the Exchequer when he next proposes to have discussions with the European Community Council of Ministers about European monetary matters.

Mr. Norman Lamont: The next meeting of the European Community's Council of Economic and Finance Ministers is expected to be on 18 April. The agenda for the meeting has not yet been decided but is expected to cover the liberalisation of capital movements in the Community.

Pay Increases

21. **Mr. John M. Taylor:** To ask the Chancellor of the Exchequer what level of pay rise would be required by the average employee paying tax in order to compensate for price increases over the past year.

Mr. Lilley: I refer my hon. Friend to the answer my right hon. Friend the Chancellor gave earlier today to my hon. Friend the Member for Dover (Mr. Shaw).

Budget Policy

22. **Mr. Turner:** To ask the Chancellor of the Exchequer what representations he has received concerning cuts in the higher rate of income tax and expenditure on the National Health Service.

57. **Mr. Tom Clarke:** To ask the Chancellor of the Exchequer what representations he has received concerning cuts in the higher rate of income tax and expenditure on the National Health Service.

Mr. Norman Lamont: My right hon. Friend has received a large number of representations on a wide variety of subjects.

67. **Mr. Bidwell:** To ask the Chancellor of the Exchequer what representations he has received from organisations urging priority for an emergency programme of public expenditure over further cuts in income and corporation tax.

Mr. Norman Lamont: My right hon. Friend has received very few.

Alcohol (Duty)

23. **Mr. Colvin:** To ask the Chancellor of the Exchequer if he has any plans to discuss with the Council of Finance Ministers of the European Community duty on alcoholic beverages; and if he will make a statement.

Mr. Lilley: The Economic and Finance Council will discuss the European Commission's package of proposals

for tax approximation, which includes provision for the harmonisation of excise duty rates, in the light of the report of its Economic Policy Committee which is expected in the spring.

Business Expansion Scheme

24. **Mr. Jim Marshall:** To ask the Chancellor of the Exchequer what representations he has recently received in relation to the taxation provisions for investment under the business expansion scheme.

Mr. Norman Lamont: My right hon. Friend has received a number of representations.

VAT

26. **Mr. Archer:** To ask the Chancellor of the Exchequer what representations he has made to the European Commission on the subject of the proposed harmonisation of value added tax; and if he will make a statement.

Mr. Lawson: I refer the right hon. and learned Member to the reply given to the hon. Member for Wrexham (Dr. Marek) on 8 December at column *73*.

Confederation of British Industry

27. **Mr. Murphy:** To ask the Chancellor of the Exchequer when he last met the director general of the Confederation of British Industry; and what was discussed.

48. **Mr. Mullin:** To ask the Chancellor of the Exchequer when he last met the director general of the Confederation of British Industry; and what matters were discussed.

96. **Mrs. Fyfe:** To ask the Chancellor of the Exchequer when he last met the director general of the Confederation of British Industry; and what was discussed.

Mr. Major: My right hon. Friend last met the director general of the Confederation of British Industry at the meeting of the National Economic Development Council on Wednesday 13 January. The council discussed the outlook for the economy; a report on the knitting industry; and international competitiveness, research and development.

Manufactured Goods and Services

28. **Ms. Armstrong:** To ask the Chancellor of the Exchequer if he has a revised figure for the anticipated balance of trade in *(a)* manufactured goods and *(b)* services for the United Kingdom for the current year; and what was the figure for 1979.

Mr. Major: My right hon. Friend the Chancellor of the Exchequer will be making a new forecast for the current year at Budget time. In 1979 the balance of trade in manufactured goods showed a surplus of £2,698 million and services a surplus of £3,815 million.

Balance of Payments

29. **Mr. Bill Michie:** To ask the Chancellor of the Exchequer if he will make a statement on his current estimates of the balance of payments for the United Kingdom in the present, and the next, financial years.

Mr. Major: My right hon. Friend the Chancellor of the Exchequer will be making a forecast at Budget time.

Income Tax

30. **Mr. Livingstone:** To ask the Chancellor of the Exchequer how many representations he has received in the last six months regarding the top rate of income tax; and, of these, how many favoured a reduction.

Mr. Norman Lamont: My right hon. Friend has received a number of representations favouring a reduction.

49. **Mr. Hardy:** To ask the Chancellor of the Exchequer what has been the total annual benefit from reductions in direct taxation for a taxpayer with gross annual earned income of £100,000 since 1980.

Mr. Norman Lamont: The tax liability of a married man earning £100,000 per year with no allowances or reliefs other than the married man's allowance is £44 less in 1987-88 than it would be if the 1980-81 tax regime had been retained and indexed by the statutory formula to 1987-88.

Economic Growth

31. **Mr. Hanley:** To ask the Chancellor of the Exchequer what is his latest estimate of the growth in the non-oil economy in 1987.

80. **Mr. Jacques Arnold:** To ask the Chancellor of the Exchequer what is his latest estimate of the growth in the non-oil economy in 1987.

Mr. Major: Preliminary estimates suggest that non-oil output rose by over 5 per cent. in 1987 compared to 1986.

Inflation

32. **Mr. Andrew MacKay:** To ask the Chancellor of the Exchequer what has been the average figure for retail price inflation over the past five years.

38. **Mr. Colin Shepherd:** To ask the Chancellor of the Exchequer what has been the average figure for retail price inflation over the past five years.

Mr. Lilley: About 4·6 per cent.

Budget Statement

33. **Ms. Abbot:** To ask the Chancellor of the Exchequer how many representations he has received from local authorities and local authority associations regarding his financial statement; and if he will make a statement.

Mr. Norman Lamont: My right hon. Friend has received very few.

Credit Cards

34. **Mr. Tony Banks:** To ask the Chancellor of the Exchequer if he has any plans to seek to control the use of credit cards.

Mr. Lilley: I refer the hon. Gentleman to the answer that I gave the hon. Member for Western Isles (Mr. Macdonald) on 14 January at column *386*.

Gross Domestic Product

35. **Mr. Ashby:** To ask the Chancellor of the Exchequer what has been the growth of gross domestic product over the latest full year for which figures are available.

56. **Mr. Hayward:** To ask the Chancellor of the Exchequer what has been the growth of gross domestic product over the latest full year for which figures are available.

Mr. Major: We do not have estimates for the income and expenditure measures of GDP for the whole of 1987. In the first three quarters of 1987 the average measure of GDP was 4 per cent. higher than in the same period a year earlier.

41. **Mr. Anthony Coombs:** To ask the Chancellor of the Exchequer how the growth of real gross domestic product in the United Kingdom compares with that of the other major industrial countries over the latest year for which figures are available.

81. **Mr. Stevens:** To ask the Chancellor of the Exchequer how the growth of real gross domestic product in the United Kingdom compares with that of the other major industrial countries over the latest year for which figures are available.

Mr. Lilley: Total output in the United Kingdom grew by more than 4 per cent. over the year to the first three quarters of 1987. This is faster than any other major industrialised country.

Industrial Investment

36. **Mr. Nigel Griffiths:** To ask the Chancellor of the Exchequer what action he proposes to take to stimulate investment in British industry.

89. **Dr. Moonie:** To ask the Chancellor of the Exchequer what action he proposes to take to stimulate investment in British industry.

Mr. major: The Government's economic policies will continue to encourage capital investment by promoting an environment in which business can prosper.

Forestry

39. **Mr. Pike:** To ask the Chancellor of the Exchequer what representations he has recently received in relation to the taxation regime for forestry development.

42. **Mr. Barry Jones:** To ask the Chancellor of the Exchequer what recent representations he has received concerning the present taxation status of forestry development.

46. **Mr. Darling:** To ask the Chancellor of the Exchequer what recent representations he has received concerning the present taxation status of forestry development.

Mr. Norman Lamont: I refer the hon. Members to the answer I gave to the hon. Member for Denton and Reddish (Mr. Bennett) on 11 February at column *490*.

84. **Mr. Macdonald:** To ask the Chancellor of the Exchequer what is his estimate for the past five financial years of *(a)* the revenue lost to the Exchequer from tax incentives for the plantation of forestry and *(b)* the cost to the Exchequer of grants made available to landowners for agreements under the Wildlife and Countryside Act to conserve land by not developing commercial forestry.

Mr. Norman Lamont: The income tax forgone is estimated to be some £10 million a year for the past five financial years. No information is available on which to base an estimate of the cost of capital tax reliefs.

The estimated costs of payments made by the Nature Conservancy Council during the five years to December 1987 under management agreements arising under the Wildlife and Countryside Act to conserve sites of special scientific interest from commercial forestry is £1·8 million. This includes payments to conserve woodland as well as payments to prevent afforestation.

Customs and Excise (East Anglia)

40. **Mr. David Porter:** To ask the Chancellor of the Exchequer what representations he has received from business and individuals in East Anglia recently complaining about actions of customs officers; and if he will make a statement.

Mr. Lilley: Four representations have been made recently.

Economic Prospects

43. **Mr. Bill Walker:** To ask the Chancellor of the Exchequer when he intends to meet the director general of the Confederation of British Industry to discuss the prospects for the economy.

52. **Mr. Ian Bruce:** To ask the Chancellor of the Exchequer when he next intends to meet the director general of the Confederation of British Industry to discuss the prospects for the economy.

54. **Mr. Patrick Thompson:** To ask the Chancellor of the Exchequer when he next intends to meet the director general of the Confederation of British Industry to discuss the prospects for the economy.

73. **Mr. Fallon:** To ask the Chancellor of the Exchequer when he next intends to meet the director general of the Confederation of British Industry to discuss the prospects for the economy.

Mr. Major: My right hon. Friend meets the director general of the Confederation of British Industry from time to time. But he has no specific plans to meet him in the foreseeable future.

Economic Forecasts

44. **Mr. Tim Smith:** To ask the Chancellor of the Exchequer what assessment he makes of the accuracy of his own and other economic forecasts.

Mr. Major: Treasury forecasts always include an analysis of errors on past forecasts. The accuracy of Treasury forecasts compares favourably with other economic forecasts.

Small Firms (Paperwork)

45. **Mr. Bellingham:** To ask the Chancellor of the Exchequer what further steps he plans to take to alleviate the burden of paperwork on small firms.

Mr. Norman Lamont: We are continually looking at ways of reducing the burden of paperwork on small firms.

For example, as announced by my right hon. Friend the Chancellor of the Exchequer in his Budget statement last year, from July companies with a turnover below £250,000 a year will be able to make only one VAT return a year, instead of four at present. On the income tax side, form P11D, on which employers report expenses and benefits, will be reduced from four pages to two, in a more easily understood format, from next month. The amount of material being sent to employers operating PAYE for the first time is also being reduced.

Personal Borrowing

47. **Mr. McFall:** To ask the Chancellor of the Exchequer what is his current estimate of the level of personal sector borrowing; and what it was in real terms in the previous five years.

Mr. Major: In the third quarter of 1987 total personal sector borrowing is provisionally estimated to have been £11,008 million. No figures are published for borrowing in real terms.

Exports and Imports

50. **Mr. Fatchett:** To ask the Chancellor of the Exchequer what was the growth in the volume of United Kingdom exports in the last financial year; what was the growth in the volume of imports; and what was the effect on the balance of payments.

Mr. Major: In the financial year 1986-87 the volume of exports of goods grew by 6½ per cent. on the previous year while the volume of imports of goods grew by 8¼ per cent. The current account of the balance of payments moved from a surplus of £3·8 billion in 1985-86 to a deficit of £1·1 billion in 1986-87.

VAT (Health Service Charges)

53. **Mr. Steinberg:** To ask the Chancellor of the Exchequer how much annual income to the Exchequer is generated through value added tax on health service charges from the public to the private sector.

77. **Ms. Mowlam:** To ask the Chancellor of the Exchequer how much annual income to the Exchequer is generated through value added tax on health service charges from the public to the private sector.

Mr. Lilley: I regret that the information is not available.

Close Companies

55. **Mr. Heathcoat-Amory:** To ask the Chancellor of the Exchequer how many close company apportionments were made by the Inland Revenue in 1986-87.

Mr. Norman Lamont: 1,525 close company apportionment notices were served on companies in 1986-87.

Invisible Earnings

58. **Mr. Wood:** To ask the Chancellor of the Exchequer if he will make a statement on the balance of invisible earnings.

65. **Mr. Sackville:** To ask the Chancellor of the Exchequer if he will make a statement on the balance of trade in invisible earnings.

95. **Mr. Quentin Davies:** To ask the Chancellor of the Exchequer if he will make a statement on the balance of trade in invisible earnings.

Mr. Major: The United Kingdom's net invisible earnings remain in very substantial surplus.

Common Agricultural Policy

59. **Mr. Teddy Taylor:** To ask the Chancellor of the Exchequer if he will publish a White Paper setting out in detail the effect on the economy and employment of the common agricultural policy, as set out in the Treasury economic progress report of February.

Mr. Brooke: I have no present plans to do so. The economic progress report drew on various studies by reputable international bodies of the consequences of agricultural support and protection policies. Full references for these studies, which concerned Japan, the United States and the other O E C D countries as well as the E C, were given in the article. In addition, a National Consumer Council study of the CAP, commissioned by D T I, will be published later this year.

Public Expenditure

60. **Mr. Watts:** To ask the Chancellor of the Exchequer how much general Government expenditure as a percentage of gross domestic product has fallen since 1982-83.

85. **Mr. Soames:** To ask the Chancellor of the Exchequer how much general Government expenditure as a percentage of gross domestic product has fallen since 1982-83.

Mr. Major: The 1988 public expenditure White Paper (Cm. 288) showed that general Government expenditure (excluding privatisation proceeds) as a percentage of gross domestic product has fallen from 46¾ per cent. in 1982-83 to 42½ per cent. in 1987-88.

79. **Mr. Beith:** To ask the Chancellor of the Exchequer what is the objective of his policy of reducing public expenditure annually as a proportion of gross domestic product.

Mr. Major: Our policy of reducing public spending as a proportion of G D P over the medium term, which does not imply particular targets for individual years, will enable a low level of borrowing to be combined with reductions in the burden of taxation, thus encouraging enterprise and efficiency and the growth of output and employment.

Privatisation

62. **Mr. Morgan:** To ask the Chancellor of the Exchequer if he will make a statement on the Government's privatisation priorities.

76. **Mr. Dunnachie:** To ask the Chancellor of the Exchequer if he will make a statement on the Government's privatisation priorities.

Mr. Norman Lamont: No.

Lost Revenue

63. **Mr. Foulkes:** To ask the Chancellor of the Exchequer what is the latest estimate of annual revenue

lost to the Exchequer from United Kingdom companies and individual residents moving to Jersey, Guernsey and the Isle of Man.

Mr. Norman Lamont: I regret that it is not possible to provide such an estimate.

Personal Credit

64. **Mr. Battle:** To ask the Chancellor of the Exchequer what are the latest figures he has for the growth of personal credit over the last three years.

86. **Mr. Martlew:** To ask the Chancellor of the Exchequer what are the latest figures he has for the growth of personal credit over the last three years.

Mr. Lilley: Over the three years to the end of 1987, consumer credit has grown at an annual rate of about 18 per cent.

Investment Statistics

66. **Mrs. Clwyd:** To ask the Chancellor of the Exchequer what are the latest figures that he has for the current level of investment in *(a)* manufacturing industry and *(b)* the service sector.

Mr. Major: Investment in manufacturing in 1987 is provisionally estimated to be 3½ per cent. higher than in 1986. Investment in the construction, distribution and financial industries is estimated to be 10 per cent. higher in 1987 than a year earlier. For these industries as a whole the volume of investment in 1987 was the highest level yet recorded.

International Debt

68. **Mr. Skinner:** To ask the Chancellor of the Exchequer if any further meetings are planned with other Finance Ministers regarding world debt; and if he will make a statement.

Mr. Lilley: I refer the hon. Member to the reply I gave on 11 February at column *337*.

74. **Mr. Gerald Howarth:** To ask the Chancellor of the Exchequer if he will make a further statement setting out the Government's policy on international debt.

102. **Mr. Nicholas Baker:** To ask the Chancellor of the Exchequer if he will make a further statement setting out the Government's policy on international debt.

Mr. Lilley: We are continuing to press the initiative which my right hon. Friend announced last spring for the poorest, most heavily-indebted countries by the easing of terms of official debt in the Paris club. In addition, we have agreed to make a large contribution, by way of subsidy, to the enhanced structural adjustment facility at the IMF.

We warmly welcome the recommended increase in the capital of the World Bank of US$74·8 billion which will enable it to increase its annual lending level from around $14 billion to $20 billion by 1992. This will benefit in particular the middle income debtors.

Labour Statistics

69. **Mr. Sumberg:** To ask the Chancellor of the Exchequer in how many regions adult unemployment has fallen over the past year.

70. **Miss Emma Nicholson:** To ask the Chancellor of the Exchequer in how many regions adult unemployment has fallen over the past year.

97. **Mr. Wolfson:** To ask the Chancellor of the Exchequer in how many regions adult unemployment has fallen over the past year.

Mr. Major: Over the past year, unemployment has fallen in all regions of the United Kingdom.

82. **Mr. Couchman:** To ask the Chancellor of the Exchequer for how many successive quarters total employment in the British economy has risen.

Mr. Major: Employment in Great Britain has risen for 18 successive quarters since March 1983, the longest period of continuous employment growth for nearly 30 years, and by over 1½ million in total.

Personal Ownership

71. **Dr. Goodson-Wickes:** To ask the Chancellor of the Exchequer if he will make a statement on the growth of personal ownership in Britain since 1979.

Mr. Norman Lamont: I refer my hon. Friend to the answer which I gave to my hon. Friend the Member for Darlington (Mr. Fallon) on 29 October, at column *435*.

Supplementary Benefit

72. **Mr. McLeish:** To ask the Chancellor of the Exchequer what representations he has received concerning income tax reductions and the level of public expenditure on supplementary benefits.

Mr. Norman Lamont: My right hon. Friend has received a large number of representations concerning income tax reductions but very few which mention supplementary benefits.

Works of Art (Fiscal Allowances)

75. **Mr. Rathbone:** To ask the Chancellor of the Exchequer what submissions he has received concerning fiscal allowances for donations of art works to the nation.

Mr. Norman Lamont: My right hon. Friend has received none.

National Debt

78. **Mr. Chapman:** To ask the Chancellor of the Exchequer if he will make a statement on the changing level of the national debt, and the interest payable on it as a proportion of total public expenditure.

Mr. Major: The stock of public sector debt has declined as a share of GDP in recent years. This has reduced the burden of debt interest payments, enabling more expenditure on priority programmes while still reducing public spending as a proportion of GDP. Latest estimates of debt interest payments and public expenditure in 1987-88 will be published in the financial statement and Budget report on 15 March.

Small Landlords

83. **Mr. Bowis:** To ask the Chancellor of the Exchequer what tax incentives are available to encourage the small landlord; and if he will make a statement.

Mr. Norman Lamont: The tax rules relating to rental income apply equally to all landlords. I will bear in mind the suggestion my hon. Friend is making.

NHS (Finance)

87. **Mr. Ronnie Campbell:** To ask the Chancellor of the Exchequer how many Treasury staff are responsible for the oversight of National Health Service finances.

92. **Mr. Galbraith:** To ask the Chancellor of the Exchequer how many Treasury staff are responsible for the oversight of National Health Service finances.

Mr. Brooke: Treasury business regarding the National Health Service is principally the responsibility of Health Services division which has a total of 13 staff (whole-time equivalents) including specialist support.

Income Tax—Revenue Receipts

88. **Mr. David Martin:** To ask the Chancellor of the Exchequer what studies he has made of the relationships between levels of income tax and resultant revenue.

Mr. Norman Lamont: Many factors influence the yield of income tax. Since 1985-86 the basic rate of income tax has been reduced from 30p to 27p, but growth in the economy and other developments have led to the yield of income tax increasing in both nominal and real terms.

Manufacturing Industry (Investment)

90. **Mr. Nellist:** To ask the Chancellor of the Exchequer what is the current level of investment in British manufacturing industry; and what it was in real terms in 1979.

Mr. Major: The provisional estimate of capital expenditure in manufacturing at 1980 prices was £7,389 million in 1987 compared to £8,229 million in 1979.

Vending Machines

91. **Mr. Speller:** To ask the Chancellor of the Exchequer if he will make it his policy to compensate or pay a modification charge to owners of coin-operated vending machines when the new and changed size 5 pence and 10 pence coins are introduced from 1991 onwards and while the old shape and weight coins are still in circulation.

Mr. Brooke: No. It has not been Government policy in the past to pay compensation when new coins were introduced, and I see no reason to change now. The Government have, however, taken full account of representations from the vending industry in designing the new coins, and have given plenty of notice of the change.

Voluntary Trust Funds

93. **Mr. Ashley:** To ask the Chancellor of the Exchequer what criteria he uses, in deciding whether to introduce legislation to give tax concessions to voluntary trust funds.

Mr. Lawson: I am not sure what the right hon. Member has in mind. If he would care to write to me giving further details, I shall let him have a full reply.

Self-employment

94. **Miss Widdecombe:** To ask the Chancellor of the Exchequer what has been the increase in self-employment in the British economy since 1979.

Mr. Major: I refer my hon. Friend to the answer I gave earlier today to my hon. Friend the Member for Feltham and Heston (Mr. Ground).

Profits

98. **Dr. Twinn:** To ask the Chancellor of the Exchequer what are the latest figures for the level of industrial and commercial profitability.

Mr. Major: I refer my hon. Friend to the answer given earlier today by my right hon. Friend the Financial Secretary to my hon. Friend the Member for Keighley (Mr. Waller).

Forestry (Taxation)

99. **Mr. Henderson:** To ask the Chancellor of the Exchequer what is his estimate of revenue forgone by the Exchequer in the last financial year as a result of taxation incentives for forestry development.

Mr. Norman Lamont: The income tax forgone is about £10 million. No information is available on which to base an estimate of the cost of capital tax reliefs.

Manufacturing (Fiscal Incentives)

110. **Mr. Strang:** To ask the Chancellor of the Exchequer if he is satisfied with the operation of the current system of fiscal incentives for investment in manufacturing industry.

Mr. Major: The current fiscal regime has created a climate which encouraged an increase of 3½ per cent. in manufacturing investment in 1987, and manufacturing investment is projected to grow by 11 per cent. in 1988 in the Department of Trade and Industry's latest investment intentions survey.

Inward Investment

101. **Mr. Jack:** To ask the Chancellor of the Exchequer if he will make a statement on the sources, level and economic effect of inward investment during the current financial year.

Mr. Major: In the second and third quarters of 1987 —the latest period for which information is available— international confidence in the United Kingdom economy led to inward direct and portfolio investment of £9½ billion. Information on the geographical sources of recent capital inflows is not available.

European Community (Indirect Taxes)

103. **Mr. Dykes:** To ask the Chancellor of the Exchequer if he has had further discussions with his European Economic Community counterparts in the Finance Council and with members of the Council of Ministers on matters affecting European Economic Community indirect tax recommendations following the European Court announcement of 23 February.

Mr. Lilley: No. The decision of European Court of Justice concerns the interpretation of existing VAT law and is an entirely separate matter from the Commission's tax approximation proposals.

Interest Rates

104. **Mr. Latham:** To ask the Chancellor of the Exchequer whether he will make a statement on the level of interest rates.

Mr. Lilley: Bank base rates are 9 per cent.

Economic Policy

12. **Mr. Blunkett:** To ask the Chancellor of the Exchequer what criteria he uses in deciding the relative priority to be accorded *(a)* cutting income tax rates, *(b)* increasing expenditure on overseas aid up to the level of the United Kingdom commitment to 0·7 per cent. of gross national product.

Mr. Major: The latest plans show increased provision for the overseas aid programme, which is now projected to grow by 3 per cent. in real terms between 1986-87 and 1990-91.

"Retail Prices (Inflation)

Mr. McLoughlin: To ask the Chancellor of the Exchequer what has been the average figure for retail price inflation over the past five years.

Mr. Lilley: Over the past five years the average figure for retail price inflation, as measured by the general index of retail prices, was 4·6 per cent.

CBI

Mr. John Greenway: To ask the Chancellor of the Exchequer when he next intends to meet the director general of the Confederation of British Industry; and what matters he proposes to discuss.

Mr. Major: My right hon. Friend meets the director general of the CBI from time to time, and a wide range of subjects are discussed. He has no specific plans to meet him in the foreseeable future.

EC (Finance)

Mr. Ieuan Wyn Jones: To ask the Chancellor of the Exchequer when he hopes to have discussions with the European Community Council of Ministers concerning European monetary matters; and if he will make a statement.

Mr. Brooke: I refer the hon. Member to the answer given by my right hon. Friend the Financial Secretary earlier today to my hon. Friend the Member for Staffordshire, Moorlands (Mr. Knox).

Income Tax and Supplementary Benefit

Mr. Andrew Smith: To ask the Chancellor of the Exchequer what representations he has received concerning income tax reductions and the level of public expenditure on supplementary benefits.

Mr. McAllion: To ask the Chancellor of the Exchequer what representations he has received concerning income tax reductions and the level of public expenditure on supplementary benefits.

Mr. Norman Lamont: My right hon. Friend has received a large number of representations concerning income tax reductions, but very few which mention supplementary benefits."

ENVIRONMENT

Mortgage Defaulters

105. **Mr. McCartney:** To ask the Secretary of State for the Environment what are the latest figures he has for property repossessions arising from mortgage default over the last three years.

Mrs. Roe: Following are the available estimates:

Properties taken into possession by Building Societies United Kingdom

Calendar year	*Number*	*Percentage of mortgage loans outstanding at end of period*
1985	16,490	0·25
1986	20,930	0·30
1987	22,630	0·32

Properties taken into possession by local authorities England

Financial	*Number*	*Percentage of mortgage loans outstanding at end of period*
1984-85	570	0·10
1985-86	630	0·13
1986-87	490	0·12

Corresponding information is not available from other lending institutions.

Local Authority Assets

Mr. Blunkett: To ask the Secretary of State for the Environment what representations he has received regarding his policy towards the disposal of local authority assets.

Mr. Chope: I frequently receive calls to encourage better management of assets by local authorities, including substantial sales of surplus or under-used properties. I particularly welcome the Audit Commission's recent report on property management, and I commend it to all local authorities.

House Sales (Basildon)

Mr. Amess: To ask the Secretary of State for the Environment how many council and New Towns Commission properties have been sold in the constituency of Basildon since 1981.

Mrs. Roe: Information is not available for constituencies.

Canals

Mr. Fearn: To ask the Secretary of State for the Environment what plans he has to encourage the greater use of Britain's canals.

Mr. Moynihan: The British Waterways Board is responsible for most canals in Great Britain. Its objectives, which are agreed with Government, are to promote the

fullest practicable use of its waterways for leisure, recreation and amenity, and for freight transport where appropriate, while operating as commercially as possible.

Homeless Persons (Cornwall)

Mr. Matthew Taylor: To ask the Secretary of State for the Environment what plans he has to assist local authorities in Cornwall to meet their statutory obligations under the homeless persons legislation and in housing people on their waiting list.

Mrs. Roe: Local authorities' HIP allocations in Cornwall as elsewhere take account of homelessness and other housing needs. Our proposals to inject more private funding into the housing association sector will make public sector resources stretch further. We have already announced that the Housing Corporation will aim to double the present level of provision by housing associations in rural areas.

Nature Reserves

Dr. Thomas: To ask the Secretary of State for the Environment when he next intends to meet the chairman of the Nature Conservancy Council to discuss the future of nationally owned nature reserves.

Mr. Moynihan: My right hon. Friend the Secretary of State attended a meeting with the chairman and other members of the Nature Conservancy Council on 25 February at which a number of matters were discussed including national nature reserves. My right hon. Friend has no immediate plans for a further meeting, but we shall continue to take a close interest in the progress of the review of the NNR policy currently being undertaken by the council.

Severn Estuary

Mr. Stern: To ask the Secretary of State for the Environment when he expects scheduling of the Severn estuary as a site of special scientific interest to be completed.

Mr. Moynihan: In 1987, 1,437 hectares of the upper Severn estuary were notified as a site of special scientific interest under the Wildlife and Countryside Act 1981. With effect from 5 February this area was classified as a special protection area under the EC wild birds directive and as a wetland of international importance under the Ramsar convention. The Nature Conservancy Council is working on the notification of the remaining areas of special scientific interest and hopes to complete the notification during the summer.

Victoria Park Underpass

Mr. Cryer: To ask the Secretary of State for the Environment, pursuant to the answer of 1 March, *Official Report*, column 558, when and where public notice was given of his intention to issue a certificate under section 19 of the Acquisition of Land Act 1981, for the A650 north-west of Doncaster-Kendal Trunk Road (Airedale Route) (Victoria Park to Crossflatts Section) first Supplementary Compulsory Purchase Order and for the A650 North West of Doncaster-Kendal Trunk Road (Airedale Route) (Victoria Park to Crossflatts Section) Second Supplementary Compulsory Purchase Order.

Mr. William Waldegrave: Notice of the Secretary of State's intention to issue section 19 certificates was published on 4 December 1987 in the following newspapers: the *Yorkshire Post*, *Yorkshire Evening Post*, *Bradford Telegraph and Argus* and the *Keighley News*.

Mr. Cryer: To ask the Secretary of State for the Environment, pursuant to the answer 1 March, *Official Report*, column *558*, when the certificate under section 19 of the Acquisition of Land Act 1981 was issued for the A650 North West of Doncaster-Kendal Trunk Road (Airedale Route) (Victoria Park to Crossflatts Section (Victoria Park Underpass) Side Roads) Order.

Mr. Waldegrave: Section 19 of the Acquisition of Land Act 1981 provides for a certificate to be given only where land is acquired by means of a compulsory purchase order. The A650 North West of Doncaster-Kendal Trunk Road (Airedale Route) (Victoria Park to Crossflatts Section (Victoria Road Underpass) Side Roads) Order is not a compulsory purchase order and does not therefore require such a certificate.

K6 Telephone Kiosks

Mr. Allan Roberts: To ask the Secretary of State for the Environment if he will raise the target number for listing K6 telephone kiosks above 1,000; and if he will make a statement on his Department's discussions with British Telecom on this matter.

Mr. Moynihan: No. From the knowledge we have built up over the past 12 months, we believe that around 1,000 of the remaining K6 kiosks are of listable quality and my right hon. Friend sees no need to revise this figure at present. Officials of the Department have had a number of discussions with British Telecom and our professional advisers in English Heritage to agree the order in which districts should be surveyed for listable kiosks; but these discussions have not touched on the numbers to be listed, which is a matter for my right hon. Friend.

Local Authority Contracts

Rev. Martin Smyth: To ask the Secretary of State for the Environment if he will make a statement about his Department's policy towards local authority contract compliance clauses and practices designed to make contractors supplying local authorities employ more ethnic minority staff.

Mr. Chope: My Department's policy on such matters is clearly embodied in the terms of part II of the Local Government Bill as it left this House.

River Thames Flood Plains (Buildings)

Mr. Bowis: To ask the Secretary of State for the Environment what restrictions exist on building developments on the River Thames flood plains.

Mrs. Roe: Applications for developments on the River Thames flood plains, as elsewhere, are determined by the local planning authority in the light of all material considerations. My Department's Circular 17/82 emphasises that, where land drainage considerations arise, they should always be taken into account in determining planning applications, but arrangements for investigating flood risks will be a matter for local planning authorities themselves.

Housing Association Tenants (House Purchase)

Mr. Wheeler: To ask the Secretary of State for the Environment what is the waiting time for housing association tenants who wish to own their own homes via a transferable discount scheme; what proposals there are to ease the financial controls over the scheme; and if he will make a statement.

Mrs. Roe: The waiting time for the home ownership scheme for tenants of charitable housing associations depends on the availability of funds for discounts in the Housing Corporation's approved development programme. A waiting list has been in force since 1 October 1986, but a further £19 million has been allocated for 1988-89 to cover outstanding purchases set in hand before 1 October 1986 and a proportion of the applications received since that date. Applications received up to 31 May 1987 are now being allowed to proceed.

Penzance and St. Ives (Sewerage)

Mr. Harris: To ask the Secretary of State for the Environment whether he has yet reached any conclusions about the South West water authority's applications for discharge consents in respect of the Penzance and St. Ives sewerage scheme.

Mr. Moynihan: The Department is about to write to all those who made representations at the time these proposals were originally advertised, with copies of the water authority's response to the objections raised. I hope we shall be able to reach a decision on the way forward during May, once this further round of consultation is complete.

Fire Safety

Mr. Clelland: To ask the Secretary of State for the Environment what action he has taken, following publication of the report in the Fire Safety Journal 12 (1987) on housing factors and fires in two metropolitan boroughs, to reduce the incidence of fires in the home.

Mrs. Roe: This is a matter for my right hon. Friend the Secretary of State for the Home Department, and I refer the hon. Member to the answer given today by my hon. Friend the Member for Oxford, West and Abingdon (Mr. Patten), the Minister of State, Home Office.

AGRICULTURE, FISHERIES AND FOOD

European Community (Internal Market)

Mr. Heddle: To ask the Minister of Agriculture, Fisheries and Food if he will make a statement on the extent and impact of the proposals contained in the European Commission's White Paper, "Europe without frontiers: towards a large internal market", in so far as his Ministry is concerned.

Mr. MacGregor: I refer my hon. Friend to the answer given by my hon. Friend the Minister for Trade on 3 March at column *643*. The proposals in the White Paper in which my Department has a particular interest include those relating to animal and plant health safeguards, animal feedingstuffs, plant varieties and seeds, plant protection products and labelling, composition, packaging and inspection of food.

Sale of Pigs

Mr. Shersby: To ask the Minister of Agriculture, Fisheries and Food if, following his discussions with the hon. Member for Uxbridge and swill pig feeders from Harefield, he has yet reached a decision on the introduction of cheque book licences for the sale of pigs by reputable breeders; and if he will make a statement.

Mr. Donald Thompson: My officials are currently reviewing the legislation which governs the movement of pigs within Great Britain. One possibility under consideration is a relaxation of the requirements for movements of swill-fed pigs to slaughterhouses to be licensed.

Council of Agriculture Ministers

Mr. Gregory: To ask the Minister of Agriculture, Fisheries and Food what was the outcome of the Council of Agriculture Ministers' meeting on 7 and 8 March in Brussels; and if he will make a statement.

Mr. MacGregor: The Council of Agriculture Ministers met in Brussels on 7-9 March 1988. I and my right hon. Friend the Minister of State represented the United Kingdom.

The Council discussed legal texts to give effect to the agreement of the European Council on stabilisers and set-aside; and reached agreement on the terms of regulations for all commodities concerned, with the exception of wine. Discussion on wine is to be concluded at the Council's next meeting later this month. I made it absolutely clear that our agreement to this package as a whole is conditional on that being achieved, and that we would not sign up until a satisfactory wine regulation had been agreed. This was accepted by the German presidency.

We had to press hard on a number of issues to secure arrangements satisfactory for the United Kingdom. To secure a proper transitional period for sheep producers the stabiliser arrangement for sheep and any impact on the variable premium price scale will take effect on Monday 23 May. We secured agreement that, under the new arrangements, coresponsibility levy for cereals will not be charged on certified seed. This will avoid an undesirable distortion, and an adverse effect on seed quality. In response to a United Kingdom initiative, the introduction of the extensification scheme for beef will be postponed until 1 January 1989.

I also urged that the arrangements for grazed fallow in the set-aside scheme will include specific limits on stocking density and that the use of land will be restricted to grazing only. This is important for existing livestock producers, especially in the less favoured areas. It is agreed that the scheme will be optional.

I urged the Council to take advantage of the recent European Court judgement overturning the ban on the use of hormone growth promoters in cattle, and not to introduce a new directive in the same terms as before. I emphasised the importance of taking into account the latest scientific evidence, of addressing the problem of a black market in hormones, and the adverse effects on trade in particular with the United States.

I regret that the Council proceeded to re-adopt the directive. But the Council did agree an explicit declaration proposed by the United Kingdom on the problems caused for relations with third countries and called on the Commission to examine possible solutions with urgency.

We called the Council's attention to the need for a more strategic approach to the completion of the internal market in the context of animal health. We emphasised the importance of concentrating effort on the eradication from the Community of major diseases such as swine fever and foot-and-mouth disease; and of not making changes to frontier controls in the meantime that would increase the risk of infection in areas at present free from those diseases. The Council supported our suggestion that the Commission should produce a report on the basis of which the Council could develop this strategy.

Research and Development

Mr. Millan: To ask the Minister of Agriculture, Fisheries and Food what representations he has received on the review of agricultural research and development which is presently being carried out; and if he will make a statement.

Mr. Donald Thompson *[holding answer 9 March 1988]:* I refer the right hon. Member to the reply given to the hon. Member for Falkirk, East (Mr. Ewing) on 3 March at column *674*.

SCOTLAND

Hospitals (Ministerial Visits)

Mr. Galbraith: To ask the Secretary of State for Scotland if he will list, with dates, all private and National Health Service hospitals he or his junior Ministers have visited since October 1987.

Mr. Michael Forsyth: My right hon. and learned Friend visited the Thomas Clouston clinic, Edinburgh, on 21 December 1987 and the Western general hospital, Edinburgh, on 3 March 1988. Details of my visits since October are as follows:

Hospital	*Date*
Falkirk and District Royal Infirmary	19 October 1987
Stirling Royal Infirmary	21 December 1987
Royal Hospital for Sick Children, Yorkhill	23 December 1987
Western Infirmary, Glasgow	22 February 1988
Ross Hall Hospital, Glasgow	22 February 1988
Biggart Hospital, Prestwick	29 February 1988

Afforestation (Control)

Mr. Galbraith: To ask the Secretary of State for Scotland what steps he intends taking to prevent uncontrolled afforestation; if he will introduce licensing for forestry grant applications; and if he will make a statement.

Lord James Douglas-Hamilton: Very little planting takes place that has not been fully considered under the Forestry Commission's consultation arrangements. My right hon. and learned Friend has yet to be persuaded that a licensing system is necessary.

Forestry Commission (Newton Stewart)

Ms. Quin: To ask the Secretary of State for Scotland what was the total area of Forestry Commission land in Newton Stewart district in each of the years 1985 to 1987; and what was the area of *(a)* land under trees, *(b)* unplanted land, *(c)* land planted and *(d)* land harvested in each of those years.

Lord James Douglas-Hamilton: The information is set out in the following table:

Year (at 31 March)	*Total area of land (hectares)*	*Land under trees (hectares)*	*Unplanted land (hectares)*
1985	44,124	30,567	13,557
1986	43,958	30,581	13,377
1987	49,388	34,733	14,655

Year (at 31 March)	*Planting (hectares)*		*Timber production* [1] *'000 m³*
	New planting	*Restocking*	
1985	159	185	48
1986	130	264	50
1987	266	99	50

[1] Timber production is measured by volume and not in terms of area.

Ms. Quin: To ask the Secretary of State for Scotland what is the number of staff employed by the Forestry Commission on the Newton Stewart district in 1986-87 in *(a)* supervisory and administrative grades and *(b)* industrial grades; and in each category, how many staff are employed in (i) planting and maintenance, (ii) harvesting, (iii) nursery work, (iv) research, survey and environmental work and (v) forestry authority work.

Lord James Douglas-Hamilton: The information, which is based on average figures, is as follows:

	Number
Supervisory and Administrative Grades	30
Industrial Grades	109

The figures do not include directly employed private contractors; the number of such contractors at 31 March 1987 was 34.

Most staff are employed on a range of duties in the course of a year. It is not practicable, therefore, to break down the total numbers of staff employed into the listed areas of work.

Prisoners (Suicide)

Dr. Godman: To ask the Secretary of State for Scotland (1) how many *(a)* sentenced prisoners and *(b)* remand prisoners in Scotland committed suicide or attempted suicide whilst in custody in each year since 1975;

(2) how many *(a)* sentenced prisoners and *(b)* remand prisoners in Scotland inflicted a serious injury upon themselves whilst in custody in each year since 1975.

Lord James Douglas-Hamilton: The available information is as follows:

Year	*Suicide*		*Self-inflicted*[1] *injury in custody*
	Sentenced Prisoners	*Untried Prisoners*	
1975	..	1	127
1976	2	2	151
1977	2	1	174
1978	2	2	187
1979	..	3	196
1980	1	..	167

Year	Suicide		Self-inflicted[1] injury in custody
	Sentenced Prisoners	Untried Prisoners	
1981	3	—	210
1982	2	1	204
1983	4	2	267
1984	1	4	224
1985	5	2	320
1986	4	3	320
1987 (part year)	[2]2	[2]1	[3]—

[1] "self-inflicted injuries" include all cases of injury believed to have been self-inflicted while in custody. Separate figures are not available for cases of self-injury intended or suspected to be "attempted suicide".
[2] Figures for "suicides" in 1987 are part-year and do not include deaths in custody for which a fatal accident inquiry determination is not yet available.
[3] not yet available.

Prisoners (Strip Searching)

Dr. Godman: To ask the Secretary of State for Scotland how many female prisoners in Scotland were strip-searched during 1986 and 1987; and on how many occasions illegal contraband or smuggled drugs were found.

Lord James Douglas-Hamilton: The number of strip searches of female prisoners carried out at Cornton Vale institution in 1986 and 1987 was 3,270 and 2651 respectively. No record is kept of the number of occasions on which illegal contraband or smuggled drugs were found.

Recidivism

Dr. Godman: To ask the Secretary of State for Scotland what percentage of persons who were the subject of a prison sentence in Scotland had been convicted of a further offence within two years of the completion of the sentence, for the latest convenient period.

Lord James Douglas-Hamilton *[holding answer 8 March 1988]:* I regret that the information requested is not available.

Electoral Register

Mr. Andrew Welsh: To ask the Secretary of State for Scotland what he expects the percentage change to be of the number of people on the electoral register in Scotland for each of the next five years.

Lord James Douglas-Hamilton: Forecasts of the numbers on the electoral register are not prepared on a regular basis. An approximation can be obtained using projected population changes for those aged 17 and over, which are as follows:

	per cent.
1988-89	+0·16
1989-90	+0·02
1990-91	−0·10
1991-92	−0·14
1992-93	−0·17

Mr. Andrew Welsh: To ask the Secretary of State for Scotland if he will state *(a)* the number of people on the current electoral register and *(b)* the number of people on the electoral register at the last general election.

Lord James Douglas-Hamilton: The Scottish register published last month contained 3,967,377 names, as compared with 3,994,893 in February 1987. Records of additions to the register between February 1987 and the general election were not kept centrally.

Mr. Andrew Welsh: To ask the Secretary of State for Scotland if he will publish a table indicating the percentage change in the number of people on the electoral register in Scotland between *(a)* October 1974 and May 1979, *(b)* May 1979 and June 1983, *(c)* June 1983 and June 1987 and *(d)* June 1987 and February 1988; and if he will make a statement.

Lord James Douglas-Hamilton: The percentages in the table are based on the number of electors on the registers published in February of each year referred to. Since 1981 it has been possible for names to be added to the register each month but records of such additions have not been kept centrally.

Change in number of names on electoral register	Percentage
(a) 1974-79	+3·57
(b) 1979-83	+2·53
(c) 1983-87	+1·54
(d) 1987-88	−0·69

Mr. Andrew Welsh: To ask the Secretary of State for Scotland if he will publish a table showing for each Scottish constituency the numerical and percentage change of the number of people on the electoral register between June 1987 and February 1988.

Lord James Douglas-Hamilton: Records were not kept centrally of additions to the 1987 register following its publication in February of that year. The following table compares the registers published in February 1987 and February 1988.

Constituency	Number of electors			
	1987 Electoral Register	1988 Electoral Register	Numerical change	Percentage change
Aberdeen North	63,751	62,075	−1,676	−2·63
Aberdeen South	63,293	60,323	−2,970	−4·69
Angus East	61,597	61,643	+46	+0·07
Argyll and Bute	49,272	48,912	−360	−0·73
Ayr	67,224	67,063	−161	−0·24
Banff and Buchan	62,867	63,054	+187	+0·30
Caithness and Sutherland	31,519	30,978	−541	−1·72
Carrick, Cumnock and Doon Valley	57,196	56,708	−488	−0·85
Central Fife	56,666	56,440	−226	−0·40
Clackmannan	49,583	49,127	−456	−0·92
Clydebank and Milngavie	50,824	50,128	−696	−1·37

Constituency	Number of electors			
	1987 Electoral Register	1988 Electoral Register	Numerical change	Percentage change
Clydesdale	62,429	62,602	+173	+0·28
Cumbernauld and Kilsyth	46,140	46,392	+252	+0·55
Cunninghame North	55,544	55,566	+22	+0·04
Cunninghame South	50,538	50,414	−124	−0·25
Dumbarton	59,705	59,369	−336	−0·56
Dumfries	59,992	59,972	−20	−0·03
Dundee East	61,351	61,221	−130	−0·21
Dundee West	62,453	61,445	−1,008	−1·61
Dunfermline East	51,688	51,008	−680	−1·32
Dunfermline West	51,581	51,384	−197	−0·38
East Kilbride	63,998	63,956	−42	−0·07
East Lothian	65,603	65,542	−61	−0·09
Eastwood	62,713	62,839	+126	+0·20
Edinburgh Central	59,757	58,975	−782	−1·31
Edinburgh East	49,236	48,745	−491	−1·00
Edinburgh Leith	60,687	60,031	−656	−1·08
Edinburgh Pentlands	58,649	58,884	+235	+0·40
Edinburgh South	64,225	64,026	−199	−0·31
Edinburgh West	62,730	62,652	−78	−0·12
Falkirk East	53,040	52,737	−303	−0·57
Falkirk West	50,706	50,606	−100	−0·20
Galloway and Upper Nithsdale	53,994	53,621	−373	−0·69
Glasgow Cathcart	49,832	48,767	−1,065	−2·14
Glasgow Central	51,562	50,867	−695	−1·35
Glasgow Garscadden	48,486	46,916	−1,570	−3·24
Glasgow Govan	51,151	50,190	−961	−1·88
Glasgow Hillhead	58,246	57,704	−542	−0·93
Glasgow Maryhill	52,948	52,039	−909	−1·72
Glasgow Pollok	52,021	50,829	−1,192	−2·29
Glasgow Provan	44,394	42,908	−1,486	−3·35
Glasgow Rutherglen	58,075	56,929	−1,146	−1·97
Glasgow Shettleston	54,224	53,883	−341	−0·63
Glasgow Springburn	52,164	50,489	−1,675	−3·21
Gordon	74,199	75,228	+1,029	+1·39
Greenock and Port Glasgow	58,490	57,339	−1,151	−1·97
Hamilton	63,155	63,167	+12	+0·02
Inverness, Nairn and Lochaber	67,336	66,695	−641	−0·95
Kilmarnock and Loudoun	63,441	63,325	−116	−0·18
Kincardine and Deeside	64,219	64,398	+179	+0·28
Kirkcaldy	53,922	53,823	−99	−0·18
Linlithgow	60,014	60,584	+570	+0·95
Livingston	57,231	58,008	+777	+1·36
Midlothian	61,130	61,139	+ 9	+0·01
Monklands East	50,406	50,271	− 135	−0·27
Monklands West	51,613	51,300	− 313	−0·61
Moray	62,917	63,206	+ 289	+0·46
Motherwell North	58,539	58,331	− 208	−0·36
Motherwell South	52,842	52,599	− 243	−0·46
North East Fife	52,770	52,442	− 328	−0·62
North Tayside	54,464	54,582	+ 118	+0·22
Orkney and Shetland	31,332	31,180	− 152	−0·49
Paisley North	50,020	48,973	−1,047	−2·09
Paisley South	51,834	50,403	−1,431	−2·76
Perth and Kinross	63,965	63,957	− 8	−0·01
Renfrew West and Inverclyde	56,958	57,025	+ 67	+0·12
Ross, Cromarty and Skye	52,808	52,278	− 530	−1·00
Roxburgh and Berwickshire	43,646	43,631	− 15	−0·03
Stirling	58,441	58,715	+ 274	+0·47
Strathkelvin and Bearsden	63,579	63,296	− 283	−0·45
Tweeddale, Ettrick and Lauderdale	38,283	38,438	+ 155	+0·40
Western Isles	23,685	23,085	− 600	−2·53
Total	3,994,893	3,967,377	−27,516	−0·69

Universities Funding Council

Mr. Norman Hogg: To ask the Secretary of State for Scotland how and when the Scottish committee of the proposed Universities Funding Council will be established; and what its remit will be.

Mr. Michael Forsyth: Appointment of the Scottish committee must await establishment of the Universities Funding Council, the legislation for which is currently before Parliament. The council will be responsible for appointing its Scottish committee, after consultation with my right hon. and learned Friend. The remit of the committee will also be a matter for the council in the light of its own remit, but I expect it to have regard to the statement in the House on 1 April last year, at columns 1107-8, by my right hon. and learned Friend on publication of "Higher Education — Meeting the Challenge" (Cm. 114).

Charities

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will make a statement on the implications for Scotland of the 16th report of the Public Accounts Committee on the "Registration of Charities in England and Wales", and if he will introduce a system of public registration of charities in Scotland.

Lord James Douglas Hamilton: The report related exclusively to the monitoring and control of charities in England and Wales. My right hon. and learned Friend intends to issue a consultative document on the supervision of charities in Scotland, seeking views on a range of options including the possibility of establishing a public register of Scottish charities.

South of Scotland Electricity Board

Mr. McLeish: To ask the Secretary of State for Scotland when officials of his Department last met representatives of the South of Scotland Electricity Board to discuss its sources of supplies of coal; and if he will make a statement.

Mr. Lang: Officials of my Department are in regular contact, on a day to day basis, with representatives of both Scottish electricity boards over a range of matters affecting the electricity supply industry in Scotland. The Department has been kept informed about developments regarding the question of coal supplies to the South of Scotland Electricity Board.

Mr. McLeish: To ask the Secretary of State for Scotland when he or the Minister of State last met the chairman of the South of Scotland Electricity Board; and if he will make a statement.

Mr. Lang: My right hon. and learned Friend met the chairman of the South of Scotland Electricity Board on 1 March, in advance of the publication of the White Paper on privatisation of the Scottish electricity supply industry.

Mr. McLeish: To ask the Secretary of State for Scotland whether any aspects of the tendering procedure now being undertaken by the South of Scotland Electricity Board for the supply of coal have been scrutinised by his Department; and if he will make a statement.

Mr. Lang: The South of Scotland Electricity Board's tendering procedure for the supply of coal for electricity generation is a commercial matter for the board alone and has not involved the Government in any way.

Electricity Supply (Ministerial Responsibilities)

Mr. McLeish: To ask the Secretary of State for Scotland if he will list his responsibilities for the electricity supply industry in Scotland.

Mr. Lang: My right hon. and learned Friend is responsible for the efficient and economic development, supply and use of electricity in Scotland, in so far as this relates to the operations of the South of Scotland Electricity Board and North of Scotland Hydro-Electric Board. Other matters, affecting the development of energy sources in general, are primarily the responsibility of my right hon. Friend the Secretary of State for Energy.

Electricity Generation

Mr. McLeish: To ask the Secretary of State for Scotland if he will list each power station in Scotland, the type of fuel being used, the levels of coal purchased from British Coal by the South of Scotland Electricity Board in 1985-86 and 1986-87, the estimated total amount of coal required by the South of Scotland Electricity Board in 1987-88, 1988-89, 1989-90, and 1990-91 and the estimated proportion of coal, oil and nuclear based generating capacity in 1988-89, 1989-90 and 1990-91.

Mr. Lang: Information about power stations and fuel type in Scotland is contained in the annual reports of the South of Scotland Electricity Board, North of Scotland Hydro-Electric Board, British Nuclear Fuels Ltd. (Chapelcross power station) and the United Kingdom Atomic Energy Authority (Dounreay), available in the Library of the House. I have asked the chairman of the SSEB to write to the hon. Member about levels of coal purchased from British Coal in 1985-86 and 1986-87, and about the board's requirements from 1987-88 to 1990-91. The proportions of electricity generation met from coal, oil and nuclear sources in the period 1988-89 to 1990-91 will depend upon the availability of these and other fuels and their relative costs at the time.

Scottish Development Agency

Mr. McLeish: To ask the Secretary of State for Scotland if he will give the total expenditure of the Scottish Development Agency in Scotland in each of the years from 1979-80 to 1987-88 in both cash and real terms for each department of the agency; and what are the amounts of planned expenditure for the years 1988-89, 1989-90 and 1990-91.

Mr. Lang: Because of changes in agency structure over the years, it is not possible to provide information on expenditure by each department of the agency on a consistent basis. Total agency expenditure in cash and real terms at 1987-88 prices is set out in the table:

£ million

	Cash terms	*Real terms*
1979-80	80·7	140·4
1980-81	97·7	143·4

	Cash terms	Real terms
1981-82	97·6	130·4
1982-83	122·7	152·9
1983-84	115·9	138·0
1984-85	117·8	134·2
1985-86	131·1	141·0
1986-87	130·9	136·5
1987-88[1]	135·5	135·5
1988-89[2]	146·6	140·3

[1] Estimated outturn.
[2] Estimate.

The combined planned expenditure for the agency and the Highlands and Islands Development Board for 1989-90 and 1990-91 is given on page 41 of the "Scottish Commentary". These figures are, however, provisional.

Forestry

Mr. Ron Davies: To ask the Secretary of State for Scotland if he will give details of the circumstances in which planting grant and felling licence applications are referred to him by the Forestry Commission.

Lord James Douglas-Hamilton: The forestry commissioners seek a ministerial view on any planting grant or felling licence application in respect of which there is an unresolved objection from a consulted authority, except where the commissioners decide to refuse the application on the basis of the objection. This procedure accords with a ministerial direction given to the commissioners under section 1(4) of the Forestry Act 1967.

Mr. Ron Davies: To ask the Secretary of State for Scotland if he will give details of the outstanding forestry planting grant and felling licence applications referred to him by the Forestry Commission; when each was so referred; when he expects to be able to announce a decision for each one; and for which cases further consultation is still being considered.

Lord James Douglas-Hamilton: My right hon. and learned Friend has no forestry planting grant or felling licence applications before him at present.

Greenland White-Fronted Geese

Mr. Tony Banks: To ask the Secretary of State for Scotland whether the introduction of scaring teams on Islay to prevent damage to crops by Greenland white-fronted geese has been successful; and if he will make a statement.

Mr. Michael Forsyth: They have had limited success. White-fronted geese are difficult to scare and frequently return to the site.

Mr. Tony Banks: To ask the Secretary of State for Scotland how many Greenland white-fronted geese have been killed under licences issued by his Department.

Mr. Michael Forsyth: In the period to 4 March 1988 22 white-fronted geese have been killed under licence.

Common Services Agency (Health Services Unit)

Mr. Darling: To ask the Secretary of State for Scotland what is the remit of the health services unit of the Common Services Agency headed by Dr. David Steel; when the unit was set up; what has been the staffing, and at what grades in each year since its establishment; what the budget of the unit has been in each year since its inception; how it has been funded to date; what plans he has for its future funding; and if he will make a statement.

Mr. Michael Forsyth *[holding answer 9 March 1988]:* The function of the joint secretariat headed by Dr. David Steel (which is located with but not part of the Common Services Agency) is to provide secretariat services for the health board and Common Services Agency chairmen's group, the health board and CSA general managers group and the Scottish health management efficiency group. The secretariat was established in 1986 and consisted of the secretary and a higher clerical officer. An assistant secretary was appointed later in the year, and a personal secretary in 1987. Another assistant secretary was added when servicing the general managers group began towards the end of 1987. Financial allocations of £70,000 in 1986-87 and £72,000 in 1987-88 were made from class XVI, vote 14, subhead N10 (7). I propose that from April 1988 this will continue to apply to SCOTMEG; but the secretariat costs of the chairmen's and general managers' groups will be met from vote 14, subhead J1.

Childbirth (Statistics)

Mr. Darling: To ask the Secretary of State for Scotland how many women in 1986-87 in Scotland were admitted to National Health Service maternity units in each health board area.

Mr. Michael Forsyth *[holding answer 8 March 1988]:* Information for 1986-87 is not yet available in precisely the form requested but the numbers of women discharged from specialist obstetric and GP obstetric beds in the year ending 31 March 1987 are set out in the table:

	Specialist obstetric	GP obstetric	Total
Argyll and Clyde	8,152	850	9,002
Ayrshire and Arran	8,838	1,626	10,464
Borders	—	938	938
Dumfries and Galloway	2,793	379	3,172
Fife	5,739	51	5,790
Forth Valley	5,284	—	5,284
Grampian	7,028	3,065	10,093
Greater Glasgow	22,963	—	22,963
Highland	4,324	341	4,665
Lanarkshire	8,197	—	8,197
Lothian	15,010	—	15,010
Orkney	—	256	256
Shetland	—	330	330
Tayside	8,028	1,181	9,209
Western Isles	295	50	345
Scotland	96,651	9,067	105,718

Gaelic

Mrs. Ray Michie: To ask the Secretary of State for Scotland what is the amount of money which he intends to spend on the promotion of the Gaelic language in the next financial year.

Mr. Michael Forsyth *[holding answer 7 March 1988]:* The amount of funds to be allocated to promote the Gaelic language in the financial year ending March 1989 are still under consideration.

In the current financial year the Secretary of State has made available £397,000 through the Scottish Education Department and the Highlands and Islands Development

Board. In addition, specific grant amounting to £300,000 has been allocated to education authorities in support of Gaelic initiatives.

The Scottish Arts Council has also allocated approximately £120,000 in support of Gaelic arts projects.

SOCIAL SERVICES

Faecal Occult Blood Tests

Mr. Paice: To ask the Secretary of State for Social Services how many faecal occult blood tests are carried out within the National Health Service each year; what proportion of these tests prove positive; and what proportion of the positive tests are referred for colonoscopy investigation.

Mrs. Currie: I regret that this information is not held centrally. In faecal occult blood tests, samples of a patient's stool are examined: if blood is present this may indicate colo-rectal cancer, and the patient would be referred for further investigation, for example, by colonoscopy. Trials are in progress in Nottingham and abroad in which the faecal occult blood test is used as a method of screening for colo-rectal cancer. On current evidence the rates of false positive results still seem too high for this method to be appropriate for a mass screening programme.

Hospitals

Dr. Owen: To ask the Secretary of State for Social Services what percentage of hospitals in England and Wales were built *(a)* before 1965, *(b)* before 1945, *(c)* before 1918, *(d)* before 1900, *(e)* before 1850.

Mrs. Currie: The last review of age structure of NHS buildings in England, which was conducted in 1981, showed the following:

	Approximate percentage
Built before 1890	7
Built between 1891 and 1918	74
Built between 1919 and 1939	5
Built between 1940 and 1964	6
Built after 1964	8

Since 1979 over 300 health building schemes, each costing over £1 million, have been completed.

Information regarding Wales is a matter for my right hon. Friend the Secretary of State for Wales.

Allied Dunbar

Mr. Allen: To ask the Secretary of State for Social Services what commercial contracts his Department has with Allied Dunbar.

Mr. Portillo: I am not aware of any.

Departmental Staff

Mr. Cran: To ask the Secretary of State for Social Services how many members of staff within his Department are located within each region outside London; what percentage this constitutes of staff within his Department; and what were the comparable figures, in absolute and percentage terms in 1979.

Mr. Portillo: Using the boundaries of social security regions departmental staff were located on 1 January 1988 as follows:

Region	*Staff Numbers*	*Percentage*	
Scotland	9,377	9·2	
North Eastern (includes Newcastle Central Office)	22,406	22·0	
North Western (includes North Fylde Central Office)	17,332	17·0	Outside
Midlands	12,873	12·6	London Pay
Wales and South Western	9,670	9·5	Area 83.1
London North (outside London pay area)	5,351	5·3	
London South (outside London pay area)	7,684	7·5	
London pay area only	17,269	16·9	
Total	101,920		

The Department no longer holds details of the number of staff located within the London pay area in 1979. There has also been a significant realignment of social security regions since that date so there are no comparable figures.

Meningitis

Ms. Richardson: To ask the Secretary of State for Social Services what levels of funding have been made available for research into meningitis and related illnesses in each of the last 10 years; and what plans for future development he has for research in this area.

Mrs. Currie: The main Government agency for the promotion of medical and related biological research is the Medical Research Council which receives its grant-in-aid from the Department of Education and Science. I understand that in the last three financial years, the council's expenditure on research into meningitis and related illnesses has been as follows:

1984-85	*1985-86*	*1986-87*
£58,491	£26,956	£144,057

Figures for earlier years are not readily available.

The council is to convene a meeting of experts to discuss promising lines for meningitis research which may lead to a specific commission from the Department.

Other research in this field funded by the Department has been carried out by the Public Health Laboratory service board at its Manchester laboratory and the Centre for Applied Microbiology and Research, Porton Down. The cost of this cannot be separated from that of other research carried out by these laboratories.

The approximate value of commissions for research into meningitis and related illnesses placed directly by the Department since 1978-79 is:

1986-87	1987-88
£49,000	£17,400

This work mainly relates to support for the Gloucester health authority's meningococcal survey in the Stonehouse area.

Ms. Richardson: To ask the Secretary of State for Social Services how many cases of meningitis have been reported in the last 10 years; and of these how many were fatal.

Mrs. Currie: Meningitis may be caused by many different organisms. The numbers of notifications of acute meningitis (all forms) and of meningococcal meningitis in England and Wales from 1978 to 1987 are shown in the table. I assume that the hon. Member is interested particularly in meningococcal meningitis, and the table also gives deaths from this cause.

From the registration of the death, it is not possible to determine whether the case had been notified.

Number of (a) notifications of Acute Meningitis (all forms) and Meningococcal Meningitis, and (b) Deaths registered with Meningococcal Meningitis (ICD (8,9)[1] 036·0) as underlying cause of death

Persons, all ages *England and Wales 1978-1987*

Year	(a) Notifications		(b) Deaths
	Acute meningitis	Meningococcal meningitis	Meningococcal meningitis
1978	1,698	501	42
1979	1,427	525	32
1980	1,796	509	26
1981	1,393	464	28
1982	1,272	410	20
1983	1,226	428	20
1984	1,230	401	26
1985	1,533	550	36
1986	2,172	870	44
[2]1987	2,567	1,090	28

[1] International Classification of Diseases 8th and 9th revisions.

[2] Provisional. The 1987 figure for the number of notifications of acute and meningococcal meningitis is provisional as it is based on the notifications reported to OPCS each week. It does not include all late or corrected notifications, and is therefore liable to a small change at a later date.

The annual figures for deaths should be compared with caution as

(i) a change in coding was introduced on 1 January 1984;

(ii) figures for 1986 and 1987 exclude deaths in the first 28 days of life.

Mental Hospitals

Mr. Colvin: To ask the Secretary of State for Social Services whether he will show *(a)* the number of patients and *(b)* the number of staff for (i) 1978 and (ii) the most recent year for which figures are available for each mental health hospital and each mental handicap hospital in England.

Mrs. Currie: I have placed in the Library tables giving the information requested.

Annual Changes

Dr. Owen: To ask the Secretary of State for Social Services if he will list for each year since 1979 the annual changes in England, Scotland, Wales and Northern Ireland, in the numbers of *(a)* discharges and deaths, *(b)* new out-patients and attendances, *(c)* bottles of blood issued, *(d)* pathology tests, *(e)* ambulance journeys and *(f)* general practitioners' prescriptions.

Mrs. Currie: Available information is given in the tables. Information relating to Scotland, Wales and Northern Ireland is the responsibility of my right hon. and learned Friend the Secretary of State for Scotland and my right hon. Friends the Secretaries of State for Wales and for Northern Ireland.

National Health Service activity, England

Year	Discharges and deaths	New out-patient attendances	Total attendances	Number of blood units issued[1,2]	Total number of pathology tests[3]
1979	5,400,120	7,713,465	34,099,725	1,705,190	63,042,614
1980	5,670,001	7,942,207	35,242,980	1,793,172	66,098,610
1981	5,759,877	8,024,679	35,571,384	1,836,674	68,685,979
1982	5,719,634	8,096,977	35,651,222	1,784,749	70,897,520
1983	6,018,585	8,310,942	36,519,550	1,829,988	74,506,823
1984	6,177,545	8,508,052	37,042,706	1,873,402	77,270,773
1985	6,353,812	8,682,128	37,440,333	1,843,569	79,569,650
1986	6,413,789	8,767,788	37,727,608	1,861,019	[4]81,535,721
Percentage change over previous year	*per cent*	*per cent*	*per cent*	*per cent*	*per cent*
1980	5·0	3·0	3·4	5·2	4·8
1981	1·6	1·0	0·9	2·4	3·9
1982	−0·7	0·9	0·2	−2·8	3·2
1983	5·2	2·6	2·4	2·5	5·1
1984	2·6	2·4	1·4	2·4	3·7
1985	2·9	2·0	1·1	−1·6	3·0
1986	0·9	1·0	0·8	0·9	2·5

[1] Total of whole blood and concentrated reduced units issued

[2] England and Wales

[3] Includes immunology and nuclear medicine

[4] Provisional

Ambulance Services
All Cases and all Patients
Number of Patient-journeys (Thousands) 1979-1986 England

	Total	Percentage change over previous year
1979[1]	17,370	—
1980	20,350	17·2
1981	20,500	0·7
1982	20,110	−1·9
1983	21,270	5·8
1984	21,280	0·05
1985	21,360	0·4
1986	20,690	−3·1

Source: DHSS form SBH195.
Notes:
1. All patient-journeys are included in the totals whether the patient was carried by directly provided services or agency and supplementary services.
2. One patient-journey is defined as one patient carried once in one direction. A patient taken to a hospital and later in the same day taken home again counts as two patient-journeys.
[1] 1979 data cover a period of industrial dispute early in the year.

Prescription Analysis Data
Number of Prescriptions (millions)

	England	Percentage change over previous year
1979	304·6	−0·8
1980	303·3	−0·4
1981	300·0	−1·1
1982	311·3	3·8
1983	315·3	1·3
1984	320·5	1·6
1985	318·7	−0·6
1986	322·5	1·2

These data include a small number of prescriptions written by dentists, service doctors and hospital doctors which were dispensed by retail chemists. Prescriptions dispensed by dispensing doctors are not included.

Departmental Buildings

Mr. Cran: To ask the Secretary of State for Social Services if he will list the location and status of all buildings within his Department located in London and the annual cost of rents, rates and maintenance of each.

Mr. Portillo: The Department occupies accommodation in 129 buildings in the Greater London area, ranging from the main HQ building at Richmond house to small offices for social security appeals tribunals. Civil accommodation for all Government Departments is held in the name of the Secretary of State for the Environment and managed by the Property Services Agency. Some properties are held freehold; the rents of leasehold buildings are determined on a strictly commercial, and therefore confidential basis. The total annual rent paid by the PSA to landlords for civil accommodation held in London in 1984-87, the last complete year for which figures are available, was £133 million. The DHSS figures for contributions in lieu of rates, which were paid by the PSA were £14·26 million and the property repayment services costs on these premises was £5·96 million.

Maternity Benefit

Mr. Holt: To ask the Secretary of State for Social Services how many pregnant women were disallowed maternity benefit because they had only 49 contribution stamps credited for the qualifying year, in each year since 1980.

Mr. Portillo: I regret the information is not available. Such disallowances could have occurred only between October 1986 and April 1987. Prior to the abolition of reduced rates of short-term benefits from October 1986, a woman with a record of 49 contributions paid or credited in the relevant tax year would have been entitled to maternity allowance at three quarters of the standard rate. Since April 1987, new tests for maternity allowance have applied.

Smoking

Mr. Sims: To ask the Secretary of State for Social Services (1) what is his estimate of the cost to the National Health Service for treating diseases caused by smoking for the most recently available 12-month period; and if he will make a statement;

(2) how many days of sickness absence from work were lost in the United Kingdom for the most recent 12-month period because of diseases caused by smoking; and if he will make a statement.

Mrs. Currie: The cost to the National Health Service for treating smoking-related diseases is estimated at £500 million per year.

Information on working days lost due to smoking is not available in the precise form requested. The table sets out information regarding the main diseases associated with smoking, but not all illness from these diseases is caused by smoking. The statistics, which show days of certified incapacity for sickness and invalidity benefit in Great Britain, exclude periods of incapacity covered by statutory sick pay and working days lost by certain groups of workers who do not claim these benefits. They include days of incapacity for which invalidity benefit was claimed by men aged 65-69 and women aged 60-64.

Together with the nearly 300 deaths per day from smoking, these figures reveal the high cost to the nation of the smoking habit which is the largest single cause of preventable death and disease in the United Kingdom.

Days of certified incapacity due to sickness and invalidity in the period 1 April 1985 to 5 April 1986: Great Britain

Causes	ICD[1] code	Million days
Malignant neoplasm:		
Trachea, bronchus and lung	162	0·3
Lip, oral cavity and pharynx	140-149	[2]
Oesophagus	150	[2]
Larynx	161	0·2
Diseases of the circulatory system		
Ischaemic heart disease	410-414	38·8
Chronic pulmonary heart disease	416	0·2
Aortic aneurysm	441	0·1
Diseases of the respiratory system		
Bronchitis and emphysema	490-492	17·6
Chronic airways obstruction, not elsewhere classified	496	4·5

Notes:
1. International Classification of Diseases Ninth Revision.
2. Less than 100,000 days.

Electorates (Hertfordshire)

Mr. Robert B. Jones: To ask the Secretary of State for Social Services whether he will list the 1988-89 electorates for each parliamentary constituency in Hertfordshire.

Mrs. Currie: Figures relating to electoral registers which came into effect on 16 February 1988 will not be available centrally until April.

Benefit Offices (Staff Safety)

Mr. Robin Cook: To ask the Secretary of State for Social Services, pursuant to his reply to the hon. Member for Bradford, West (Mr. Madden), *Official Report*, 25 February, column *300*, if he will list the local office interview rooms of his Department with protective screens.

Mr. Portillo: In September 1987, the latest date for which information is available, there were 112 private interview rooms containing protective screens within the supplementary benefit caller facilities at 71 local offices. The offices concerned were:

Office	*Rooms*[1]
London North	
Barnet	1
Basildon	2
Colchester	5
Ilford	1
Ipswich	1
Leytonstone	1
Plaistow	1
Thames north	1
Tottenham	3
Norwich (Chantry)	2
Norwich (Mountergate)	3
Southall	2
Uxbridge	1
Scotland	
Cowdenbeath	1
Dundee (east)	2
Glasgow (Partick)	4
Glasgow (Springburn)	1
London South	
Havant	1
Hounslow	1
Bloomsbury	1
Streatham	3
Thames south	1
Westminster	1
Mitcham	2
Portsmouth	1
Redhill	1
North Eastern	
Blyth	1
Bradford (east)	1
Bradford (south)	2
Harrogate	1
Hartlepool	1
Hexham	1
Leeds (east)	7
Newcastle-on-Tyne (east)	1
Newcastle upon Tyne (St James)	1
Scarborough	1
Sunderland (south)	1
Wales and South Western	
Aberdare	1
Barnstaple	1
Cardiff (east)	3
Holyhead	1
Llanelli	2
Newtown	1
Swansea	1
Yeovil	1
North Western	
Blackpool (north)	1
Burnley	1
Carlisle	2
Leigh	1
Liverpool (Bootle)	1
Liverpool (Toxteth)	2
Liverpool (West Derby)	1
Manchester (Cheetham)	4
Manchester (Failsworth)	2
Rochdale	1
St. Helens	1
Salford (north)	4
Midlands	
Birmingham (Handsworth)	1
Birmingham (Ravenhurst)	1
Derby (Becket Street)	2
Dudley (north)	3
Leicester (Lower Hill Street)	1
Leicester (Norton Street)	1
Northampton	2
Nottingham (Shakespeare Street)	1
Redditch	1
Smethwick	1
Stoke-on-Trent (north)	1
Sutton-in-Ashfield	1
Wellingborough	1
Worksop	1

[1] Number of private interview rooms with protective screens.

Departmental Services (Contracting-out)

Ms. Gordon: To ask the Secretary of State for Social Services if he will place a copy of the Luxton report on the contracting-out of services at his Department in the Library.

Mrs. Currie: I have arranged for copies of the report to be placed in the Library.

Waiting List Fund

Mr. Jacques Arnold: To ask the Secretary of State for Social Services if he is in a position to publish the allocations to regional health authorities from the waiting list fund for 1988-89; and if he will make a statement.

Mr. Newton: The allocations to regional health authorities from the waiting list fund for 1988-89 are:

Region	*Allocation (£ million)*
Northern	1·925
Yorkshire	2·072
Trent	2·845
East Anglian	1·046
North West Thames	2·316
North East Thames	2·637
South East Thames	2·350

Region	Allocation (£ million)
South West Thames	1·853
Wessex	1·609
Oxford	1·163
South Western	1·915
West Midlands	3·304
Mersey	1·633
North Western	2·531

This is the second phase of the waiting list initiative. The allocation I have announced today will build upon the success and experience of the first year and will allow at least 100,000 additional patients to be treated from the waiting lists. We have had some very high-quality bids from regions who have selected for support projects aimed at having the greatest impact on the worst problems.

The regional reports we have received show clearly that the cause of excessive waiting lists varies from district to district and specialty to specialty. Long waiting times have no simple or single cause. Some are capable of improvement within existing resources and district health authorities are already taking action on them.

There are other problems, however, where most progress can be made quickest with the injection of small amounts of additional funding. Already this year we are on course for treating some 100,000 additional patients in this way. For next year we have asked regions to concentrate in particular on patients who have been waiting excessively for treatment, especially for serious and disabling conditions. Some of the projects supported are for cardiac surgery, others for hip replacements and cataract operations. All types of typical waiting list cases are represented from gynaecological operations to ear, nose and throat operations for children.

The waiting list initiative has achieved the active involvement of clinicians, general practitioners, health authorities and health service management. All these people are using their imagination, ingenuity and good will to focus on one of the most long standing problems of the health service. I warmly congratulate them on that. We now have plans to make effective use of the £30 million for next year. We intend the initiative to continue for a further two years after that.

Cancer Screening

Ms. Harman: To ask the Secretary of State for Social Services if he will list the health authorities which have adequate computer capacity for a call and recall scheme for all women in their district.

Mrs. Currie: All family practitioner committees now have computers installed; the most recent installation was in February. A small number which have had computers in use for this purpose for some time require some augmentation, mainly to take account of the reduction in recommended age to 20.

Ms. Harman: To ask the Secretary of State for Social Services whether pathology laboratory capacity in each district health authority is sufficient to meet the demand from cervical cancer screening programmes; if he will list any authorities where the capacity is not sufficient; and if he will make a statement.

Mrs. Currie: Our guidance to health authorities states that district health authorities must aim to ensure that laboratories can meet demand and avoid backlogs of cervical smears awaiting examination. The measure of pathology laboratory capacity is their ability to send the results of a smear test to the doctor who submitted it within one month. District health authorities which reported that they had been unable to achieve this target during January are listed as follows. Where laboratory backlogs do exist they are being tackled mainly by the recruitment and training of more staff, by the use of other laboratories and by overtime working.

District health authorities reporting laboratory processing times of more than one month:

Gateshead
North West Durham
South West Durham
Durham
Leeds Western
Bradford
Airedale
Wakefield
Leicestershire
Nottingham
Doncaster
Cambridge
Huntingdon
Norwich
North Hertfordshire
Hillingdon
South Bedfordshire
Southend
West Essex
Mid Essex
Brighton
Hastings
Maidstone
South East Kent
Chichester
Croydon
Merton and Sutton
South West Surrey
North West Surrey
East Dorset
Bath
Isle of Wight
Aylesbury Vale
Milton Keynes
Wycombe
Oxfordshire
Cheltenham
Plymouth
Southmead
Exeter
North Devon
Cornwall
Gloucester
North Staffs
South Warwickshire
Dudley
Walsall
Mid Staffs
Crewe
Warrington
Liverpool (part)
South Sefton (part)
Central Manchester

Ms. Harman: To ask the Secretary of State for Social Services if he will list the district health authorities which have a computerised call and recall scheme for cervical cancer screening.

Mrs. Currie: All health authorities have been required to implement computerised call and recall systems for cervical cancer screening by 31 March. The majority have

already done so and the remainder are in the final stages of preparation. We will publish a full list after the target date.

Mentally Handicapped People (Community Village Development)

Mr. Cryer: To ask the Secretary of State for Social Services if he will make a statement on his policy towards the concept of community village development on suitable hospital sites where facilities for the mentally handicapped already exist, along the lines of the Westwood hospital in Bradford, South, and which is outlined in the document submitted to him by the Westwood Hospital Staff and Parents Action Committee.

Mrs. Currie: Any development of village communities for mentally handicapped people on existing hospital sites is a matter for the health and local authorities concerned. In considering proposals on these lines, and in consultation with hospital residents and their families, I have no doubt they will take account of all the factors involved, including the need to avoid the establishment of inward-looking institutions where the residents are isolated from the community, which we recognised in our own statement of policy in paragraph 51 of the Government's response to the report of the Social Services Committee on community care. (Cmnd. 9674).

Memorial Hospital, Woolwich

Mr. Cartwright: To ask the Secretary of State for Social Services what steps he will take to prevent Greenwich health authority from changing the use of the Memorial hospital, Woolwich, before the consultation exercise has been completed.

Mrs. Currie: Formal procedures involving public consultation govern the action of a health authority proposing a substantial variation in services provided within its district. However, the same procedures empower an authority to institute these changes on a temporary basis immediately and in advance of formal consultation where justified on financial grounds. I understand that Greenwich health authority is aware of these requirements and has formulated its proposals in accordance with them.

Hartley Hospital, Colne

Mr. Pike: To ask the Secretary of State for Social Services what guidance he gave to the health authorities concerned, pursuant to the written answer to the hon. Member for Burnley on 18 February, *Official Report*, column 700, on the timing of the closure of the present facilities provided at Hartley hospital, Colne, in relation to (*a*) the completion of public consultation exercise and (*b*) provision of the new Pendle community hospital.

Mrs. Currie: None. Guidance on consultation procedures for closures and change of use is contained in circular HSC (1S)207 (October 1975) supplemented by a "Dear Administrator" letter of 7 December 1979 copies of which are in the Library.

Disabled Persons Act

Mr. McCrindle: To ask the Secretary of State for Social Services if he has any plans to implement section 11 of the Disabled Persons (Services, Consultation and Representation) Act 1986.

Mr. Scott: I hope that it will be possible to implement this section shortly.

Miss M. R. Barker

Mrs. Ann Taylor: To ask the Secretary of State for Social Services if he will reconsider the application by Miss M. R. Barker of 17 Woodland, Dewsbury Moor, Dewsbury WF13 3PE, for unemployment benefit, reference RM173P/INS/5999/7931/6, which was rejected on the grounds that she was not an employed earner for at least 13 weeks from the last day she was entitled to that benefit, in light of the fact that credits awarded to carers whilst they are receiving invalid care allowance count towards the relevant contribution conditions for unemployment benefit.

Mr. Portillo: Miss Barker's case is currently under consideration. When inquiries have been completed, Miss Barker will be given an opportunity to make representations before a formal decision is given on her contribution position in relation to her claim for unemployment benefit.

Dental Fitness

Mr. Hardy: To ask the Secretary of State for Social Services (1) what is the current method and process of consultation in relation to the determination of a definition of dental fitness for general dental services;

(2) if he is considering any changes to the current definition of dental fitness in relation to general dental services; and whether he will make a statement;

(3) how the definition of dental fitness has changed since 1968;

(4) if he has any plans to introduce a scheme for a dental fitness index; and if he will make a statement.

Mrs. Currie: "Dental fitness" is defined in the NHS (General Dental Services) Regulations 1973 as

"such a reasonable standard of dental efficiency and oral health as is necessary to safeguard general health".

The regulations form part of the terms of service under which a dentist provides general dental services under NHS arrangements and it is usual, therefore, for any amendments to be made after consultation with interested bodies including those representative of the dental profession. Although the definition has remained unchanged since 1948 its interpretation has evolved over the years to take account of changes in professional skill and knowledge and patient expectations. There are no immediate plans to change the definition nor to introduce a scheme for a dental fitness index. As announced in the recent White Paper on primary care, however, negotiations are to take place on a new contract for general dental practitioners and these might result in revised contractual obligations.

Fire Safety

Mr. Clelland: To ask the Secretary of State for Social Services what action he has taken, following publication

of the report in the Fire and Safety Journal 12 (1987) on housing factors and fires in two metropolitan boroughs, to reduce the incidence of fires in the home.

Mrs. Currie: I have nothing to add to the reply given today by my right hon. Friend the Secretary of State for the Home Department.

Dental Vouchers

Mr. Hardy: To ask the Secretary of State for Social Services whether he has any plans to introduce a dental voucher scheme on the lines of that which already exists for spectacles; and if he will make a statement.

Mrs. Currie: We have no such plans. The Government's proposals for the general dental services were set out in the recent White Paper on primary care.

Income Support

Mr. Ken Hargreaves: To ask the Secretary of State for Social Services if he will amend form A14N (Entitlement to Income Support) to include the information that the payment of transitional arrangement moneys will from 11 April have to meet 20 per cent. of general rates and water rates.

Mr. Portillo: Local offices are issuing leaflet TRN 1 to all existing claimants when their cases are converted from supplementary benefit to income support. This leaflet includes the information that they will have to pay part of their general rates and all of their water rates from 11 April. In view of this, we have no plans to amend form A14N.

Mr. Ken Hargreaves: To ask the Secretary of State for Social Services if he will instruct staff in local offices to fill in form A14N (Entitlement to Income Support) without abbreviations; and if he will make a statement.

Mr. Portillo: We have issued clear instructions to staff in local offices about the completion of form A14N. These indicate that abbreviations should not be used. If my hon. Friend cares to send me details of specific cases where abbreviations are being used I will be happy to look into them.

Hospital Patients

Mr. Fearn: To ask the Secretary of State for Social Services if he has any plans to introduce a national standard system for logging hospital admission refusals and unexpected re-admissions; and if he will make a statement.

Mrs. Currie: We have no present plans to do so.

Mr. Fearn: To ask the Secretary of State for Social Services if he will publish in the *Official Report* the number of patients transferred from private hospitals or beds to complete their treatment under the National Health Service each year from 1979.

Mrs. Currie: This information was not collected centrally prior to April 1987. Information on the source of admission of patients admitted to NHS hospitals during 1987-88 will be available centrally early in 1989.

NHS Hospitals (Income)

Mr. Fearn: To ask the Secretary of State for Social Services if he will publish in the *Official Report* the income to National Health Service hospitals from charges for private beds by regions for each year from 1979.

Mrs. Currie: Following is the information requested derived from the annual accounts of regional and district health authorities and those of the special health authorities for the London postgraduate teaching hospitals. (Predecessor authorities for the years prior to 1982-83).

Income under section 65 of the National Health Service Act 1977

(*£ thousands*)

Regions	*1979-80*	*1980-81*	*1981-82*	*1982-83*	*1983-84*	*1984-85*	*1985-86*	*1986-87*
Northern	520	767	901	592	930	961	960	1,093
Yorkshire	1,701	2,130	2,626	2,016	2,730	2,909	2,940	2,601
Trent	1,303	1,730	1,789	1,714	1,574	1,371	1,497	1,561
East Anglian	1,116	1,500	1,917	1,552	1,763	1,476	1,784	1,898
North-West Thames	5,464	6,511	7,360	6,073	5,909	5,733	5,727	5,096
North-East Thames	3,989	4,978	5,793	8,520	8,307	8,063	8,134	7,569
South-East Thames	4,414	5,781	6,472	6,135	6,190	5,894	6,267	5,732
South-West Thames	1,811	2,236	2,597	2,573	2,620	2,501	2,256	2,070
Wessex	1,199	1,711	2,097	1,802	2,028	1,760	1,430	1,282
Oxford	2,076	2,537	2,773	2,599	2,734	2,882	3,190	3,320
South-Western	910	1,257	1,462	1,359	1,585	1,426	1,678	1,721
West Midlands	2,094	2,809	3,314	2,395	2,938	2,890	2,794	2,582
Mersey	766	1,065	1,531	1,281	1,382	1,390	1,689	1,663
North-Western	2,119	2,863	3,287	2,244	2,688	2,750	3,029	2,727
Regions total	29,482	37,875	43,919	40,855	43,378	42,006	43,375	40,915
Special health authorities[1]	3,838	4,744	5,425	5,309	6,116	6,681	8,412	7,548
England total	33,320	42,619	49,344	46,164	49,494	48,687	51,787	48,463

[1] Special health authorities for the London post-graduate teaching hospitals

NHS Patients (Private Treatment)

Mr. Fearn: To ask the Secretary of State for Social Services if he will list in the *Official Report* the number of

National Health Service patients cared for and treated under contractual arrangements with the private sector by specialty and regions for each year since 1979 and the cost to the regional health authorities.

Mrs. Currie: I shall let the hon. Member have such information as can be obtained without incurring disproportionate cost as soon as possible.

NHS Review (Manpower Costs)

Mr. Fearn: To ask the Secretary of State for Social Services what is the cost in manpower of the Government's current review of the National Health Service.

Mr. Moore: Work on the review is being undertaken as an integral part of the Department's contribution to Government business. The manpower costs involved are not separately identifiable.

Access to Personal Files Act 1987

Mr. Andrew Mitchell: To ask the Secretary of State for Social Services when consultation will take place on the social services regulations to be made under the Access to Personal Files Act 1987.

Mrs. Currie: Proposals for these regulations for England and Wales were issued today and a copy of them has been placed in the Library. The proposals have been issued to a wide range of interested bodies including associations of local authorities. Comments are requested by 15 May 1988. The proposals are in line with access to this type of record falling under the data protection legislation and include the safeguard that information may be withheld if access is likely to result in serious harm to the physical or mental health or emotional condition of the individual requesting access or to another person. Authorities would be able to charge a fee of up to £10.

Competitive Tendering

Mr. Tony Banks: To ask the Secretary of State for Social Services if he will detail the savings identified for each district health authority from competitive tendering for support services; and what adverse comment and representations have been made to him as a consequence of the process.

Mrs. Currie *[holding answer 29 February 1988]:* Tables giving the savings information requested have been placed in the Library. They are based on reports from health authorities and set out the cumulative estimated annual savings generated through competitive tendering for domestic cleaning, catering and laundry services. There has been a considerable debate about the competitive tendering initiatives since it was launched some four and a half years ago. It has without a doubt provided a much-needed spur towards improving efficiency in the delivery of services and has helped to maximise the resources for patient care. Total annual savings generated in England currently stand at some £105 million.

In the main these savings, and the associated improvements in service delivery and management, have been welcomed. Some trade unions have expressed official concern about staff pay and conditions of service; they have alleged deterioration in standards and staff morale. Health authorities remain responsible for the standard of service provided whether done in-house or by an outside contractor.

We have also received representations from contractors and trade associations expressing concern that the treatment of capital and other overheads in the costing of in-house services may put outside contractors at a disadvantage in the award of contracts.

ENERGY

Magnox Programme

Mr. Cohen: To ask the Secretary of State for Energy what assessment he has made of the implications of the closure of the Magnox reactor at Latina in Italy for the British Magnox programme; and if he will make a statement.

Mr. Michael Spicer: The operation of Magnox reactors in this country is a matter for the operators and the Health and Safety Executive's Nuclear Installations Inspectorate.

Bradwell Safety Review

Mr. Cohen: To ask the Secretary of State for Energy what information he has received from the Nuclear Installations Inspectorate on the outcome of the Bradwell long-term safety review; and if he will make a statement.

Mr. Michael Spicer: I am advised by the Health and Safety Executive that its Nuclear Installations Inspectorate has completed the assessment of the CEGB's response to the HSE report on Bradwell which was published in July 1987. The HSE will be making a statement about this in the near future.

Miners

Rev. Martin Smyth: To ask the Secretary of State for Energy how many miners employed by British Coal are *(a)* members of ethnic minorities and *(b)* women; and what is the total number of miners employed.

Mr. Michael Spicer: This is a matter for British Coal and I have asked the chairman to write to the hon. Member.

South of Scotland Electricity Board

Mr. McLeish: To ask the Secretary of State for Energy when he last met representatives of British Coal to discuss the supply of coal to the South of Scotland Electricity Board; and if he will make a statement.

Mr. Michael Spicer: I have regular meetings with the chairman of the British Coal Corporation to discuss all aspects of the coal industry. Arrangements for coal supplies to the South of Scotland Electricity Board by the British Coal Corporation are a matter for commercial negotiation between the two industries.

Mining

Mr. McLeish: To ask the Secretary of State for Energy if he will give the total number of jobs in both opencast and deep mining in Scotland in each of the years 1979-80 to 1987-88; and if he will give the estimated number of jobs in opencast and deep mining in each of the years 1988-89, 1989-90 and 1990-91.

Mr. Michael Spicer: This is a matter for the British Coal Corporation, and I have asked the chairman to write to the hon. Member.

British Coal (Grants)

Sir Ian Lloyd: To ask the Secretary of State for Energy how, in the light of paragraph 69 of the Select Committee on Energy's first report of the 1986-87 Session, the non-deficit grants paid by him to the British Coal Corporation in 1986-87 were accrued in the corporation accounts.

Mr. Parkinson: In accordance with orthodox accounting principles, social cost expenditure is brought into British Coal's profit and loss account as it is incurred; the associated non-deficit (previously "social") grants towards the expenditure are brought into the profit and loss account on the same basis.

On that basis, the amount brought into the 1986-87 profit and loss account for non-deficit grant was £594 million.

But the whole amount was not paid in 1986-87. Payments were delayed mainly because some grants towards the cost of early and enhanced pensions are made in 10 annual instalments (which include an element of interest). In addition, a proportion of non-deficit grants is withheld until the grant claims have been audited.

In accordance with these limitations, the amount actually paid to British Coal in 1986-87 was £279 million. This amount is composed as follows:

	£ million
(a) At the beginning of 1986-87, the Corporation were owed £618 million of the non-deficit grants which had been included in earlier years' profit and loss accounts. £86 million of this was paid in 1986-87 (leaving £532 million carried over for payment in a subsequent year)	86
(b) Interest of £33 million on pension-related grant was also owed to British Coal at the beginning of the year; this was paid in 1986-87	33
(c) Of the £594 million for 1986-87 referred to above, £160 million was paid in 1986-87, leaving £434 million carried over for payment in a subsequent year	160
(d) Total	279

Sir Ian Lloyd: To ask the Secretary of State for Energy how, in the light of paragraph 69 of the Select Committee on Energy's first report of the 1986-87 Session, the deficit grants paid by him to the British Coal Corporation in 1986-87 were accrued in the corporation's accounts.

Mr. Parkinson: British Coal incurred a deficit of £288 million in 1986-87. It was therefore entitled to claim that amount of deficit grant from the Government and, following orthodox accounting principles, this was shown as an "income" item in its 1986-87 profit and loss account.

However, the maximum amount of deficit grant payable in any year is limited to the cash needs of the corporation (defined as the external financing requirement less non-deficit grant payments). As a result, deficit grant is sometimes not paid until a later financial year than that in which the deficit occurred.

In accordance with this limitation, the Government actually paid British Coal £546 million in 1986-87. This amount is composed as follows:

	£ million
(a) At the beginning of 1986-87, the Government still owed British Coal part of the deficit grant which had been brought into earlier years' profit and loss accounts. This balance was paid off in 1986-87.	472
(b) Payments of grant towards the 1986-87 deficit of £288 million were also made in 1986-87 (leaving £214 million carried over for payment in a subsquent year).	74
(c) Total	546

Private Sector Energy Producers

Mr. Rost: To ask the Secretary of State for Energy when the Government expect to resolve the difficulties in relation to establishing a rating system for private sector electricity power stations and combined heat and power producers, which will permit them to be assessed for rating on an equitable basis with power stations operated by the Central Electricty Generating Board.

Mr. Parkinson [*pursuant to the reply*, 29 February 1988, c. 479]: The Government accept that where independent electricity generators, including operators of combined heat and power schemes, are in competition with the public electricity supply industry (esi) they should not be put at a competitive disadvantage as a result of the different methods of rating assessment. The esi has its rateable value determined by a statutory formula while the independent generator is currently assessed by conventional valuation methods. The Government accordingly have agreed in principle that private generators exporting electricity to the electricity supply distribution network should be rated on a comparable basis to the rest of the electricity supply industry.

Although section 34A of the General Rates Act provides for the extension, by order, to other generators of electricity of the formula contained in schedule 7 to the General Rate Act 1967, which provides for the rating of electricity boards, that formula is not in a form which can be applied to independent electricity suppliers. The same is true of the existing formula for Scotland.

The Government have recently put in hand a revaluation of all non-domestic property and as a part of this are reviewing the statutory rating formulae for England, Scotland and Wales. This review will take account of the need for a more broadly applicable basis of assessment in respect of electricity generation. The outcome of the review will be new rateable values to be brought into effect from 1 April 1990 along with the new valuation lists. At that time it is intended that any independent electricity generator or combined heat and power scheme which has the capability to export electricity to the electricity supply industry's distribution network will have its rateable value assessed on a comparable basis. While the review of formula rating is progressing it is obviously not possible to say what this basis will be.

Written Answers to Questions

Friday 11 March 1988

ENVIRONMENT

Atmospheric Pollution

Mr. Wigley: To ask the Secretary of State for the Environment what contributions are being made by his Department to research into damage to the meteorological stability of the atmosphere by atmospheric pollution; and if he will make a statement.

Mr. Moynihan: The Department has recently started a new programme of research in climate change to improve assessments of the effect pollution (in the form of carbon dioxide and other greenhouse gases) may have on the earth's climate. This is in close co-operation with the programme being carried out at the Meteorological Office and the Natural Environment Research Council, which contribute to the UN world climate programme.

Greenwich Park

Mr. Cartwright: To ask the Secretary of State for the Environment what steps are being taken to protect visitors to Greenwich park from skateboarders.

Mr. Moynihan: The Royal parks constabulary has been directed to give special attention to this matter and to take action against any use of skateboards which is likely to affect the comfort or safety of park users.

Mr. Cartwright: To ask the Secretary of State for the Environment how many accidents have taken place as a result of the use of skateboards in Greenwich park during each of the past 10 years for which figures are available.

Mr. Moynihan: The figures are as follows. Between 1977 and 1985 a special skateboarding area was provided in Greenwich park.

	Pedestrians	*Skate-boarders*	*Skate-boarders in the special area*	*Total*
1977	1	30	3	34
1978	7	26	4	37
1979	5	7	1	13
1980	3	9	1	13
1981	1	3	0	4
1982	0	2	0	2
1983	0	1	1	2
1984	0	0	0	0
1985	0	0	0	0
1986	0	1	[2]—	1
1987	1	7	—	8
1988[1]	1	2	—	3

[1] To date.
[2] Special area discontinued.

"Radioactive Britain" (TV Programme)

Dr. Thomas: To ask the Secretary of State for the Environment if he will seek to obtain for his departmental library a copy of the transcript of the Channel 4 Dispatches programme, "Radioactive Britain," broadcast on 4 March.

Mr. Moynihan: The press office has a video of the programme which has been studied by several of the Department's administrative and scientific staff. There are no plans to obtain the transcript for the Library.

Landlord and Tenant Act 1987

Mr. Squire: To ask the Secretary of State for the Environment whether he is now in a position to state when he expects to bring further parts of the Landlord and Tenant Act 1987 into force.

Mr. Waldegrave: My right hon. Friend and my right hon. Friend the Secretary of State for Wales have now made the second commencement order for the Landlord and Tenant Act 1987 which brings into force on 18 April 1988 the whole of parts II, III and IV, dealing respectively with the appointment by the court of managers; the acquisition of leasehold blocks in certain circumstances; and the variation of leases. We aim to bring the remaining provisions of the 1987 Act into force by the summer recess.

Docklands (Compulsory Purchase Order)

Mr. Heddle: To ask the Secretary of State for the Environment whether he will issue his decision on the London Docklands (East Docklands) Compulsory Purchase Order 1985.

Mr. Waldegrave: The Department has issued today the letter announcing my right hon. Friend's decisions, taken jointly with my right hon. Friends the Secretaries of State for Transport and for Energy, confirming (with modifications) the London Docklands (East Docklands) Compulsory Purchase Order 1985. A copy of the decision letter has been placed in the Library. Because objections by a local authority and by a statutory undertaker remain outstanding, the order is subject to special parliamentary procedure and will not become operative until the relevant processes have been completed.

EDUCATION AND SCIENCE

Local Authorities (Education Expenditure)

Mr. Raison: To ask the Secretary of State for Education and Science how the share of local authority expenditure taken by education has changed since the passing of the Local Government Act 1958.

Mrs. Rumbold: In 1958, education's share of total authority spending in the United Kingdom was 41·4 per cent. In 1986, it was 41·8 per cent. The comparison is based on calendar year figures representing recurrent and capital spending excluding debt interest and an imputed charge for capital consumption.

Gaelic

Mr. Beggs: To ask the Secretary of State for Education and Science what information he has as to how many Gaelic-orientated courses currently exist in *(a)* Scottish and *(b)* Welsh universities.

Mr. Jackson: According to the handbook of the Universities Central Council on Admissions, the number

of university institutions in Scotland and Wales offering Celtic languages as subjects in degree courses in October 1988 is as follows:

	Scotland	Wales
Celtic or Celtic studies	3	1
Gaelic studies	1	—
Irish	—	1
Welsh	—	5

HOME DEPARTMENT

Prisoners (Costs)

Mrs. Maureen Hicks: To ask the Secretary of State for the Home Department what he expects the projected cost to be for accommodating a convicted murderer for a minimum life sentence of 20 years.

Mr. Douglas Hogg: It is not possible to distinguish the cost of keeping particular types of offender in custody. The average annual cost of keeping a person in a penal establishment in 1986-87 was £13,104. Projections are not made of the average costs of keeping persons in custody in future years.

Firearms

Ms. Ruddock: To ask the Secretary of State for the Home Department when the firearms working party will report: and when the report will be available to hon. Members.

Mr. Douglas Hogg: I believe that the hon. Member has in mind the working party on firearm fees and shotgun security, which was set up in early 1987. Its recommendations on shotgun security were taken into account in formulating the proposals in the White Paper on reform of firearms legislation (Cm. 261). The Firearms (Amendment) Bill has implications for fees, and consideration of this matter will resume once the Bill is enacted.

Association of Chief Police Officers

Mr. Canavan: To ask the Secretary of State for the Home Department what subjects he expects to discuss at the next meeting with the Association of Chief Police Officers.

Mr. Douglas Hogg: No arrangements have yet been made for my right hon. Friend's next meeting with representatives of the Association of Chief Police Officers.

Prison Visits

Mr. Bermingham: To ask the Secretary of State for the Home Department (1) how much was spent during the financial year 1986-87 on assisted prison visits in England and Wales;

(2) how much it is anticipated will be spent on assisted prison visits in England and Wales during the financial year 1987-88;

(3) how much it is anticipated will be spent on assisted prison visits in England and Wales during the financial year 1988-89.

Mr. Douglas Hogg: The sums in question, which do not include administration costs, are as follows:

	£
1986-87	925,629
1987-88	[1]870,000
1988-89	[2]978,000

[1] Most recent forecast outturn.
[2] Planned expenditure, subject to agreement of the Supply Estimates.

Mr. Bermingham: To ask the Secretary of State for the Home Department whether he anticipates any delays or a fall in applications as a result of the changes in the assisted prison visits scheme which will be introduced on 11 April.

Mr. Douglas Hogg: No.

Mr. Bermingham: To ask the Secretary of State for the Home Department how many applications his Department expects the assisted prison visits unit to receive during its first year of operation.

Mr. Douglas Hogg: We expect the unit to receive over 50,000 applications in its first year.

Police

Mr. Bermingham: To ask the Secretary of State for the Home Department how many police officers were in post in England and Wales as at 31 December 1983.

Mr. Douglas Hogg: There were 121,003 police officers in England and Wales as at 31 December 1983.

Television Licence Fee

Mr. Wigley: To ask the Secretary of State for the Home Department what is his policy with regard to the reimbursement of the balance of unexpired television licence fee to individuals who gave up their televisions on admittance to residential homes for the elderly.

Mr. Renton: They will be eligible for a refund of the balance if they cease to need a licence within 28 days of having obtained one.

Traffic Wardens

Mr. Tony Banks: To ask the Secretary of State for the Home Department how many traffic wardens have been deployed in the London borough of Newham on average in each day during the most recent period for which figures are available.

Mr. Douglas Hogg: I understand from the Commissioner of Police of the Metropolis that 14 traffic wardens are deployed in the London borough of Newham, working in two shifts of seven. Sickness and other abstractions may reduce the numbers slightly on particular days.

Mr. Tony Banks: To ask the Secretary of State for the Home Department how many traffic wardens have been deployed in London in each of the past five years.

Mr. Douglas Hogg: The number of traffic wardens varies throughout the year but I understand from the Metropolitan police and the City of London police that the strength of the traffic warden service at the end of each of the past five years was as follows:

31 December	Metropolitan police district	City
1983	1,789	57
1984	1,829	79
1985	1,698	79
1986	1,668	65
1987	1,527	71

Mr. Tony Banks: To ask the Secretary of State for the Home Department what representations he has received concerning the transfer of London traffic wardens from his Department to local authorities.

Mr. Douglas Hogg: Traffic wardens in London are employed by the Metropolitan police and by the corporation of the City of London. We have received representations from the community and police consultative groups for Hillingdon and for Paddington and Marylebone that Metropolitan police wardens should be transferred to local authority control. The Association of London Authorities and the London Boroughs Association have also presented proposals under which local authorities would employ parking control officers to perform the functions currently undertaken by Metropolitan police traffic wardens. These proposals are being considered by a working party on which the Home Office, Department of Transport, the police and the local authority associations are represented.

PRIME MINISTER

NATO Meeting

Dr. Thomas: To ask the Prime Minister if any specific decision was taken on a collective North Atlantic Treaty Organisation view on *(a)* the future of the anti-ballistic missile treaty and *(b)* the benefits to the North Atlantic Treaty Organisation of the United States strategic defence initiative, at the North Atlantic Treaty Organisation Ministers and Heads of State meeting on 2 and 3 March.

The Prime Minister: No.

ATTORNEY-GENERAL

Social Security Commissioners

Dr. Thomas: To ask the Attorney-General during 1987 how many visiting social security commissioners sat in Wales; at what centres they sat; and in each case, what facilities were available at these centres for handicapped claimants and those suffering from industrial injuries.

The Attorney-General: In 1987 10 commissioners sat on a total of 10 occasions in Cardiff to deal with 49 oral hearings of appeals. On nine of those occasions oral hearings were held in the Crown court, where all public facilities are concentrated on the ground floor; these include a waiting area, cafeteria and a toilet for the use of disabled persons. On the remaining occasion, hearings took place in Cardiff county court, where there are no facilities specifically for disabled persons.

Dr. Thomas: To ask the Attorney-General how many *(a)* full-time and *(b)* part-time social security commissioners there are in (i) London, (ii) Edinburgh, (iii) Cardiff and (iv) Northern Ireland; and whether there are plans to increase the numbers of part-time or full-time commissioners in any of these centres.

Attorney-General: The information is given in the table:

Location	Full-Time Commissioners	Part-Time Commissioners
London	13	1
Edinburgh	2	—
Cardiff	—	—
Northern Ireland	2	—

A commissioner travels to Cardiff to deal with individual cases as required.

In view of the work load in Scotland, the Lord Chancellor has authorised the appointment of an additional full-time commissioner in Scotland who will be based in Edinburgh. He has no plans to make further appointments at the present time.

ENERGY

Nuclear Power Stations

Mr. Beith: To ask the Secretary of State for Energy what statistical and demographic criteria, for each type of nuclear reactor, are used in Her Majesty's Nuclear Installations Inspectorate's assessment of the safety of sites for nuclear power stations; if he will publish a list showing for each existing nuclear power station *(a)* the relevant limiting criteria compared with *(b)* the actual population figures in each case; and if he will make a statement.

Mr. Michael Spicer: I am advised by the HSE's Nuclear Installations Inspectorate that the current demographic criteria for assessing potential AGR sites were developed in the late 1960s. These and more restrictive criteria of a similar type are used as guidelines for controlling development in the vicinity of existing AGR and Magnox stations respectively. Once a site has been accepted for a nuclear station arrangements are made to ensure that residential and industrial developments are so controlled that the general characteristics of the site are preserved, and therefore local authorities consult the inspectorate with regard to any proposed development which might lead to an increase in population close to the site and on larger developments further from the site. Limiting criteria based upon population distribution are used only for guidance and the inspectorate would not necessarily insist on rigid adherence to them. Other unquantifiable factors are also taken into account.

The limiting criteria are in the form of cumulative weighted population out to various distances all around the site and in any 30 deg. sector. To assess a site against the criteria at a certain distance, the population for a given distance band is multiplied by the appropriate weighting factor and the values up to the distance being evaluated are added together. The weighting factors and limiting criteria for Magnox and AGR sites are:

Distance (km)	Weighting factors	Cumulative population Magnox	Weighted criteria AGR
Population all around site			
0-2	32·0	45,000	290,000
2-3	15·0	69,000	520,000
3-5	7·7	120,000	870,000
5-8	4·0	180,000	1,300,000
Population in 30 deg. sector			
0-2	26·0	23,000	96,000

Distance (km)	Weighting factors	Cumulative population Magnox	Weighted criteria AGR
2-3	12·0	37,000	170,000
3-5	5·6	48,000	290,000
5-8	2·8	56,000	430,000

Magnox reactors in concrete pressure vessels such as Oldbury and Wylfa would be allowed some relaxation of the general Magnox criteria if necessary.

The total populations around Magnox and AGR stations and the populations in the most restrictive 30 deg. sector are:

Population around Magnox power stations (1981 Census data)

Distance (km)	Total	30° sector
Hinkley Point		
0 to 2	120	40
2 to 3	300	110
3 to 5	1,200	650
5 to 8	2,800	670
Berkeley		
0 to 2	320	260
2 to 3	2,000	1,400
3 to 5	7,900	190
5 to 8	8,300	730
Trawsfynydd		
0 to 2	320	60
2 to 3	290	20
3 to 5	1,500	640
5 to 8	5,400	4,000
Calder Hall		
0 to 2	140	20
2 to 3	2,100	1,500
3 to 5	2,300	300
5 to 8	8,100	270
Sizewell		
0 to 2	140	30
2 to 3	3,200	3,100
3 to 5	3,600	2,000
5 to 8	4,200	400
Bradwell		
0 to 2	460	340
2 to 3	190	60
3 to 5	7,200	30
5 to 8	3,900	30
Dungeness		
0 to 2	60	40
2 to 3	140	140
3 to 5	590	230
5 to 8	6,000	140
Oldbury		
0 to 2	250	50
2 to 3	260	60
3 to 5	1,800	1,100
5 to 8	30,000	11,000
Wylfa		
0 to 2	460	290
2 to 3	730	570
3 to 5	1,100	60
5 to 8	1,600	240
Hunterston		
0 to 2	50	30
2 to 3	100	10
3 to 5	6,400	4,200
5 to 8	1,400	70
Chapelcross		
0 to 2	250	10
2 to 3	410	230
3 to 5	11,000	8,200
5 to 8	3,100	220

Population around AGR stations (1981 census data)

Distance (Km)	Total	30° sector
Heysham 'A'		
0 to 2	2,400	2,100
2 to 3	3,900	2,900
3 to 5	13,000	4,300
5 to 8	38,000	26,000
Heysham 'B'		
0 to 2	2,200	2,100
2 to 3	3,700	3,100
3 to 5	13,000	11,000
5 to 8	40,000	24,000
Hartlepool		
0 to 2	200	0
2 to 3	2,900	1,900
3 to 5	27,000	13,000
5 to 8	130,000	37,000
Torness		
0 to 2	140	50
2 to 3	210	5
3 to 5	510	70
5 to 8	3,000	0

Population data for other AGRs at Hinkley Point, Dungeness and Hunterston are not given separately since control is exercised using the more restrictive Magnox criteria.

Nuclear Plant (Decommissioning)

Dr. Thomas: To ask the Secretary of State for Energy what information he has on opportunities for the United Kingdom Atomic Energy Authority to sell its expertise in nuclear power plant decommissioning to Sweden, in the light of the announcement by the Swedish Energy Minister on 2 March that Sweden is to begin its closure programme for its nuclear plants in 1995.

Mr. Michael Spicer: I understand that the UKAEA has regular discussions with its Swedish counterparts and keeps commercial opportunities under review.

"Radioactive Britain" (TV Programme)

Dr. Thomas: To ask the Secretary of State for Energy if he will seek to obtain for his departmental library a copy of the transcript of the Channel 4 Dispatches programme, "Radioactive Britain", broadcast on 4 March.

Mr. Parkinson: No.

Power Plant Safety

Dr. Thomas: To ask the Secretary of State for Energy if he has received any correspondence from Mr. R. W. Marshall of Cymerau, Dolwen, Blaenau Ffestiniog on the subject of power plant safety and radiation fog, since May 1979.

Mr. Michael Spicer: Mr. Marshall has corresponded frequently with this Department.

Renewable Sources

Mr. Matthew Taylor: To ask the Secretary of State for Energy what has been the annual gross and net expenditure by the Government on research into renewable sources from 1973 until 1987-88, in both actual prices and 1986-87 prices.

Mr. Michael Spicer: Expenditure by my Department on research into renewable sources of energy since the mid-1970s is set out in both actual prices and 1986-87 prices.

£ million

	Actual Outturn	*Outturn 1986-87 prices*
1975-76[1]	0·5	1·39
1976-77[1]	1·0	2·45
1977-78[1]	2·5	5·38
1978-79	3·6	7·00
1979-80[2]	8·2	13·65
1980-81[2]	11·3	15·87
1981-82[2]	17·3	22·12
1982-83[2]	14·7	17·54
1983-84[2]	11·7	13·34
1984-85[2]	14·9	16·28
1985-86[2]	13·2	13·60
1986-87[2]	12·0	12·00
1987-88	[3]13·7	[3]13·14

[1] Includes energy conservation research and development.
[2] Includes expenditure on "waste as a fuel" projects under the Energy Efficiency Office demonstration scheme.
[3] Estimated.

Nuclear Fusion (Research)

Mr. Matthew Taylor: To ask the Secretary of State for Energy what has been the annual expenditure by Euratom on research into nuclear fusion, including the JET programme, from its inception until 1987-88, in actual costs and 1986-87 prices, indicating the United Kingdom Government's financial contribution to this programme.

Mr. Michael Spicer: The payment appropriations for Euratom are contained in the Official Journal of the European Communities (L series), copies of which are available in the Library of the House. The United Kingdom contribution is not separately identified, but information on our share of the Community own resources is contained in volume 2, chapter III, paragraph 7, of the 1987 public expenditure White Paper.

Agencies (Government Contributions)

Mr. Matthew Taylor: To ask the Secretary of State for Energy if he will publish a table indicating the Government's annual contributions to (i) Euratom, (ii) the OECD Nuclear Energy Agency, (iii) the International Energy Agency and (iv) the International Atomic Energy Agency since they were set up, until 1987-88, in both actual costs and 1986-87 prices.

Mr. Michael Spicer: Details of the Government's subscriptions to the OECD Nuclear Energy Agency, to the International Energy Agency and to the International Atomic Energy Agency are published annually in the Supply Estimates, copies of which are available in the Library of the House. The Government's contribution to Euratom is not separately identifiable as it forms part of the United Kingdom's general contribution to the European Community budget.

Spent Magnox Fuel

Mr. Flynn: To ask the Secretary of State for Energy under what system nuclear materials have been deemed to be civil or military after the co-processing of safeguarded and unsafeguarded spent Magnox nuclear fuel at BNFL Sellafield since May 1979.

Mr. Michael Spicer *[holding answer 29 February 1988]:* The products of co-processing were allocated by dividing the total pro rata to the quantities of uranium and plutonium in the incoming safeguarded and unsafeguarded fuel. From 1987, separate civil and non-civil reprocessing operations have been carried out.

Plutonium

Mr. Flynn: To ask the Secretary of State for Energy if any plutonium from *(a)* unsafeguarded British Nuclear Fuels Limited reactors or *(b)* safeguarded Electricity board Magnox reactors has been exported to the United States since May 1979 under bilateral or International Atomic Energy Agency safeguards.

Mr. Michael Spicer *[holding answer 29 February 1988]:* Safeguarded plutonium exports to the United States since May 1979 have been made only by the United Kingdom Atomic Energy Authority.

DEFENCE

RAF Stornoway

Mr. Macdonald: To ask the Secretary of State for Defence (1) if the standard operating procedures for all military aircraft taking off from RAF Stornoway include a mandatory instruction to turn right in order to avoid overflying the townships of Tong and Upper Coll;

(2) if the standard operating procedures for all military aircraft performing practice approaches at RAF Stornoway include a mandatory instruction to turn right in order to avoid overflying the townships of Tong and Upper Coll;

(3) if the standard operating procedures for all civilian jet aircraft operating under contract to his Department taking off from RAF Stornoway include a mandatory instruction to turn right in order to avoid overflying the townships of Tong and Upper Coll;

(4) if the standard operating procedures for all civilian jet aircraft operating under contract to his Department performing practice approaches at RAF Stornoway include a mandatory instruction to turn right in order to avoid overflying the townships of Tong and Upper Coll;

(5) if the 70 dbA noise contour for RAF Stornoway incorporates the noise made by aircraft making straight-in approaches in a southerly direction.

Mr. Freeman: Yes.

Mr. Macdonald: To ask the Secretary of State for Defence what account was taken of military jet aircraft carrying out practice approaches, overshoots and practice diversions at RAF Stornoway in the calculation of the 70 dbA noice contour around the airfield.

Mr. Freeman: Full account was taken of military jet aircraft approaching to land in the calculation of the computer — predicted 70 dbA noise contour for RAF

Stornoway. Other manoeuvres, including overshoots, were not included in the calculation but will be measured during the forthcoming noise survey.

Stand-off Nuclear Missile

Mr. Kirkhope: To ask the Secretary of State for Defence what work his Department has carried out on the development of a stand-off nuclear missile for the RAF; and if he will make a statement.

Mr. Ian Stewart: I cannot add to the reply which my right hon. Friend the Secretary of State for Defence gave to the hon. Member for Sheffield, Hillsborough (Mr. Flannery) on 26 January 1988 at column 167.

Nuclear Short-Range Missile

Mr. Kirkhope: To ask the Secretary of State for Defence what work his Department has carried out on the choice of a new nuclear short-range missile.

Mr. Ian Stewart: None. In the first instance this is a matter for the United States Government who are currently considering SACEUR's requirement for a follow-on to the Lance surface-to-surface missile system. No decisions on modernisation as it affects British forces have yet been taken.

Gibraltar Shooting

Mr. Soley: To ask the Secretary of State for Defence what specific branches of the armed services were involved in the shooting of three people in Gibraltar on Sunday 6 March.

Mr. Ian Stewart: I have nothing further to add to the statement made by my right hon. and learned Friend the Secretary of State for Foreign and Commonwealth Affairs on 7 March at columns 21-22.

Special Air Service

Mr. Soley: To ask the Secretary of State for Defence (1) how many prisoners have been taken by personnel of the Special Air Service in their operations in the last 10 years; who those people were; and what was their subsequent fate;

(2) in how many incidents people have been killed in operations by the Special Air Service in the last 10 years; who those people were; and where and in what circumstances they were killed;

(3) what instructions, beyond those applying to other units of the armed forces, govern the use of lethal force by the Special Air Service.

Mr. Ian Stewart: It has been the policy of successive Governments not to comment on the operations or activities of special forces.

NATO/Warsaw Pact (Tactical Aircraft Capacity)

Dr. Thomas: To ask the Secretary of State for Defence if he will publish in the *Official Report* a table showing (*a*) the North Atlantic Treaty Organisation's total tactical aircraft capacity and that of the Warsaw pact and (*b*) the North Atlantic Treaty Organisation's tactical aircraft capability devoted to the European theatre and that of the Warsaw pact.

Mr. Ian Stewart: The Statement on the Defence Estimates 1987 (figure 13 of annex A) shows the balance of NATO and Warsaw pact tactical aircraft in Europe from the Atlantic to the Urals. For these purposes, tactical aircraft are defined as including reconnaissance aircraft, fighters, fighter bombers, light bombers and air defence aircraft. It is the imbalance of NATO and Warsaw pact conventional forces in Europe that is of direct concern to NATO, and it is not our practice to publish figures for these forces deployed worldwide.

NATO Summit (Radio Interview)

Dr. Thomas: To ask the Secretary of State for Defence if he will seek to obtain for his departmental library a copy of the transcript of the interview given by the North Atlantic Treaty Organisation General Secretary, Lord Carrington, to the BBC Radio Four "World Tonight" programme concerning the North Atlantic Treaty Organisation summit on 3 March.

Mr. Ian Stewart: The library of the Ministry of Defence seeks to obtain all publications relevant to the working needs and interests of the Department where such material can be satisfactorily published on the open market. Transcripts of programmes transmitted by the BBC are deposited with the BBC written archives centre and are not normally available on the open market.

Hong Kong

Dr. Marek: To ask the Secretary of State for Defence what is his policy with regard to the amount of defence costs in Hong Kong to be borne by the United Kingdom; and what are the implications of the Sino-British joint declaration for those costs.

Mr. Ian Stewart: Negotiations on a successor agreement to the current defence costs agreement with Hong Kong are in hand. Under the provisions of the joint declaration we remain responsible for the defence of Hong Kong until 1997.

NATIONAL FINANCE

Living Standards

Mr. Nicholas Bennett: To ask the Chancellor of the Exchequer what level of pay rise would be required by the average employee paying tax in order to compensate for price increases over the past year.

Mr. Harry Greenway: To ask the Chancellor of the Exchequer what level of pay rise would be required by the average employee paying tax in order to compensate for price increases over the past year.

Mr. Lilley: In the year to January 1988 the living standards of the average employee paying tax would have been maintained by an increase in gross taxable income of about 1¼ per cent.

Retail Prices Index (Error)

Mr. Gregory: To ask the Chancellor of the Exchequer what is the level of underfunding in total, and expressed per public service pensioner, of the public sector pension bill as a result of the miscalculation of the retail prices index; what is the number of public service pensioners

involved; what estimate has been made of the administration costs if the underfunding were to be distributed to each pensioner; and if he will make a statement.

Mr. Brooke: The underestimation of the retail prices index led to payments to public service pensioners in the main superannuation schemes which the Government administer centrally (teachers, National Health Service, Civil Service, armed forces, and colonial pension schemes) being £7·2 million lower in total than they would otherwise have been, an average of £5·70 for each of the 1,263,000 pensioners in these schemes. The administrative cost of compensating each pensioner would have amounted to over £2·6 million, or more than a third of the total amount of compensation to be disbursed. These estimates underly the decision, announced in my answer of 18 December 1987, at columns *845-46*, to make donations to charities, including those active in support of retired or needy public service pensioners, instead of compensating pensioners individually.

Government Publications (Braille Copies)

Mr. Blunkett: To ask the Chancellor of the Exchequer if he will authorise Her Majesty's Stationery Office to release, without charge, or at printed publication price only, computer disks of Government publications, to enable the Royal National Institute for the Blind, or its subcontractors, to produce braille copies of those publications; and if he will make a statement.

Mr. Brooke: Her Majesty's Stationery Office is ready and willing to enter into negotiations with the Royal Institute for the Blind, or its subcontractors, for the supply to it of those Government publications which are readily available in machine-readable form. Given HMSO's statutory obligations as a trading fund, however, it would be inappropriate for it to supply this material on an on-going basis at less than the extra cost of providing it, though it would be able to supply sample disks or tapes without charge to assist any initial research and development.

Rating Reform

Dr. Cunningham: To ask the Chancellor of the Exchequer when and in what form he plans to make announcements about future levels of the national non-domestic rate; and when he proposes to exercise his power, or indicate that he will not exercise his power, to set the national non-domestic rate multiplier under the proposed amendments to the Local Government Finance Bill.

Mr. Major *[holding answer 10 March 1988]:* Under provisions of the Local Government Finance Bill now before Parliament, the Government will, in 1990, set NNDR multipliers in England and Wales so as to produce the same yield of business rates in each country as if the rate poundages set by local authorities in 1989 had been indexed to the retail prices index and there had been no revaluation. In subsequent years, the presumption will be that indexation of the NNDR multipliers to the RPI provided for in the Bill will take place. Equivalent provisions are already in the Abolition of Domestic Rates Etc. (Scotland) Act. If, however, I decide to use powers in the proposed amendments to increase the NNDR multipliers by less than the RPI in any year, an announcement would be made before the RSG reports for that year had been approved by Parliament.

NHS (Expenditure)

Sir Barney Hayhoe: To ask the Chancellor of the Exchequer what is his latest estimated outturn for expenditure on the National Health Service in 1987-88; what increase is planned for 1988-89; and what change this represents over that indicated in the Autumn Statement 1987 and the public expenditure White Paper (Cm. 288-1).

Mr. Lawson *[holding answer 4 March 1988]:* The estimated outturn for expenditure on the NHS in the United Kingdom in 1987-88 contained in the public expenditure White Paper was £20,569 million. However, this did not include the additional £102 million in health authorities' cash limits announced on 16 December. Expenditure in 1988-89 is planned to rise to £21,818 million, an increase of £1,147 million or 5·5 per cent. over 1987-88 when the additional £102 million for this financial year is taken into account. Revised estimates of the 1987-88 outturn for voted expenditure will be published in the main Estimates on Budget day.

Housing Benefit and Family Credit

Mr. Gordon Brown: To ask the Chancellor of the Exchequer how many households are in receipt of housing benefit or family credit; if he will give for 1988-89 for these households the total reduction in the income tax payments resulting from a reduction in the basic rate of tax to 25 per cent.; and if he will estimate the annual saving to the Exchequer in payment of housing benefit and family credit resulting from a reduction in the basic rate of tax to 25p.

Mr. Portillo *[holding answer 23 February 1988]:* I have been asked to reply.

Approximately 6·6 million people are expected to receive housing benefit and or family credit in 1988-89. For those within this group who pay income tax, the reduction in tax payments from a 2p reduction in the basic rate would be £36 million in a full year. The savings in family credit and housing benefit might approach £20 million. Over two thirds of this saving would arise on family credit.

Income Tax

Mr. Gordon Brown: To ask the Chancellor of the Exchequer if he will estimate the net change in the annual income of a married couple with one earner and two school age children living in rented accommodation, for which they pay the average council house rent and average rates, of a cut in the basic rate of tax to 25p *(a)* before taking account of any change in their entitlement to housing benefit and family credit and *(b)* after taking account of any change in their housing benefit entitlement assuming the earner is on (i) half average earnings, (ii) average earnings and (iii) one and a half times average earnings.

Mr. Portillo *[holding answer 23 February 1988]:* I have been asked to reply.

The information, for a married couple with two children aged 8 and 11, is shown in the table:

Net change in annual income with 25p basic rate of tax

Earnings (£pw)	*Before Entitlement to Housing Benefit and Family Credit*	*After Change in Housing Benefit and Family Credit Entitlement*
£pw	*£pa*	*£pa*
122	48·36	14·56
245	176·28	176·28
367	303·16	303·16

All other basic assumptions are consistent with "Impact of the Reformed Structure of Income Related Benefits", October 1987, copies of which are held in the Library.

WALES

Welsh Language

Mr. Wigley: To ask the Secretary of State for Wales if he will list those persons, bodies and associations which submitted unsolicited evidence to his Department on the desirability of new Welsh language legislation during the consultation exercise carried out in 1986 and 1987.

Mr. Wyn Roberts: This information could be provided only at disproportionate cost.

Dr. Thomas: To ask the Secretary of State for Wales which primary schools in each local education authority in Wales *(a)* use the Welsh language as the main language of instruction, *(b)* use some Welsh as a medium of instruction and *(c)* undertake little or no instruction through the medium of Welsh.

Mr. Wyn Roberts: The following table shows the numbers of primary schools in each local education authority in Wales which, in September 1986, fell into the categories:

(a) schools having classes where Welsh is the sole or main medium of instruction of first or second language pupils;

(b) schools having classes of first or second language pupils where some of the teaching is through the medium of Welsh; and

(c) schools where either no Welsh is taught, or where there are classes where Welsh is taught as a second language but is not used as a teaching medium.

The names of schools falling into each of the categories could be provided only at disproportionate cost.

	Category			
	(a)	*(b)*	*(c)*	*Total*
Clwyd	36	33	182	251
Dyfed	110	118	95	323
Gwent	6	—	232	238
Gwynedd	136	53	9	198
Mid Glamorgan	28	5	279	312
Powys	17	6	92	115
South Glamorgan	9	5	142	156
West Glamorgan	16	7	146	169

Dr. Thomas: To ask the Secretary of State for Wales which of the secondary schools in each of the local education authorities in Wales teach five or more of the foundation subjects outlined in the Education Reform Bill at present before Parliament through the medium of the Welsh language.

Mr. Wyn Roberts: Until the national curriculum is implemented it will not be possible to collect information in the form requested. However, on the basis of the statistical returns made by schools in September 1987, the Welsh Office's best estimates are that more than half of the foundation subjects specified in the Education Reform Bill were taught wholly or partly in Welsh in the following secondary schools:

Clwyd
Brynhyfryd School
Ysgol Maes Garmon
Ysgol Glan Clwyd
Ysgol Morgan Llwyd

Dyfed
Ysgol Uwchradd Tregaron
Ysgol Gyfun Maes yr Yrfa
Ysgol y Preselli
Ysgol Bro Myrddin
Ysgol Dyffryn Teifi
Ysgol Penweddig
Ysgol y Strade

Gwynedd
Ysgol Syr Thomas Jones
Ysgol Gyfun Llangefni
Ysgol David Hughes
Ysgol y Gader
Ysgol y Moelwyn
Ysgol y Berwyn
Ysgol Ardudwy
Ysgol Glan y Mor
Ysgol Dyffryn Ogwen
Ysgol Botwnnog
Ysgol Brynrefail
Ysgol Dyffryn Nantlle
Ysgol Uwchradd Bodedern
Ysgol Dyffryn Conwy
Ysgol Tryfan
Ysgol y Creuddyn
Ysgol Syr Hugh Owen

Mid Glamorgan
Ysgol Rhydfelen
Ysgol Llanhari
Ysgol Cwm Rhymni

Powys
Caereinion High School
Llanfyllin High School
Ysgol Bro Ddyfi

South Glamorgan
Ysgol Glantaf

West Glamorgan
Ysgol Gyfun Ystalyfera
Ysgol Gyfun Gwyr

Dr. Thomas: To ask the Secretary of State for Wales if he will list all the institutions of *(a)* higher and *(b)* further education in Wales, showing what funds were allocated at each of these institutions during the academic year 1986/87 specifically for the promotion of teaching through the medium of the Welsh language.

Mr. Wyn Roberts: I refer the hon. Gentleman to the answer I gave to him on Thursday 10 March.

Graham Sutherland Art Gallery

Mr. Nicholas Bennett: To ask the Secretary of State for Wales what representations he has received concerning the funding of the Graham Sutherland art gallery, Picton castle, The Rhos, Haverfordwest, Pembrokeshire; and if he will make a statement.

Mr. Peter Walker: Representations have been received from the owner of Picton castle suggesting that the

National Museum of Wales should assume responsibility for running the Graham Sutherland art gallery. The matter is receiving attention.

National Museum of Wales

Mr. Nicholas Bennett: To ask the Secretary of State for Wales what financial assistance is to be provided to the National Museum of Wales for the financial year 1988-89 by his Department; and if he will make a statement.

Mr. Peter Walker: Subject to the agreement of Parliament, grant-in-aid to the National Museum of Wales in 1988-89 will be £11,354,000.

Loans and Grants

Dr. Marek: To ask the Secretary of State for Wales if he will give the amount received in Wales in the form of the various loans and grants by the European Economic Community for each of the years of the United Kingdom's membership, in the manner of his reply to the hon. Member for Wrexham of 27 March 1987, *Official Report*, column *280*, updated to the latest available date.

Mr. Peter Walker: Further to the reply of 27 March 1987, at columns 279-80, assistance granted to Wales from the European regional development fund in 1987 was £53·9 million (quota). Details of other indentifiable loans and grants to Wales in 1987 are not readily available.

Dr. Marek: To ask the Secretary of State for Wales if he will give the amount received in Clwyd in the form of various loans and grants by the European Economic Community for each of the years of United Kingdom membership, in the manner of his reply to the hon. Member for Wrexham of 9 April 1987, *Official Report*, columns *369-70*, updated to the latest available date.

Mr. Peter Walker: Futher to the reply of 9 April 1987, at columns *369-70*, total European regional development fund granted to Clwyd during the calendar year 1987 was £7·5 million (quota). Details of other EC grants and loans to Clwyd in 1987 are not readily available.

TRADE AND INDUSTRY

British Steel (Advertising)

Mr. Austin Mitchell: To ask the Chancellor of the Duchy of Lancaster whether the cost of the current British Steel advertising campaign *(a)* on television and *(b)* in other media is charged to privatisation publicity costs.

Mr. Atkins: No. The costs of BSC's current advertising campaign are being met entirely by the corporation.

Job Creation

Mr. Alan Williams: To ask the Chancellor of the Duchy of Lancaster how many jobs have been created by inward investment in the north of England, Scotland and Wales in each year since 1978; and how many are in prospect in each of these regions.

Mr. Atkins: The following are Invest in Britain Bureau figures for the numbers of jobs expected to be created or safeguarded, long term, by inward investment projects announced in each year since 1979 (the earliest for which formal records are available) in the areas specified. The figures are based upon information provided by the companies themselves: not every decision is accompanied by an employment estimate.

	North East		*North West*		*Scotland*		*Wales*	
	New Jobs	*Safeguarded Jobs*	*New Jobs*	*Safeguarded Jobs*	*New Jobs*	*Safeguarded Jobs*	*New Jobs*	*Safeguarded Jobs*
1979	1,466	n/a	379	n/a	2,757	n/a	854	n/a
1980	2,923	n/a	913	n/a	4,474	n/a	3,332	n/a
1981	1,021	n/a	1,177	n/a	5,756	n/a	1,986	n/a
1982	539	n/a	1,291	n/a	2,258	n/a	901	n/a
1983	1,066	720	709	1,114	5,135	3,432	2,116	1,913
1984	4,589	230	1,135	1,911	8,761	1,463	3,958	5,015
1985	1,987	1,572	2,271	1,378	4,971	2,922	2,416	1,350
1986	1,581	1,158	1,400	1,389	1,881	607	2,364	2,232
1987 (Provisional)	3,491	852	356	1,946	3,704	2,061	3,954	877

n/a = not available.

Regional Development

Mr. Page: To ask the Chancellor of the Duchy of Lancaster what financial support he is offering to the regional development organisations in England in 1988-89.

Mr. Atkins: I have offered the five English regional development organisations nearly £2·8 million in grant-aid for inward investment promotion programmes for 1988-89, over £280,000 more than in 1987-88. I have allocated the grant-aid as follows:

	Up to £
Northern Development Company (in the north-east)	935,000
Yorkshire and Humberside Development Association	630,000
Inward Ltd. (in the north-east)	450,000
West Midlands Industrial Development Association	400,000
Devon and Cornwall Development Bureau	375,000

I have also offered the Northern Development Company grant-aid of up to £200,000 for its wider activities aimed at the regeneration of the region. (This compares with £180,000 for 1987-88). In addition, given

the NDC's support to the small business sector, a further £30,000 will be offered by my right hon. Friend the Secretary of State for Employment.

Consistent with the thrust of the enterprise initiative, with its strong emphasis on self-help and professionalism, I have been reviewing the Government's future funding policy for the regional development organisations. In future years I shall be looking to the regions' private sector organisations and local authorities to become much more closely involved in both the management and the funding of these bodies.

EMPLOYMENT

Labour Statistics

Mr. Boswell: To ask the Secretary of State for Employment if he will list in rank order the parliamentary constituencies in Great Britain according to their ratio of female to male unemployment at the latest convenient date.

Mr. Lee: The following information is available from the Library. The table shows the numbers of male and female unemployed claimants in each parliamentary constituency in Great Britain ranked according to the ratio of female to male claimants, on 14 January 1988.

	Males	*Females*	*Ratio Females-Males*
Bethnal Green and Stepney	5,811	1,386	0·24
Tyne Bridge	6,543	1,846	0·28
Sunderland North	7,052	2,056	0·29
Cardiff South and Penarth	3,653	1,054	0·29
Glasgow Garscadden	4,321	1,235	0·29
Glasgow Provan	6,022	1,723	0·29
Ashfield	3,489	1,032	0·30
Kingston-upon-Hull East	4,801	1,441	0·30
Barnsley Central	4,142	1,260	0·30
Manchester Central	7,709	2,332	0·30
Salford East	5,436	1,622	0·30
Middlesbrough	7,018	2,083	0·30
Redcar	5,755	1,755	0·30
Blaenau Gwent	3,335	1,015	0·30
Ogmore	2,922	864	0·30
Aberavon	2,729	816	0·30
Glasgow Pollock	5,375	1,617	0·30
Greenock and Port Glasgow	6,310	1,917	0·30
Bow and Poplar	5,168	1,622	0·31
Birmingham Small Heath	6,802	2,116	0·31
Birmingham Sparkbrook	5,998	1,837	0·31
Sheffield Brightside	5,344	1,679	0·31
Manchester Wythenshawe	4,466	1,398	0·31
Birkenhead	6,451	1,971	0·31
Hartlepool	5,969	1,831	0·31
Jarrow	5,035	1,547	0·31
Cardiff West	4,015	1,236	0·31
Glasgow Shettleston	4,807	1,471	0·31
Southwark and Bermondsey	5,026	1,603	0·32
Nottingham North	4,792	1,523	0·32
Great Grimsby	5,061	1,609	0·32
Bootle	7,128	2,294	0·32
Wansbeck	3,753	1,189	0·32
Caerphilly	3,475	1,114	0·32
Swansea East	3,577	1,142	0·32
Glasgow Govan	4,321	1,394	0·32
Glasgow Springburn	6,021	1,922	0·32
Newham South	3,511	1,168	0·33
Walsall North	4,804	1,564	0·33
Sheffield Central	6,966	2,317	0·33
Bradford North	4,856	1,605	0·33
Bradford West	5,458	1,789	0·33
Leeds East	4,819	1,586	0·33
Liverpool Riverside	7,681	2,505	0·33
Liverpool West Derby	6,206	2,078	0·33
Stockton North	5,723	1,865	0·33
Cynon Valley	2,978	996	0·33
Merthyr Tydfil and Rhymney	3,434	1,131	0·33
Rhondda	3,285	1,072	0·33
Swansea West	3,801	1,263	0·33
Barking	2,205	760	0·34
Hammersmith	4,247	1,463	0·34
Wolverhampton North East	5,296	1,799	0·34
Wolverhampton South East	4,311	1,460	0·34
Mansfield	3,758	1,259	0·34
Nottingham South	4,131	1,399	0·34
Kingston-upon-Hull North	5,678	1,911	0·34
Barnsley East	3,726	1,262	0·34
Rotherham	4,387	1,501	0·34
Blackburn	4,585	1,547	0·34
Knowsley North	6,120	2,057	0·34
Easington	4,033	1,359	0·34
Newcastle-upon-Tyne East	4,820	1,659	0·34
South Shields	4,863	1,664	0·34
Clydebank and Milngavie	3,344	1,142	0·34
Glasgow Central	5,403	1,838	0·34
Glasgow Rutherglen	4,517	1,545	0·34
Peckham	5,625	1,954	0·35
Walsall South	4,309	1,504	0·35
Derby South	5,169	1,812	0·35
Nottingham East	6,210	2,148	0·35
Sherwood	3,416	1,196	0·35
Hemsworth	3,786	1,329	0·35
Leeds Central	4,964	1,724	0·35
Manchester Gorton	4,820	1,677	0·35
Liverpool Garston	5,100	1,799	0·35
Liverpool Walton	7,522	2,610	0·35
Langbaurgh	5,031	1,753	0·35
Glasgow Maryhill	5,602	1,952	0·35
Western Isles	1,595	554	0·35
Hackney South and Shoreditch	6,922	2,471	0·36
Lewisham Deptford	5,114	1,865	0·36
Newham North West	3,418	1,234	0·36
Vauxhall	6,408	2,330	0·36
Leicester West	4,041	1,465	0·36
Pontefract and Castleford	4,053	1,455	0·36
Preston	4,636	1,660	0·36
North Durham	4,196	1,494	0·36
Gateshead East	4,386	1,573	0·36
Houghton and Washington	5,309	1,925	0·36
Sunderland South	5,612	2,030	0·36
Pontypridd	2,891	1,049	0·36
Motherwell South	3,505	1,248	0·36
Reading East	1,885	697	0·37
Southampton Test	3,446	1,279	0·37
Norwood	5,026	1,836	0·37
The City of London and Westminster	2,947	1,096	0·37
Birmingham Ladywood	6,042	2,253	0·37
West Bromwich West	4,128	1,527	0·37
Barnsley West and Penistone	3,734	1,393	0·37
Wentworth	4·115	1,531	0·37
Manchester Blackley	4,362	1,596	0·37
Stretford	5,664	2,072	0·37
Knowsley South	5,899	2,171	0·37
St. Helens South	4,775	1,781	0·37
North West Durham	3,641	1,333	0·37
Sedgefield	3,121	1,159	0·37
Newport West	3,285	1,220	0·37
Aberdeen North	3,184	1,183	0·37
Edinburgh Leith	4,839	1,812	0·37
Carrick, Cumnock and Doon Valley	4,637	1,731	0·37
Luton South	3,980	1,497	0·38
Hackney North and Stoke Newington	6,145	2,345	0·38
Lewisham East	2,643	1,014	0·38
Birmingham Erdington	4,897	1,872	0·38

	Males	*Females*	*Ratio Females-Males*
Birmingham Hodge Hill	4,782	1,801	0·38
Birmingham Northfield	5,187	1,987	0·38
Coventry South East	4,069	1,557	0·38
Bolsover	3,552	1,334	0·38
Glanford and Scunthorpe	3,982	1,530	0·38
Don Valley	4,595	1,758	0·38
Doncaster North	5,464	2,094	0·38
Bradford South	3,569	1,373	0·38
Bolton South East	3,940	1,501	0·38
St. Helens North	4,084	1,559	0·38
Wallasey	4,868	1,834	0·38
Blyth Valley	3,356	1,262	0·38
Blaydon	3,201	1,227	0·38
Newcastle-upon-Tyne North	3,980	1,520	0·38
Islwyn	2,348	892	0·38
Edinburgh East	3,230	1,222	0·38
Cunninghame South	4,181	1,577	0·38
Reading West	1,588	618	0·39
Southend East	2,468	967	0·39
Southampton Itchen	3,945	1,538	0·39
Brent East	4,527	1,754	0·39
Brent South	4,107	1,596	0·39
Holborn and St. Pancras	5,558	2,176	0·39
Newham North East	3,495	1,361	0·39
Streatham	3,823	1,472	0·39
Tottenham	6,068	2,393	0·39
Bristol South	4,130	1,606	0·39
Chesterfield	3,844	1,514	0·39
Leicester South	4,052	1,562	0·39
Doncaster Central	5,182	2,023	0·39
Warrington South	3,720	1,462	0·39
Bolton North East	3,306	1,286	0·39
Liverpool Broadgreen	5,663	2,195	0·39
Bishop Auckland	3,999	1,559	0·39
Tynemouth	3,895	1,512	0·39
Wallsend	4,951	1,921	0·39
Glasgow Cathcart	2,853	1,106	0·39
Battersea	3,642	1,440	0·40
Croydon Central	1,820	721	0·40
Islington North	5,662	2,270	0·40
Leyton	3,287	1,317	0·40
Birmingham Edgbaston	3,270	1,318	0·40
Birmingham Perry Barr	4,847	1,947	0·40
West Bromwich East	3,448	1,387	0·40
Derby North	3,351	1,327	0·40
Bassetlaw	3,640	1,472	0·40
Kingston-upon-Hull West	4,681	1,888	0·40
Sheffield Heeley	4,599	1,835	0·40
Blackpool North	3,818	1,536	0·40
Liverpool Mossley Hill	4,875	1,926	0·40
Stockton South	4,651	1,863	0·40
Caernarfon	2,515	1,012	0·40
Cardiff Central	3,788	1,508	0·40
Midlothian	3,041	1,231	0·40
Hamilton	4,184	1,685	0·40
Kilmarnock and Loudoun	3,707	1,480	0·40
Monklands East	4,003	1,602	0·40
Paisley South	3,519	1,416	0·40
Havant	2,889	1,193	0·41
Peterborough	4,584	1,902	0·41
Dulwich	2,822	1,168	0·41
Lewisham West	3,100	1,275	0·41
Stoke-on-Trent Central	3,230	1,331	0·41
Birmingham Hall Green	3,478	1,424	0·41
Coventry North East	5,018	2,077	0·41
Dudley East	4,604	1,883	0·41
Warley East	3,760	1,544	0·41
Morley and Leeds South	2,662	1,081	0·41
Wakefield	3,205	1,317	0·41
Manchester Withington	4,550	1,845	0·41
City of Durham	2,927	1,209	0·41
Darlington	3,775	1,539	0·41
Pembroke	4,411	1,821	0·41
Neath	2,629	1,089	0·41
Aberdeen South	2,587	1,061	0·41
Motherwell North	4,118	1,699	0·41
Dundee East	4,997	2,062	0·41
Portsmouth South	4,338	1,817	0·42
Norwich South	3,543	1,480	0·42
Greenwich	2,774	1 153	0·42
Islington South and Finsbury	4,481	1,869	0·42
Walthamstow	2,337	979	0·42
Bournemouth East	2,909	1,213	0·42
The Wrekin	5,208	2,183	0·42
Warley West	3,214	1,334	0·42
Rother Valley	3,754	1,577	0·42
Sheffield Attercliffe	3,835	1,606	0·42
City of Chester	3,385	1,426	0·42
Halton	4,615	1,954	0·42
Warrington North	3,761	1,597	0·42
Davyhulme	2,502	1,048	0·42
Eccles	3,275	1,389	0·42
Newcastle-upon-Tyne Central	3,646	1,517	0·42
Newport East	2,919	1,231	0·42
Edinburgh South	2,961	1,250	0·42
Paisley North	3,619	1,512	0·42
Brighton Kemptown	2,711	1,176	0·43
Hastings and Rye	2,592	1,113	0·43
Oxford East	2,021	871	0·43
Guildford	922	399	0·43
Cambridge	1,719	736	0·43
Beckenham	1,651	706	0·43
Tooting	3,117	1,331	0·43
Westminster North	4,779	2,052	0·43
Bristol North West	2,752	1,197	0·43
Birmingham Selly Oak	3,752	1,596	0·43
North West Leicestershire	2,362	1,004	0·43
Lincoln	4,253	1,850	0·43
Leeds West	3,417	1,455	0·43
Rochdale	3,779	1,616	0·43
Burnley	3,147	1,368	0·43
West Lancashire	4,085	1,755	0·43
Bridgend	2,268	971	0·43
Dunfermline East	3,194	1,360	0·43
Ayr	3,222	1,400	0·43
Thurrock	3,071	1,352	0·44
Folkestone and Hythe	2,684	1,184	0·44
South West Surrey	696	307	0·44
Chelsea	2,392	1,054	0·44
Ealing Acton	2,749	1,212	0·44
Edmonton	2,347	1,029	0·44
Eltham	1,958	868	0·44
Kensington	2,992	1,314	0·44
Orpington	1,206	536	0·44
Upminster	1,549	683	0·44
Bristol West	3,927	1,721	0·44
Birmingham Yardley	3,021	1,339	0·44
Erewash	2,859	1,266	0·44
Brigg and Cleethorpes	3,899	1,697	0·44
Ellesmere Port and Neston	3,604	1,571	0·44
Oldham Central and Royton	3,595	1,595	0·44
Stockport	2,547	1,128	0·44
Wigan	4,323	1,888	0·44
Worsley	3,499	1,550	0·44
Lancaster	2,031	893	0·44
Berwick-upon-Tweed	2,575	1,138	0·44
Delyn	2,720	1,189	0·44
Llanelli	2,714	1,194	0·44
Cardiff North	1,537	682	0·44
Vale of Glamorgan	3,011	1,333	0·44
Clackmannan	3,027	1,340	0·44
Kirkcaldy	3,296	1,440	0·44
Caithness and Sutherland	1,733	771	0·44
Edinburgh Central	3,551	1,562	0·44
Monklands West	3,202	1,422	0·44
Brentwood and Ongar	1,082	483	0·45
Harwich	2,689	1,207	0·45
Dover	2,379	1,080	0·45
Dagenham	2,101	953	0·45
Enfield North	2,074	930	0·45

	Males	Females	Ratio Females-Males
Ilford South	2,434	1,084	0·45
Mitcham and Morden	1,970	883	0·45
Woolwich	3,626	1,644	0·45
Bournemouth West	2,246	1,015	0·45
Gloucester	2,664	1,201	0·45
Amber Valley	2,453	1,094	0·45
Denton and Reddish	3,301	1,484	0·45
Leigh	3,677	1,656	0·45
Clwyd North West	3,443	1,547	0·45
Wrexham	2,605	1,178	0·45
Ceredigion and Pembroke North	2,674	1,205	0·45
Torfaen	3,090	1,397	0·45
Conwy	2,529	1,147	0·45
Ross, Cromarty and Skye	3,606	1,608	0·45
East Lothian	2,761	1,248	0·45
Clydesdale	3,140	1,424	0·45
Cunninghame North	3,596	1,613	0·45
Dundee West	3,994	1,810	0·45
North Luton	2,356	1,077	0·46
Portsmouth North	2,539	1,171	0·46
South Thanet	2,519	1,168	0·46
Fulham	3,340	1,553	0·46
Hendon South	1,599	732	0·46
Putney	2,133	972	0·46
Bristol East	2,803	1,298	0·46
Exeter	2,696	1,250	0·46
North East Derbyshire	3,269	1,510	0·46
York	3,374	1,559	0·46
Batley and Spen	2,929	1,346	0·46
Falkirk East	3,195	1,473	0·46
Central Fife	3,702	1,721	0·46
Slough	2,323	1,090	0·47
Woking	1,096	513	0·47
Great Yarmouth	4,258	2,005	0·47
Norwich North	2,088	986	0·47
Ealing North	2,089	983	0·47
Hornsey and Wood Green	4,357	2,061	0·47
Wimbledon	1,364	637	0·47
Falmouth and Camborne	3,650	1,700	0·47
Plymouth Devonport	3,217	1,514	0·47
Plymouth Drake	3,755	1,749	0·47
Aldridge-Brownhills	2,345	1,096	0·47
Meriden	4,107	1,945	0·47
Wolverhampton South West	3,719	1,751	0·47
Leicester East	2,967	1,391	0·47
East Lindsey	3,918	1,823	0·47
Elmet	2,093	989	0·47
Leeds North East	2,704	1,264	0·47
Ashton-under-Lyne	2,902	1,372	0·47
Blackpool South	3,887	1,840	0·47
Morecambe and Lunesdale	2,850	1,338	0·47
Wirral West	2,660	1,238	0·47
Ynys Mon	3,013	1,408	0·47
Edinburgh West	1,576	737	0·47
Linlithgow	3,331	1,557	0·47
Oxford West and Abingdon	1,329	636	0·48
Ipswich	2,201	1,055	0·48
Croydon North West	2,169	1,035	0·48
Ealing Southall	3,050	1,466	0·48
Hendon North	1,610	769	0·48
Kingston-upon-Thames	1,167	560	0·48
Stoke-on-Trent North	2,956	1,407	0·48
Northampton North	2,399	1,149	0·48
Halifax	3,274	1,568	0·48
Huddersfield	3,107	1,485	0·48
Heywood and Middleton	3,167	1,520	0·48
Wyre	2,280	1,100	0·48
Carmarthen	2,569	1,225	0·48
Dunfermline West	2,354	1,128	0·48
Banff and Buchan	2,422	1,174	0·48
Edinburgh Pentlands	2,266	1,081	0·48
Livingston	3,119	1,497	0·48
Cumbernauld and Kilsyth	2,783	1,336	0·48
Glasgow Hillhead	3,572	1,722	0·48
North Bedfordshire	2,306	1,141	0·49
Brighton Pavilion	2,613	1,281	0·49
Basildon	3,163	1,563	0·49
Southend West	1,690	828	0·49
Mole Valley	701	341	0·49
Brentford and Isleworth	2,151	1,053	0·49
Chingford	1,389	675	0·49
Chislehurst	1,236	604	0·49
Hampstead and Highgate	3,353	1,651	0·49
Bath	1,957	958	0·49
Coventry North West	2,801	1,381	0·49
South Derbyshire	2,467	1,210	0·49
Leeds North West	2,255	1,110	0·49
Clwyd South West	2,212	1,076	0·49
Gower	1,966	957	0·49
Falkirk West	2,639	1,295	0·49
Hove	2,232	1,126	0·50
New Forest	1,268	636	0·50
Romsey and Waterside	1,845	914	0·50
St. Albans	1,170	584	0·50
North Thanet	3,009	1,490	0·50
Chertsey and Walton	973	491	0·50
Epsom and Ewell	931	470	0·50
Enfield Southgate	1,546	772	0·50
Erith and Crayford	2,089	1,049	0·50
Ilford north	1,408	707	0·50
Romford	1,415	704	0·50
Twickenham	1,121	563	0·50
Wanstead and Woodford	1,110	551	0·50
Cheltenham	2,249	1,121	0·50
Worcester	2,480	1,228	0·50
Newcastle-under-Lyme	2,274	1,148	0·50
Dudley West	3,337	1,681	0·50
Broxtowe	2,098	1,047	0·50
Newark	2,579	1,297	0·50
Dewsbury	2,837	1,417	0·50
Eddisbury	2,517	1,251	0·50
Oldham West	2,492	1,243	0·50
Stalybridge and Hyde	3,253	1,614	0·50
Hyndburn	2,108	1,058	0·50
Crosby	3,132	1,562	0·50
Wirral South	2,287	1,153	0·50
Alyn and Deeside	2,263	1,121	0·50
Tweeddale, Ettrick and Lauderdale	1,046	525	0·50
Inverness, Nairn and Lochaber	4,200	2,093	0·50
Renfrew West and Inverclyde	2,365	1,188	0·50
Strathkelvin and Bearsden	2,172	1,089	0·50
Basingstoke	1,269	643	0·51
South West Hertfordshire	1,057	540	0·51
Canterbury	2,114	1,070	0·51
Esher	661	338	0·51
Croydon North East	1,999	1,018	0·51
Nuneaton	2,755	1,409	0·51
Coventry South West	2,475	1,273	0·51
Halesowen and Stourbridge	2,661	1,349	0·51
Scarborough	3,097	1,584	0·51
Keighley	2,235	1,131	0·51
Normanton	2,226	1,140	0·51
Altringham and Sale	1,694	858	0·51
Boton West	2,801	1,439	0·51
Bury North	2,294	1,171	0·51
Makerfield	3,584	1,834	0·51
Southport	2,756	1,415	0·51
Copeland	2,185	1,116	0·51
Perth and Kinross	2,415	1,227	0·51
Milton Keynes	3,121	1,617	0·52
Wycombe	1,345	699	0·52
Medway	2,236	1,162	0·52
Waveney	3,406	1,758	0·52
Brent North	1,845	954	0·52
Carshalton and Wallington	1,358	708	0·52
Uxbridge	1,282	665	0·52
Burton	2,700	1,411	0·52
Stoke-on-Trent South	2,519	1,321	0·52

	Males	*Females*	*Ratio Females-Males*
Gainsborough and Horncastle	2,385	1,233	0·52
Fylde	1,648	861	0·52
Roxburgh and Berwickshire	1,242	647	0·52
Eastbourne	1,755	930	0·53
Winchester	991	524	0·53
Henley	715	377	0·53
East Surrey	694	369	0·53
Reigate	817	437	0·53
Torbay	3,707	1,964	0·53
Christchurch	1,156	608	0·53
Poole	1,982	1,050	0·53
Holland with Boston	2,163	1,138	0·53
Gedling	2,185	1,153	0·53
Rushcliffe	1,949	1,031	0·53
Sheffield Hillsborough	3,339	1,770	0·53
Crewe and Nantwich	2,558	1,368	0·53
Stirling	2,444	1,301	0·53
Kincardine and Deeside	1,686	890	0·53
Eastwood	1,970	1,038	0·53
Buckingham	1,151	623	0·54
Broxbourne	1,476	793	0·54
Watford	1,576	844	0·54
Tunbridge Wells	973	527	0·54
Wantage	812	435	0·54
North Norfolk	1,881	1,008	0·54
North West Norfolk	2,517	1,361	0·54
Croydon South	857	466	0·54
Hornchurch	1,381	749	0·54
St. Ives	3,598	1,933	0·54
Swindon	3,203	1,737	0·54
Leominster	1,661	890	0·54
Cannock and Burntwood	2,822	1,524	0·54
South East Staffordshire	3,025	1,631	0·54
Northampton South	2,009	1,083	0·54
Bury South	2,305	1,244	0·54
Carlisle	2,380	1,295	0·54
Workington	2,351	1,271	0·54
Castle Point	1,605	887	0·55
Hertsmere	1,240	677	0·55
Welwyn Hatfield	1,265	695	0·55
Dartford	1,655	917	0·55
Gravesham	2,466	1,363	0·55
Maidstone	1,448	790	0·55
Arundel	1,461	805	0·55
North East Cambridgeshire	2,235	1,221	0·55
Harrow East	1,907	1,042	0·55
Harrow West	1,355	751	0·55
Weston-super-Mare	2,459	1,349	0·55
South Staffordshire	2,812	1,535	0·55
Bridlington	2,861	1,587	0·55
Harrogate	1,576	874	0·55
Sheffield Hallam	2,642	1,442	0·55
Shipley	1,754	967	0·55
Pendle	2,195	1,218	0·55
Monmouth	1,759	960	0·55
Dumbarton	3,571	1,972	0·55
Windsor and Maidenhead	1,115	623	0·56
Harlow	1,931	1,087	0·56
Eastleigh	2,065	1,162	0·56
Sevenoaks	1,008	565	0·56
Chichester	1,159	649	0·56
Chipping Barnet	1,071	603	0·56
Feltham and Heston	2,329	1,313	0·56
Finchley	1,472	829	0·56
Hayes and Harlington	1,363	766	0·56
Taunton	1,852	1,041	0·56
Bromsgrove	2,161	1,212	0·56
South Worcestershire	1,711	954	0·56
Shrewsbury and Atcham	2,169	1,207	0·56
North Warwickshire	2,784	1,547	0·56
Loughborough	1,700	945	0·56
Rossendale and Darwen	2,252	1,260	0·56
Galloway and Upper Nithsdale	2,461	1,370	0·56
Orkney and Shetland	1,054	592	0·56
Bexhill and Battle	932	528	0·57
Epping Forest	1,361	770	0·57
Hertford and Stortford	910	520	0·57
Stevenage	1,853	1,064	0·57
Shoreham	1,027	581	0·57
Worthing	1,258	717	0·57
Ravensbourne	988	567	0·57
Sutton and Cheam	967	554	0·57
Kingswood	2,023	1,158	0·57
Truro	2,771	1,592	0·57
Honiton	1,818	1,038	0·57
Stafford	2,087	1,190	0·57
Wellingborough	1,798	1,030	0·57
Booth Ferry	2,594	1,472	0·57
Colne Valley	2,060	1,174	0·57
East Kilbride	2,861	1,627	0·57
Beaconsfield	752	437	0·58
North West Hampshire	975	569	0·58
North Hertfordshire	1,489	867	0·58
Torridge and West Devon	2,342	1,357	0·58
Grantham	2,382	1,380	0·58
Tatton	1,868	1,082	0·58
Meirionnydd nant Conwy	1,282	741	0·58
Brecon and Radnor	1,374	793	0·58
Dumfries	2,335	1,350	0·58
North Tayside	1,844	1,071	0·58
Newbury	916	543	0·59
Isle of Wight	4,101	2,422	0·59
West Hertfordshire	1,460	856	0·59
Faversham	2,664	1,582	0·59
Old Bexley and Sidcup	894	530	0·59
Richmond-upon-Thames and Barnes	1,202	711	0·59
Surbiton	644	379	0·59
South Hams	2,463	1,462	0·59
Teignbridge	2,065	1,223	0·59
Bridgwater	2,200	1,290	0·59
Hazel Grove	1,736	1,020	0·59
Chorley	2,247	1,332	0·59
Angus East	2,499	1,462	0·59
South West Bedfordshire	1,687	1,005	0·60
Ashford	1,629	975	0·60
Mid Kent	1,989	1,186	0·60
Central Suffolk	1,449	874	0·60
Bexley Heath	1,113	673	0·60
Hereford	2,072	1,246	0·60
North Shropshire	2,131	1,269	0·60
Warwick and Leamington	2,185	1,311	0·60
Pudsey	1,563	933	0·60
Barrow and Furness	2,446	1,478	0·60
East Berkshire	1,392	850	0·61
Tonbridge and Malling	1,180	714	0·61
Ruislip—Northwood	725	441	0·61
South East Cornwall	2,288	1,401	0·61
North Devon	2,314	1,418	0·61
Plymouth Sutton	2,130	1,308	0·61
Mid Worcestershire	2,761	1,697	0·61
Bosworth	1,621	991	0·61
Corby	2,265	1,385	0·61
Kettering	1,435	882	0·61
Beverley	1,792	1,086	0·61
Billericay	1,645	1,026	0·62
Gillingham	2,072	1,275	0·62
Banbury	1,348	842	0·62
South Dorset	2,163	1,333	0·62
West Dorset	1,030	636	0·62
Ludlow	1,790	1,107	0·62
West Derbyshire	1,549	955	0·62
Calder Valley	2,111	1,308	0·62
South Ribble	2,127	1,309	0·62
Montgomery	1,114	695	0·62
Argyll and Bute	2,418	1,500	0·62
Chesham and Amersham	643	407	0·63
Chelmsford	1,422	902	0·63
North Colchester	1,895	1,193	0·63
North West Surrey	918	582	0·63

	Males	*Females*	*Ratio Females-Males*
Crawley	1,089	689	0·63
South West Norfolk	1,894	1,188	0·63
Sutton Coldfield	1,849	1,157	0·63
North East Fife	1,515	956	0·63
Gordon	1,704	1,082	0·63
Rochford	1,185	755	0·64
Horsham	754	484	0·64
Mid Sussex	801	509	0·64
Suffolk Coastal	1,255	808	0·64
Cirencester and Tewkesbury	1,319	845	0·64
West Gloucestershire	2,081	1,325	0·64
Mid Staffordshire	2,155	1,374	0·64
High Peak	2,024	1,300	0·64
Macclesfield	1,576	1,007	0·64
Littleborough and Saddleworth	1,875	1,201	0·64
Fareham	1,636	1,065	0·65
Mid Norfolk	1,489	973	0·65
Tiverton	1,412	918	0·65
Wells	1,503	970	0·65
Wyre Forest	2,303	1,507	0·65
Rydale	1,562	1,010	0·65
East Hampshire	1,083	718	0·66
Moray	2,377	1,558	0·66
Saffron Walden	920	612	0·67
Gosport	1,815	1,219	0·67
Spelthorne	926	618	0·67
North Cornwall	3,114	2,082	0·67
North Dorset	983	656	0·67
Selby	1,820	1,221	0·67
Hexham	1,229	823	0·67
Aylesbury	1,050	716	0·68
Lewes	1,141	773	0·68
Braintree	1,328	908	0·68
South Colchester and Maldon	1,787	1,210	0·68
Witney	899	612	0·68
South Norfolk	1,362	928	0·68
Yeovil	1,474	998	0·68
Cheadle	1,228	838	0·68
Westmorland and Lonsdale	1,325	905	0·68
Stroud	1,652	1,147	0·69
Devizes	1,560	1,072	0·69
Salisbury	1,410	976	0·69
Stratford-on-Avon	1,496	1,027	0·69
Richmond	1,951	1,345	0·69
Wokingham	802	561	0·70
Wealden	754	529	0·70
Blaby	1,263	887	0·70
Skipton and Ripon	1,257	876	0·70
South Suffolk	1,435	1,013	0·71
North Wiltshire	1,569	1,115	0·71
Rugby and Kenilworth	1,922	1,370	0·71
Wansdyke	1,349	973	0·72
Staffordshire Moorlands	1,615	1,183	0·73
Solihull	1,702	1,239	0·73
Aldershot	1,211	895	0·74
South West Cambridgeshire	1,058	793	0·75
Woodspring	1,337	1,000	0·75
Ribble Valley	944	708	0·75
Somerton and Frome	1,244	950	0·76
Harborough	1,017	772	0·76
Congleton	1,263	957	0·76
Penrith and the Borders	1,633	1,235	0·76
Rutland and Melton	1,354	1,038	0·77
South East Cambridgeshire	741	577	0·78
Northavon	1,531	1,195	0·78
Westbury	1,631	1,269	0·78
Mid Bedfordshire	1,232	971	0·79
Huntingdon	1,438	1,138	0·79
Bury St. Edmunds	1,250	992	0·79
Stamford and Spalding	1,486	1,175	0·79
Daventry	1,111	1,014	0·91

Mr. Allen McKay: To ask the Secretary of State for Employment if he will give for each year from 1979 to date the numbers unemployed, by categories for *(a)* the United Kingdom, as a whole, *(b)* Yorkshire and Humberside, *(c)* Barnsley metropolitan council area and *(d)* Barnsley West and Penistone constituency.

Mr. Lee *[holding answer 22 January]:* I am sending the hon. Member a computer printout showing the numbers of unemployed claimants analysed by sex, age and duration of employment in each of the areas requested and Great Britain at January of each year from 1984 to 1988, the numbers of unemployed claimants in Yorkshire and Humberside and Great Britain at January 1983, and the numbers of unemployed registrants in Yorkshire and Humberside and Great Britain at January of each year from 1979 to 1982. Figures for the United Kingdom are not available as comparable figures for Northern Ireland are not available over the time period requested. Unemployment figures for constituencies and local authority areas are derived from the ward-based system and are available only from June 1983. The information is also available in the Library.

Retail Price Index Items (International Comparisons)

Mr. Higgins: To ask the Secretary of State for Employment what information he has as to the 10 most important items in the retail price index of each European Economic Community country and the percentage of consumers' expenditure on each of them.

Mr. Lee: Comparative information is not available from national price indices but the statistical office of the European Communities has compiled the following figures on the basis of budget surveys dating from around 1979. Like all international comparisons of consumers' expenditure they should be treated with caution as it is difficult to obtain data for different countries on a consistent basis.

Percentages of consumers' expenditure

	Germany	*France*	*Italy*	*United Kingdom*	*Nether-lands*	*Belgium*	*Ireland*	*Denmark*	*Spain*
	per cent.	*per cent.*	*per cent.*	*per cent.*	*per cent.*	*per cent.*	*per cent.*	*per cent.*	*per cent.*
Bread and cereals	—	—	4·1	—	2·7	2·9	3·8	—	3·3
Meat	4·9	8·4	10·9	5·6	4·6	6·4	8·2	4·3	8·8
Milk, cheese and eggs	—	—	4·6	3·0	—	—	3·5	2·5	4·4
Fresh vegetables[1]	—	3·7	4·6	—	2·9	—	2·7	—	4·6
Alcoholic drink[2]	—	—	—	4·6	—	—	—	2·4	—
Clothing	6·7	6·8	8·5	6·3	6·7	6·3	6·3	4·3	6·4
Rent	6·3	6·7	3·2	3·7	6·2	4·0	—	4·6	—

	Germany	France	Italy	United Kingdom	Nether-lands	Belgium	Ireland	Denmark	Spain
	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.	per cent.
Electricity	3·0	—	—	—	—	—	—	2·3	—
Furniture and furnishings	3·7	3·2	—	—	3·9	—	—	—	—
Medical care and health	4·6	5·6	—	—	9·0	3·2	—	—	2·4
Motor vehicle purchase	5·7	5·5	3·7	3·8	3·9	3·5	4·7	—	3·3
Car spares and repairs	—	—	—	—	—	—	—	2·5	—
Motor fuel and oil	—	4·8	5·5	3·2	—	2·9	5·2	3·5	4·1
Recreational goods	3·9	3·4	3·0	3·7	5·0	3·0	—	3·6	2·2
Recreational services[3]	—	—	—	—	—	—	3·5	—	—
Restaurants and cafes	4·4	3·7	4·6	3·3	3·2	3·7	6·9	—	5·7
Insurance premiums	7·3	—	—	6·3	—	3·2	4·0	4·8	—

[1] Excluding potatoes.
[2] Such expenditure is generally under-recorded in budget surveys.
[3] Excluding hotels, restaurants and cafes.
Source: Eurostat: Family budgets—comparative tables (2 volumes, 1985 and 1986).

TRANSPORT

Motorways (Surface Water)

Mr. Pike: To ask the Secretary of State for Transport whether his Department has recently assessed the effect of surface water on motorways; and if he has any proposals to improve motorway water drainage.

Mr. Peter Bottomley: Yes. The Department has recently assessed the effect of surface water on motorways. We are content that the present systems for dealing with it are generally effective. Improved methods of drainage are one of the many aspects of motorways that the Department keeps under constant review. If the hon. Member has information about a particular problem perhaps he would write to me.

Motorways (Pollution)

Mr. Boswell: To ask the Secretary of State for Transport what evidence he has of the extent of airborne pollution from motorways and of what contribution this makes towards the build-up of toxic heavy metals in the soil; and what action he proposes to take to ameliorate the position.

Mr. Peter Bottomley: The Department has collected evidence of the levels of airborne pollution at sites on the M4, M11, M25 and M40 motorways and continues to monitor levels at a site on the M4.

A report prepared in 1974 by the Transport and Road Research Laboratory, "Measurements of Particulate Lead on the M4 Motorway at Harlington", found that lead from vehicle emissions did not significantly affect the composition of the soil at distances in excess of 15 m from the edge of the road. This finding has recently been confirmed by other workers in the field. A copy of this report has been deposited in the Library.

We are beginning to see the beneficial effects of the phased reductions of over 60 per cent. in recent years of the permitted lead content of fuel. The Government have already announced that the vast majority of new cars produced in the United Kingdom after 1990 must be capable of running on lead-free fuel. We expect this action to result in a further substantial reduction of air pollution from vehicles.

M11 (Service Station)

Mr. Cox: To ask the Secretary of State for Transport what plans there are to build a service station on the M11 motorway; and if he will make a statement.

Mr. Peter Bottomley: The Department has outline planning clearance for a motorway service area at the M11/A120 junction at Birchanger, near Stansted.

A public inquiry is to be held in May into the acquisition of land, local road diversions and improvements. The inquiry will also consider an appeal covering a private proposal for a service station at the same junction.

Second Severn Crossing

Mr. Butler: To ask the Secretary of State for Transport when, pursuant to his answer of 7 March, he expects to make a decision or whether forecast traffic growth warrants the construction of the second Severn bridge; and, if he will make a statement.

Mr. Peter Bottomley: My right hon. Friend announced on 21 October 1987 that we had commissioned consultants to undertake detailed engineering and environmental surveys along the recommended route, and to assist in the investigation of the funding, contracting and procedural options. As part of that work the traffic forecasts used in the previous study will be reviewed and revised to take account of the higher traffic levels actually experienced since they were prepared. Their effect on the economic benefits will also be reassessed. When that has been done I hope we shall be able to decide on the timing of its construction.

AGRICULTURE, FISHERIES AND FOOD

"Radioactive Britain" (TV Programme)

Dr. Thomas: To ask the Minister of Agriculture, Fisheries and Food if he will seek to obtain for his departmental library a copy of the transcript of the Channel 4 Dispatches programme, "Radioactive Britain", broadcast on 4 March.

Mr. Donald Thompson: No, but my officials are aware of the contents of this programme.

Sheep (Radioactivity)

Dr. David Clark: To ask the Minister of Agriculture, Fisheries and Food whether restrictions on the movement

and slaughter of sheep were placed on any farms at Charlesworth, near Glossop after the Chernobyl accident; and if he will make a statement.

Mr. Donald Thompson *[holding answer 10 March 1988]*: No.

SCOTLAND

Homeless People (Mortgage Default)

Mr. McTaggart: To ask the Secretary of State for Scotland what is his estimate of the number of people who are homeless in Scotland as a result of mortgage default; and what was this figure in 1983.

Lord James Douglas-Hamilton: The number of people homeless as a result of mortgage default is not held centrally. The number of applicant households, considered by local authorities to be homeless, who quoted a court order for mortgage default as the reason for their application so far recorded for 1986-87 is about 300. This category was not separately identified prior to March 1984.

Blood

Mr. Worthington: To ask the Secretary of State for Scotland what estimate he has of the percentage of blood donated in the west of Scotland which will be going to private patients in five years' time.

Mr. Michael Forsyth: It is too soon to produce accurate estimates of the amount of blood which will be made available to the private sector in five years time, from whatever part of Scotland it is donated.

Mr. Worthington: To ask the Secretary of State for Scotland if he has any proposals to privatise the blood transfusion service; and if he will make a statement.

Mr. Michael Forsyth: My right hon. and learned Friend has no proposals to privatise the Scottish national blood transfusion service.

Technical Education

Mr. Hood: To ask the Secretary of State for Scotland what steps he is taking to improve the technical curriculum of secondary schools in Scotland and, in particular the techniques and technology of graphics communication.

Mr. Michael Forsyth: A standard grade course in craft and design has been introduced and standard grade technological studies will be available from autumn 1988. Both courses embody a modern approach to design and technology.

The consultative committee on the curriculum is also reviewing the technological activities area of the curriculum, and the need for further courses in graphical communication.

Mr. Hood: To ask the Secretary of State for Scotland what are the specific terms of reference for the review of technical education in secondary schools in Scotland.

Mr. Michael Forsyth: The purpose of the review is to consider subjects, in particular technical drawing and engineering, for which there are currently ordinary grade examinations but for which there is no provision at present in the standard grade development programme; and, in view of the relationship of these subjects to standard grade craft and design and standard grade technological studies, to make recommendations about further courses which might be needed to meet modern requirements.

Grant Thornton

Mr. Darling: To ask the Secretary of State for Scotland (1) whether tenders were invited for the supply of services now provided by Messrs. Grant Thornton to the health services unit in the Common Services Agency headed by Dr. David Steel;

(2) what steps he took to satisfy himself that Grant Thornton does not act as adviser to any person or organisation concerned in the provision or promotion of private health care or services to any part of the National Health Service in the United Kingdom;

(3) what services are provided by Grant Thornton to the health service unit of the Common Services Agency headed by Dr. David Steel; when it was engaged and on whose authority; and what is the amount of its fees rendered to date.

Mr. Michael Forsyth: My right hon. and learned Friend was not involved in the appointment of Grant Thornton by health boards jointly.

Technical and Vocational Education Initiative

Mr. McTaggart: To ask the Secretary of State for Scotland what plans he has to expand technical and vocational education initiative centres in secondary schools.

Mr. Michael Forsyth: The extension of the technical and vocational education initiative to all secondary schools and further education colleges is now under way, with Dumfries and Galloway already participating, and Lothian, Borders, Fife and the Renfrew division of Strathclyde having received MSC approval to do so from autumn 1988. Preparatory projects will also start in Orkney and Shetland on that date, with the result that every education authority in Scotland will then be participating in TVEI either at pilot, preparatory or extension stage.

Scottish Bus Group

Mr. Salmond: To ask the Secretary of State for Scotland what time scale he has given his merchant bank advisors to report on the privatisation of the Scottish Bus Group; and if he will make a statement.

Mr. Rifkind: I have asked Quayle Munro Ltd. to provide me with advice by mid-April on the full range of options for privatisation of the Scottish Bus Group. Once I have that advice I will be able to decide upon the best form of privatisation and what legislative provisions will be required.

Caesarian Section Deliveries

Mr. Darling: To ask the Secretary of State for Scotland (1) how many babies were delivered by caesarian section on a Friday in each health board area in each of the last 10 years;

(2) how many babies were delivered by caesarian section in each health board area in each of the last 10 years.

Mr. Michael Forsyth *[holding answer 8 March 1988]*: The number of caesarian sections from 1976 to 1985 (the latest year for which information is held centrally) is given in the following table:

Number of Caesarian sections performed

	1976		1977		1978		1979		1980	
Health board	*FRI*	*Total*	*FRI*	*Total*	*FRI*	*Total*	*FRI*	*Total*	*FRI*	*Total*
Argyll and Clyde	38	228	41	243	43	289	43	306	45	341
Ayrshire and Arran	45	239	31	190	33	220	43	253	58	295
Borders	—	—	—	—	—	—	—	—	—	—
Dumfries and Galloway	8	38	4	47	7	69	18	76	12	72
Fife	17	102	8	97	17	142	16	129	26	156
Forth Valley	38	205	34	178	49	166	74	236	48	185
Grampian	26	202	23	148	43	223	52	250	54	291
Greater Glasgow	142	768	118	632	127	790	154	923	175	941
Highland	20	113	24	108	23	129	30	108	30	141
Lanarkshire	26	216	47	216	57	343	74	419	103	442
Lothian	92	442	92	399	102	522	111	569	88	570
Orkney	—	3	1	4	1	5	—	5	—	4
Shetland	1	8	1	9	—	4	—	6	—	5
Tayside	35	203	40	211	60	269	51	293	53	293
Western Isles	3	13	1	8	3	22	3	9	3	15
Scotland	491	2,780	465	2,490	565	3,193	669	3,582	695	3,751

	1981		1982		1983		1984		1985	
Health board	*FRI*	*Total*	*FRI*	*Total*	*FRI*	*Total*	*FRI*	*Total*	*FRI*	*Total*
Argyll and Clyde	49	410	64	455	48	372	47	395	57	343
Ayrshire and Arran	57	276	53	307	52	371	46	351	41	350
Borders	—	1	—	—	—	—	1	2	—	—
Dumfries and Galloway	14	82	23	79	15	68	13	81	29	109
Fife	15	138	27	147	22	152	28	142	24	157
Forth Valley	46	202	56	220	45	172	52	173	51	192
Grampian	59	309	32	189	46	309	47	338	60	340
Greater Glasgow	186	1,047	178	1,013	204	1,094	193	1,120	216	1,137
Highland	26	123	25	132	17	133	41	162	22	176
Lanarkshire	97	443	88	441	95	470	83	408	66	411
Lothian	69	594	86	576	67	528	82	608	88	670
Orkney	2	7	3	10	8	15	2	9	3	8
Shetland	1	6	—	8	1	3	—	5	2	2
Tayside	57	344	45	295	38	299	42	321	29	320
Western Isles	5	22	3	20	8	19	—	21	4	25
Scotland	683	4,004	683	3,892	676	4,005	677	4,136	692	4,240

Attraction of Industry

Mr. McLeish: To ask the Secretary of State for Scotland if he will list the overseas firms attracted to Scotland by his Department or agencies responsible to his Department in each of the last 10 years, the number of jobs created and the country of origin of each application.

Mr. Lang *[holding answer 10 March 1988]*: Comprehensive information in the form requested is not available. However, information on the numbers of offers of regional selective assistance (RSA) made in Scotland to overseas-owned firms since 1978 grouped by country of ownership, together with associated jobs is as set out. This table excludes those overseas-owned firms attracted to Scotland by, for example, Locate in Scotland which did not receive offers of RSA.

Year of initial offer	*Number of RSA offers made*		*Associated new and safeguarded jobs*	
	USA	*Rest of World*	*USA*	*Rest of world*
1978	17	7	3,490	520
1979	16	16	6,310	1,370
1980	24	16	5,000	1,700
1981	21	10	8,200	630
1982	25	18	2,990	1,930
1983	37	12	7,940	2,050
1984	37	19	7,130	1,930

Year of initial offer	Number of RSA offers made		Associated new and safeguarded jobs	
	USA	Rest of World	USA	Rest of world
1985	27	10	6,730	2,240
1986	15	6	4,050	420
1987	11	8	2,800	3,110

Note: A firm is defined to be overseas-owned where more than 50 per cent. of its share capital is overseas-owned. Some overseas-owned firms will already have plant(s) in Scotland when receiving an offer of RSA.

Regional Aid

Mr. McLeish: To ask the Secretary for State of Scotland if he will give the total amount of money spent in Scotland on regional development grants and regional selective assistance to indigenous firms and inward investing firms for each of the last 10 years.

Mr. Lang *[holding answer 10 March 1988]*: The information requested on regional development grants is not available. Expenditure since 1978 on regional selective assistance to indigenous firms and overseas-owned firms is set out by calendar year.

	Indigenous Firms (£ million)	Overseas-owned Firms (£ million)
1978	9·0	5·3
1979	8·9	4·7
1980	10·6	9·4
1981	13·2	8·2
1982	10·2	9·4
1983	15·2	9·3
1984	13·1	14·7
1985	18·5	22·6
1986	17·6	20·0
1987	17·9	19·1

Mr. McLeish: To ask the Secretary of State for Scotland how many applications for regional selective assistance were made in Scotland in each year from 1979-80 to 1986-87; how many were successful; and how many applications are forecast for 1987-88, 1988-89, 1989-90, and 1990-91.

Mr. Lang *[holding answer 10 March 1988]*: Information on applications for regional selective assistance (RSA) for the years 1979-80 to 1987-88 (to end February 1988) is as set out.

The number of applications of RSA in future years will depend on the number and quality of projects put forward by firms. It is not possible to provide a forecast for future years with any degree of confidence. But the number is expected to increase following the termination of the revised regional development grant scheme, and additional provision has been set aside in my right hon. and learned Friend's industry, energy, trade and employment programme to allow for this.

	Number of applications	[1] Number of successful applications
1979-80	324	273
1980-81	103	88
1981-82	197	162
1982-83	291	242
1983-84	291	231
1984-85	282	211
1985-86	154	121
1986-87	179	155
1987-88[2]	214	170

[1] Successful applications are defined to be those which resulted in an offer.

[2] Includes applications and offers linked to these applications in the period 1 April 1987 to 29 February 1988. The number of associated offers for this period undercounts the final total because of applications still being processed.

Mr. McLeish: To ask the Secretary of State for Scotland how many applications for regional development grant were made in Scotland in each year from 1979-80 to 1986-7; how many were successful; and how many applications are forecast for 1987-88, 1988-89, 1989-90 and 1990-91.

Mr. Lang *[holding answer 10 March 1988]*: Information for the period 1979-80 to 1983-84 is not available. Figures of claims under the old regional development grant (RDG) scheme and of applications under the revised RDG scheme in the years 1984-85 to 1987-88 (to end February 1988) are set out in the table.

Claims under the old RDG scheme continued to be made up to December 1987 against assets provided before 29 November 1985 and will continue into 1988-89 for a small number of projects in respect of assets provided as part of a project on which an associated offer of regional selective assistance was made before 29 November 1984. The revised RDG scheme is shortly to be terminated. No new applications will be accepted after 31 March 1988.

	Old RDG Scheme Number of claims	Revised RDG scheme Number of applications	Revised RDG scheme Number of successful applications[1]
1984-85	7,863	157	121
1985-86	7,776	2,371	1,925
1986-87	2,229	4,102	3,320
1987-88[2]	400	4,467	2,244

[1] Successful applications are defined to be those which resulted in an approval.

[2] Includes claims, applications and approvals up to 29 February 1988. The number of approvals in this period undercounts the final total because of applications still being processed.

PULSE

Mr. McLeish: To ask the Secretary of State for Scotland if he or any of his minsterial colleagues or officials have met representatives of the privatisation company PULSE; and if he will make a statement.

Mr. Rifkind *[holding answer 7 March 1988]:* Neither I nor any of my ministerial colleagues or officials have had any official meetings with representatives of PULSE.

Departmental Programmes (Costs)

Mr. McLeish: To ask the Secretary of State for Scotland if he will estimate the expenditure on his industry, energy, training and employment programmes for each of the last 10 years.

Mr. Lang *[holding answer 10 March 1988]:* Gross expenditure on the items now forming part of my right hon. and learned Friend's industry, energy, trade and employment programme for the last 10 years is as follows:

	£ million
1977-78	187·0
1978-79	209·8
1979-80	191·6
1980-81	260·6
1981-82	295·9
1982-83	474·9
1983-84	339·3
1984-85	319·5
1985-86	341·8
1986-87	393·9

The figures include throughout expenditure on items, particularly regional development grant, which are now the responsibility of my right hon. and learned Friend, but have not been for all of the period.

Business Investment Grant Scheme

Mr. McLeish: To ask the Secretary of State for Scotland if he will estimate the amount of expenditure on the business investment grant scheme to be paid out in Scotland for each of the years 1988-89, 1989-90 and 1990-91.

Mr. Lang *[holding answer 10 March 1988]:* Responsibility for the new grants scheme for investment projects for small firms located within development areas in Scotland lies with the Industry Department for Scotland under section 8 of the Industrial Development Act 1982. Expenditure on the new grant will depend on demand from companies with suitable projects. But present expectation is that regional selective assistance (RSA) and related schemes, including the new investment grant, will account for some £60 million, £60 million and £80 million in 1988-89, 1989-90 and 1990-91, respectively.

FOREIGN AND COMMONWEALTH AFFAIRS

Kampuchea

Mrs. Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what information he has about the role of the Pol Pot faction of the Khmer Rouge in the Coalition Government of Democratic Kampuchea;

(2) what information he has about the contribution of the Pol Pot faction of the Khmer Rouge to the military force available to the Coalition Government of Democratic Kampuchea.

Mr. Eggar: The Khmer Rouge has the strongest military forces of the three constituent groups of the Coalition Government of Democratic Kampuchea. Its forces operate independently from those of the other two groups.

Mrs. Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he has as to which portfolios within the Coalition Government of Democratic Kampuchea are held by the Pol Pot faction of the Khmer Rouge.

Mr. Eggar: The Coalition Government of Democratic Kampuchea (CGDK) has a Cabinet comprising one leader from each of its three constituent groups, of which the Khmer Rouge is one. No distinction is made between different Khmer Rouge factions. The CGDK is administered by four co-ordinating committees, responsible for national defence, economy and finance, culture and education and public health and social affairs. Each constituent group provides one representative to each of these committees. However, the declaration issued when the CGDK was formed states that each constituent group should maintain an independent organisational structure and political identity, and retain freedom of action.

Mrs. Clwyd: To ask the Secretary of State for Foreign and Commonwealth Affairs on what occasions in the last five years he has met Prince Sihanouk or his representatives, Son Sann or his representatives, or representatives of the Khmer Rouge faction of the Coalition Government of Democratic Kampuchea what matters were discussed; and if he will make a statement.

Mr. Eggar: My right hon. and learned Friend has met Son Sann, in his capacity as President of the Khmer People's National Liberation Front (KPNLF), on three occasions in the last five years, most recently in November 1986. He has not met Prince Sihanouk, but officials maintain contact with the prince's representatives and those of Son Sann. The main purpose of such meetings is to discuss the prospects for reaching a peaceful settlement in Cambodia. We have no dealings with the Khmer Rouge.

Iraq

Mr. John Marshall: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations have been made to the Iraqi authorities about their brutality towards Kurds; and if he will make a statement.

Mr. Mellor: We regret the denial of basic human rights in Iraq, and the harsh treatment meted out to the Kurds causes particular concern. We take every opportunity to express our concern to the Iraqis about abuses of human rights in their country, and did so most recently during my visit to Iraq from 23 to 26 February.

Gibraltar Shooting

Mr. Soley: To ask the Secretary of State for Foreign and Commonwealth Affairs how many bullets were fired at the three Irish Republican Army terrorists killed in Gibraltar on Sunday 6 March; what were the points of entry into the bodies; and at what range the shots were fired in each case.

Mr. Mellor: A coroner's inquest will be held on those killed. It would not be appropriate for me to comment further.

Mr. Skinner: To ask the Secretary of State for Foreign and Commonwealth Affairs whether he intends to hold an inquiry into the shooting incident in Gibraltar on 6 March.

Mr. Mellor: No. An inquest will be held by the Gibraltar coroner. In accordance with local law, this will be held with a jury.

UN Session on Disarmament

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy to make support funding available to non-governmental organisations to attend the United Nation's third special session on disarmament 31 May to 25 June, in New York.

Mr. Mellor: We have not provided funding for this purpose at previous special sessions and do not intend to change our policy on this occasion. We do, however, hope that as many non-governmental organisations as possible will be able to attend the special session as they have a significant role to play. In recognition of this we have appointed Mr. David Summerhayes, the FCO disarmament adviser, to act as liaison officer between our delegation and those non-governmental organisations attending the special session.

Arms Control and Disarmament

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will publish in the *Official Report* the texts of the three resolutions on arms control and disarmament tabled by the United Kingdom at the 42nd session of the United Nations General Assembly.

Mr. Mellor: The texts as adopted by the General Assembly of the three resolutions on arms control and disarmament tabled by the United Kingdom at the 42nd session of the United Nations General Assembly are as follows:

Bilateral nuclear-arms negotiations

The General Assembly,

Recalling that at their meeting at Geneva in November 1985 the leaders of the United States of America and the Union of Soviet Socialist Republics committed themselves to the objective of working out effective agreements aimed at preventing an arms race in space and terminating it on Earth,

Noting that in their joint statement of 8 January 1985 the Government of the United States of America and the Government of the Union of Soviet Socialist Republics agreed that the subject of the negotiations was a complex of questions concerning space and nuclear arms, both strategic and intermediate-range, with all these questions considered and resolved in their interrelationship,

Noting with satisfaction that the United States of America and the Union of Soviet Socialist Republics have reached an agreement on the total elimination of their intermediate-range and shorter-range missiles,

Noting with satisfaction the agreement of the two Governments that a similarly intensive effort will be made to achieve a treaty on a 50 per cent. reduction in their strategic offensive arms within the framework of the Geneva nuclear and space talks,

Noting further with satisfaction that, at their forthcoming meeting, the leaders of the two countries will consider thoroughly the development of instructions to delegations on a future treaty on a 50 per cent. reduction in United States and Soviet strategic offensive arms and on the observance of and non-withdrawal from the ABM Treaty for an agreed period,

Believing that, through negotiations pursued in a spirit of flexibility and with full account taken of the security interests of all States, it is possible to achieve far-reaching and effectively verifiable agreements,

Firmly convinced that an early agreement in these negotiations, in accordance with the principle of undiminished security at the lowest possible level of armaments, would be of crucial importance for the strengthening of international peace and security,

Further convinced that the international community should encourage the Government of the United States of America and the Government of the Union of Soviet Socialist Republics in their endeavours, taking into account both the importance and complexity of their negotiations,

1. *Welcomes* the agreement between the United States of America and the Union of Soviet Socialist Republics to conclude a treaty eliminating their intermediate-range and shorter-range missiles;

2. *Notes with satisfaction* that President Reagan and General Secretary Gorbachev have agreed to meet in the United States beginning on 7 December 1987, and that a further meeting in the Soviet Union is envisioned between them in the first half of 1988;

3. *Calls upon* the Government of the United States of America and the Government of the Union of Soviet Socialist Republics to spare no effort in seeking the attainment of all their agreed objectives in the negotiations, in accordance with the security interests of all States and the universal desire for progress towards disarmament, in particular early achievement of a treaty implementing the agreement to reduce their strategic offensive arms by 50 per cent. which could be signed during President Reagan's visit to Moscow;

4. *Invites* the two Governments concerned to keep other States Members of the United Nations duly informed of progress in those negotiations between the United States of America and the Union of Soviet Socialist Republics, in accordance with paragraph 114 of the Final Document of the Tenth Special Session of the General Assembly, the first special session devoted to disarmament;

5. *Expresses its firmest possible encouragement and support* for the bilateral negotiations and their successful conclusion.

Objective information on military matters

The General Assembly

Recalling paragraph 105 of the Final Document of the Tenth Special Session of the General Assembly, the first special session devoted to disarmament, which encourages Member States to ensure a better flow of information with regard to the various aspects of disarmament to avoid dissemination of false and tendentious information concerning armaments and to concentrate on the danger of escalation of the arms race and on the need for general and complete disarmament under effective international control,

Recalling its previous resolutions on the subject,

Taking note of the report of the Secretary-General prepared in conformity with resolution 41/59 B of 3 December 1986,

Recognising that the adoption of concrete, confidence-building measures on a global, regional or subregional level would greatly contribute to a reduction in international tension,

Believing that the adoption of such measures would contribute to greater openness and transparency, thus helping to prevent misperceptions of military capabilities and intentions, which could induce States to undertake armaments programmes leading to the acceleration of the arms race, in particular the nuclear-arms race, and to heightened international tensions,

Believing that objective information on military capabilities, in particular of nuclear weapons States and other militarily significant States, could contribute to the building of confidence among States and to the conclusion of concrete disarmament agreements and thereby help to halt and reverse the arms race,

Convinced that greater openness on military activities, *inter alia*, through transmittal of relevant information on these activities, including on the levels of military budgets, would contribute to increased confidence among States,

Taking into account the work undertaken in the Disarmament Commission on the reduction of military budgets,

Noting that an increased number of States have provided annual reports on military expenditure in conformity with the international system for the standardised reporting of military expenditures under the auspices of the United Nations,

1. *Reaffirms its firm conviction* that a better flow of objective information on military capabilities would help relieve international tension and contribute to the building of

confidence among States on a global, regional or subregional level and to the conclusion of concrete disarmament agreements:

2. *Recommends* that those global, regional and subregional organizations that have already expressed support for the principle of practical and concrete confidence-building measures of a military nature on a global, regional or subregional level should intensify their efforts with a view to adopting such measures;

3. *Recommends* that all States, in particular nuclear-weapon States and other militarily significant States, should consider implementing additional measures based on the principles of openness and transparency, such as, for example, the international system for the standardized reporting of military expenditures, with the aim of achieving a realistic comparison of military budgets, facilitating the availability of objective information on, as well as objective assessment of, military capabilities and contributing towards the process of disarmament;

4. *Invites* all Member States to transmit to the Secretary-General, not later than 15 April 1988, their views concerning ways and means of ensuring confidence and further oppenness and transparency in military matters for submission to the General Assembly at its third special session devoted to disarmament;

5. *Requests* the General Assembly at its third special session devoted to disarmament to take into account all the provisions of the present resolution in its deliberations;

6. *Requests* the Secretary-General to report to the General Assembly at its third special session devoted to disarmament on the implementation of all the provisions of the resolutions on the subject;

7. *Decides* to include in the provisional agenda of its forty-third session the item entitled "Objective information on military matters".

United Nations disarmament studies

The General Assembly,

Recalling its resolutions 40/152 K of 16 December 1985 and 41/86 C of 4 December 1986,

Reaffirming the valuable contribution that United Nations studies can make to the discussion and consideration of disarmament issues,

Noting with appreciation the views of Member States contained in the reports of the Secretary-General,

Taking into consideration that the Advisory Board on Disarmament Studies also functions as the Board of Trustees of the United Nations for Disarmament Research,

Noting that the establishment of the United Nations Institute for Disarmament Research offers new opportunities regarding research in the field of disarmament,

1. *Takes note with appreciation* of the report of the Advisory Board on Disarmament Studies;

2. *Affirms* that the final decision on how United Nations disarmament studies should be prepared rests with the General Assembly;

3. *Takes note* of the conclusion of the Advisory Board that consensus should be the normal practice in study groups, but that the expression of differing opinions where views cannot be reconciled should be permitted;

4. *Invites* Member States to take note of the conclusions and recommendations of the Advisory Board in presenting proposals for disarmament studies or research.

Hong Kong

Dr. Marek: To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has for the resettlement of Vietnamese refugees in Hong Kong in the years up to 1997.

Mr. Eggar: In May last year we decided to accept into the United Kingdom over the next two years a further 468 Vietnamese refugees from Hong Kong. In parallel with our own and other countries' resettlement efforts we are pursuing, in consultation with the United Nations High Commissioner for Refugees and countries concerned, durable solutions to the Indo-Chinese refugee problems.

Panamanian Consulate Offices

Mr. Tony Banks: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he has on the current situation in respect of the Panamanian consulate offices; and if he will make a statement.

Mr. Eggar: An incident at the consulate offices on 7 March is the subject of police inquiries.

SOCIAL SERVICES

School Nurses

Mr. Kirkwood: To ask the Secretary of State for Social Services if he will list in the *Official Report* (*a*) the number of school nurses, given as whole-time, part-time and whole-time equivalent, (*b*) the establishment figure and (*c*) the number of vacant posts in each English regional health authority, for each year over the last five years up to the latest for which figures are availble.

Mr. Newton: I regret that information on establishments and vacant posts is not collected centrally.

The number of nursing staff employed in the schools health service, including special schools, at September 1983 to September 1986, is given in the table. Similar information for September 1987 is not yet available.

Although the table shows a 2·7 per cent. reduction in nursing staff, a decline of approximately 5 per cent. in the school population has also occurred over the same period.

National Health Service school nursing staff[1, 2] in post at 30 September each year by Regional Health Authority in England—number and whole-time equivalent[1]

Regional Health Authority	*Whole-time number*	*Part-time number*	*Total whole-time equivalent*
1983			
Northern	116	187	251
Yorkshire	106	218	245
Trent	104	374	369
East Anglia	76	96	142
North West Thames	102	122	178
North East Thames	126	67	166
South East Thames	122	144	223
South West Thames	58	150	154
Wessex	66	86	119
Oxford	35	140	122
South Western	20	252	162
West Midlands	215	196	340
Mersey	163	140	247
North Western	169	303	347
London Special Health Authorities	9	—	9
England	1,487	2,475	3,074
1984			
Northern	113	185	248
Yorkshire	107	211	243
Trent	102	397	382
East Anglia	69	102	138
North West Thames	115	143	205
North East Thames	128	83	177
South East Thames	113	159	226
South West Thames	52	177	164
Wessex	70	91	128
Oxford	26	146	118
South Western	21	246	158
West Midlands	215	196	342
Mersey	147	143	232
North Western	156	299	335

Regional Health Authority	Whole-time number	Part-time number	Total whole-time equivalent
London Special Health Authorities	—	—	—
England	1,434	2,578	3,095
1985			
Northern	107	188	244
Yorkshire	95	197	224
Trent	89	380	361
East Anglia	67	94	131
North West Thames	111	159	208
North East Thames	136	97	197
South East Thames	112	162	225
South West Thames	52	186	171
Wessex	63	106	131
Oxford	24	156	121
South Western	28	258	172
West Midlands	204	209	342
Mersey	139	152	232
North Western	154	313	347
London Special Health Authorities	—	—	—
England	1,381	2,657	3,106
1986			
Northern	102	187	241
Yorkshire	105	196	232
Trent	79	383	350
East Anglia	12	86	72
North West Thames	116	159	217
North East Thames	120	83	175
South East Thames	105	165	220
South West Thames	41	189	162
Wessex	60	113	134
Oxford	18	160	118
South Western	27	267	174
West Midlands	168	247	336
Mersey	132	179	242
North Western	139	287	318
London Special Health Authorities	—	—	—
England	1,224	2,701	2,990

Source: DHSS annual census of NHS non-medical manpower.

[1] Includes School Health Visitors and nursing staff of special schools.

[2] Figures are independently rounded to nearest whole time equivalent.

[3] Includes qualified and unqualified nursing staff.

Hospital Closures

Mr. Biffen: To ask the Secretary of State for Social Services how many letters he has received concerning the proposals for hospital closures tabled by the Shropshire health authority; and how many of these supported the proposals.

Mrs. Currie: We have received over 1,000 letters in recent months from hon. Members, local organisations and members of the public about health services in Shropshire. A high proportion of these were received prior to the commencement of the formal consultation on Shropshire health authority's proposals but no letters have expressed support for hospital closures in the district. All views will be taken into account.

Claybury Hospital

Mr. Cohen: To ask the Secretary of State for Social Sevices why the pest control contract relating to Claybury hospital has not been renewed, from which date it expired; whether he proposes to offer advice to the district health authority on this matter; and if he will make a statement.

Mrs. Currie: Health authorities are responsible for the management of pest control contracts within their districts. Details on local contracts are not collected centrally. The hon. Member may wish to contact Waltham Forest health authority to establish the current position on pest control at Claybury hospital.

Health circular, HC(86)14, issued in November 1986, sets out the requirements for hygiene and pest control in all health authority premises.

Expectant Mothers

Mr. Cohen: To ask the Secretary of State for Social Services what is his policy in connection with expectant mothers being asked to take in their own nappies and vaseline when they enter National Health Service hospitals to be delivered.

Mrs. Currie: Responsibility for determining which articles expectant mothers are required to bring with them to hospital rests with individual health authorities. Among these are very often nappies and vaseline. Many expectant mothers welcome this opportunity to use their own belongings during this particular period. It is right that they should do so.

NHS (Review)

Mr. Robert Banks: To ask the Secretary of State for Social Services if he will set out details of the consultation process which will take place within the National Health Service in connection with the proposed review of the future of the National Health Service.

Mr. Moore: I shall consider carefully any proposals put to me by bodies representing National Health Service interests.

Tax and Benefits System

Ms. Short: To ask the Secretary of State for Social Services if he will publish tables, similar to those in hisDepartment's tax/benefit model table, showing net weekly spending power for a single childless person aged 18 to 24 years, earning (1) £40, (2) £50, (3) £60, (4) £70, (5) £80, (6) £90, and (7) £100 *(a)* under the existing tax and benefits system and *(b)* under the benefit system which will be implemented in April, in both cases assuming that the person is paying average local authority rent and rates.

Mr. Scott: The information requested is set out in the tables. It should be noted that the results are hypothetical in two senses. First, the results are based on average local authority rents and rates and do not present a balanced picture reflecting people's actual housing arrangements. Second, the other assumptions used are those set out in "Impact of the Reformed Structure of Income-Related Benefits" October 1987. However, this document, a copy of which is in the Library, suggests that about 20,000 under 25-year-olds will have lower disposable incomes after the payment of housing costs once the reformed structure of income-related benefits is in place. A half of these young people are expected to receive transitional protection so they will not get any less by way of weekly cash benefit.

Existing tax and benefit system
Single person aged 18 to 24 years
Income and means-tested benefits—family head in full time work

Tax threshold = £48·17

	Earnings head						
	40·00	*50·00*	*60·00*	*70·00*	*80·00*	*90·00*	*100·00*
Tax	0·00	0·49	3·19	5·89	8·59	11·29	13·99
National Insurance	0·00	2·50	3·00	4·90	5·60	6·30	7·00
FIS	0·00	0·00	0·00	0·00	0·00	0·00	0·00
Child benefit	0·00	0·00	0·00	0·00	0·00	0·00	0·00
Rent	15·94	15·94	15·94	15·94	15·94	15·94	15·94
Rent rebate	15·94	14·49	11·99	9·47	6·17	2·87	0·00
Rates	8·45	8·45	8·45	8·45	8·45	8·45	8·45
Rate rebate	6·38	5·58	4·78	3·96	2·66	1·36	0·00
Fares to work	5·85	5·85	5·85	5·85	5·85	5·85	5·85
Free school meals	0·00	0·00	0·00	0·00	0·00	0·00	0·00
Free welfare milk	0·00	0·00	0·00	0·00	0·00	0·00	0·00
Net weekly spending power	32·08	36·84	40·34	42·40	44·40	46·40	48·77

New System from April 1988
Single person aged 18 to 24 years
Income and means-tested benefits—family head in full time work

Tax threshold = £48·17

	Earnings head						
	40·00	*50·00*	*60·00*	*70·00*	*80·00*	*90·00*	*100·00*
Tax	0·00	0·49	3·19	5·89	8·59	11·29	13·99
National Insurance	0·00	2·50	3·00	4·90	5·60	6·30	7·00
FIS	0·00	0·00	0·00	0·00	0·00	0·00	0·00
Child benefit	0·00	0·00	0·00	0·00	0·00	0·00	0·00
Rent	15·94	15·94	15·94	15·94	15·94	15·94	15·94
Rent rebate	14·90	10·35	5·93	2·42	0·00	0·00	0·00
Rates	8·45	8·45	8·45	8·45	8·45	8·45	8·45
Rate rebate	5·02	3·61	2·25	1·17	0·00	0·00	0·00
Fares to work	5·85	5·85	5·85	5·85	5·85	5·85	5·85
Net weekly spending power	29·68	30·73	31·75	32·56	35·57	42·17	48·77

Child Benefit

Mr. Squire: To ask the Secretary of State for Social Services if he will estimate what level child benefit would have been in April had it been uprated this year in line with the retail price index, taking into account the error made in the retail price index between February 1986 and October 1987 inclusive.

Mr Scott: The general uprating of benefits is calculated from the published retail prices index. Had child benefit been uprated on this basis, the rate from April 1988 would have been £7·55 a week. The rate would have been the same if the error in the retail price index had been taken into account.

South-East Region District Health Authorities

Mr. David Shaw: To ask the Secretary of State for Social Services, what amount of *(a)* capital and *(b)* revenue was made available to each of the south-east region district health authorities in *(a)* 1982-83 and *(b)* 1986-87; and what is the percentage change.

Mrs. Currie: Allocations to particular district health authorities are a matter for the relevant regional health authority.

Following is expenditure information derived from the annual accounts of the district health authorities within the South-East Thames region:

District Health Authority	*Revenue Expenditure*			*Capital Expenditure*		
	1982-83 £ thousands	*1986-87 £ thousands*	*Cash terms increase per cent.*	*1982-83 £ thousands*	*1986-87 £ thousands*	*Cash terms increase/ (decrease) per cent.*
Brighton	45,102	59,102	31	1,598	3,030	89
Eastbourne	34,657	43,660	26	2,471	5,445	120
Hastings	23,460	29,745	27	1,214	3,206	164
South East Kent	28,198	37,647	33	1,767	3,884	119
Canterbury and Thanet	49,788	60,072	20	1,863	6,498	248
Dartford and Gravesham	39,710	46,850	17	2,437	1,835	(24)
Maidstone	29,481	37,401	26	7,539	2,445	(67)
Medway	36,447	49,751	36	2,549	5,625	120
Tunbridge Wells	38,849	47,567	22	3,643	4,063	11
Bexley	30,536	38,012	24	1,612	2,190	35
Greenwich	54,159	61,441	13	1,405	3,886	176

District Health Authority	Revenue Expenditure			Capital Expenditure		
	1982-83 £ thousands	1986-87 £ thousands	Cash terms increase per cent.	1982-83 £ thousands	1986-87 £ thousands	Cash terms increase/ (decrease) per cent.
Bromley	47,948	54,164	12	4,579	4,485	(2)
West Lambeth	70,520	84,682	20	3,360	4,662	38
Camberwell	57,456	70,640	22	2,323	6,592	183
Lewisham and North Southwark	94,967	112,541	18	4,876	6,391	31

Notes:

1. The figures for capital expenditure include sums in respect of schemes within the districts recorded in the annual accounts of the South East Thames regional health authority. Revenue and capital expenditure incurred by the latter authority for the region as a whole is excluded.

2. Prior to 1 April 1985 the Brighton, Maidstone, Bexley, Bromley and West Lambeth district health authorities each had an associated family practitioner committee (FPC). Those authorities expenditure figures for 1982-83 include small elements relating to FPC's administrative expenses which are not separately identifiable.

Patients (Re-admissions)

Ms. Armstrong: To ask the Secretary of State for Social Services if he will list, for each health authority region in England, the number of patients re-admitted to hospital in the last five years.

Mrs. Currie: I regret that this information is not held centrally.

Invalidity Benefit

Mr. Ken Hargreaves: To ask the Secretary of State for Social Services if he will compensate those people in receipt of invalidity benefit who will not be eligible for transitional addition as a result of the April uprating of national insurance benefits lifting them above the supplementary benefit income support level and thus making them liable to housing benefit tapers which will mean an actual loss to low income claimants.

Mr. Scott: We have no plans to do so.

Health Authorities (Land Sales)

Mr. David Martin: To ask the Secretary of State for Social Services whether, when surplus land or building is disposed of, the capital proceeds of sale go direct into the budget of the district health authority within whose boundaries the surplus land or building is situated or into the budget of the regional health authority concerned for subsequent distribution in the region at the discretion of the regional health authority.

Mrs. Currie: I refer my hon. Friend to my reply to the hon. Member for Norwich, South (Mr. Garrett) on 26 November 1987 at column *330*.

RAWP Formula

Mr. Ashley: To ask the Secretary of State for Social Services if he will make it his policy to seek parliamentary approval before making any significant change to the resource allocation working party formula.

Mr. Newton: I do not think this would be appropriate, but we will, of course, follow the practice of our predecessors in informing the House of any changes we may decide to make in the light of the outcome of the current review of the resource allocation working party formula.

Mr. Ashley: To ask the Secretary of State for Social Services if he will list the factors now used in calculating the resource allocation working party formula and the new ones that have been proposed to him for inclusion; and if he will indicate in each case whether the factor is related to the demand for health care or to the supply of existing provision.

Mr. Newton: The resource allocation working party formula measures the relative needs of each region by taking account of population (and the use made of health services by people of different age groups and sexes); morbidity as indicated by standardised mortality ratios; patient flows between regions; and higher staff costs in London and the south-east. Separate allocations are made to take account of the costs associated with medical teaching.

The National Health Service management board's review of the national RAWP formula is exploring the scope for improving the way in which the formula measures relative need. Aspects of the formula where the NHS management board identified scope for improvement were listed in the summary of recommendations for further analysis and research set out in the interim report on the review published in December 1986. A copy is in the Library.

Mr. Ashley: To ask the Secretary of State for Social Services if he will list the individuals and organisations which have made representations regarding changes in the resource allocation working party formula; and if he will indicate in each case whether the changes proposed by each would result in an overall faster or slower movement of resources towards the regions considered to be deprived by the present formula.

Mr. Newton: A list of respondents to the formal consultation on the review of the resource allocation working party formula is set out at annex D of the National Health Service management board's interim report on the review, published in December 1986. A copy is in the Library.

The overall aim of the review is to improve the sensitivity with which the formula measures relative need, and hence to refine the targets on which allocations to regions are based. Ministers take decisions each year on the pace of movement towards each region's target share of available resources. This process is not determined by the formula and is, therefore, not within the remit of the review.

Regional Health Authorities

Mr. Ashley: To ask the Secretary of State for Social Services what monitoring there is by his Department of the equity of the criteria used by the regional health authorities to distribute resources to the districts.

Mr. Newton: The Department monitors regional health authorities' resource allocation methodologies and plans through the regions' long-term strategic plans and annual short-term programmes. As one of the central issues in these plans and programmes, resource distribution may also be discussed in regions' annual accountability reviews with Ministers and the National Health Service management board.

Blood

Mr. Worthington: To ask the Secretary of State for Social Services what has been the level of blood donations in each of the blood transfusion areas of England and Wales for each of the past 10 years.

Mrs. Currie: The information requested is given in the table.

Number of donors bled in each of the blood transfusion areas of England and Wales for years 1977 to 1986

	[1]1977	[1]1978	[1]1979	[1]1980	[1]1981	1982	1983	1984	1985	1986
Northern	137,257	138,642	139,797	145,938	144,880	134,392	133,039	131,947	133,544	128,321
Yorkshire	147,896	147,455	147,875	157,078	155,653	143,626	152,874	154,905	149,128	146,119
Trent	141,733	141,366	146,554	153,587	163,187	162,229	166,362	174,425	169,680	174,976
East Anglia	86,250	88,701	90,954	93,350	93,406	84,629	86,275	87,650	86,393	90,012
North West Thames	182,363	184,484	184,273	187,042	197,504	180,644	183,033	189,246	190,048	199,731
North East Thames	163,098	164,770	169,066	169,238	170,966	145,472	145,241	136,647	138,875	136,722
South East and South West Thames	271,170	272,109	268,240	277,720	285,737	256,589	301,029	302,097	282,738	277,696
Wessex	86,664	88,319	89,376	95,584	96,902	90,030	93,889	95,719	94,088	93,990
Oxford	116,226	123,502	123,565	125,859	128,299	115,997	118,822	119,689	111,129	104,609
South Western	178,493	176,083	182,513	186,274	186,808	172,462	171,678	170,859	168,169	175,570
West Midlands	194,370	194,109	194,823	199,051	201,019	195,332	193,048	200,128	199,389	199,290
Mersey	122,210	123,848	123,059	129,680	123,433	115,478	119,604	117,589	121,642	123,190
North Western	182,181	186,156	190,029	202,523	209,886	179,351	179,844	181,638	180,133	181,587
Wales	92,506	94,063	94,360	97,112	98,051	82,763	91,102	96,087	94,104	96,637
England and Wales	2,102,417	2,123,607	2,144,484	2,220,036	2,255,731	2,058,994	2,135,840	2,158,626	2,119,060	2,128,450

[1] For years 1977 to 1981 figures relate to the number of donors at blood transfusion centres.

Blind People

Mr. Blunkett: To ask the Secretary of State for Social Services if he has any plans to give special consideration to the needs of elderly blind people with regard to the new income support scheme; and if he will make a statement.

Mr. Scott: Claimants who, or whose partners, are blind will qualify for the higher pensioner premium at age 60 rather than 80. Those claimants whose benefit entitlement under income support is lower than under supplementary benefit will receive transitional protection.

I have no plans for any other provisions.

"Radioactive Britain" (TV Programme)

Dr. Thomas: To ask the Secretary of State for Social Services if he will seek to obtain for his departmental library a copy of the transcript of the Channel 4 Dispatches programme, "Radioactive Britain", broadcast on 4 March.

Mrs. Currie: No, but officials have viewed the programme and are apprised of its contents.

Income Support

Mr. Matthew Taylor: To ask the Secretary of State for Social Services what transitional protection there will be for most 16 and 17-year-olds currently in receipt of income support, in particular young householders, when the Social Security Act 1988 comes into effect.

Mr. Scott: It is intended that clause 4 of the current Social Security Bill will come into effect in September. Those 16 and 17-year-olds not entitled to income support will receive a bridging allowance from the Department of Employment provided they have registered for a YTS place. Housing benefit will also be available in appropriate cases.

The 16 and 17-year-olds who will be able to continue to receive income support will include those not required to be available for work, such as the severely disabled, those receiving a Government training allowance and lone parents. These situations will be prescribed in regulations.

Abortion

Mr. Alton: To ask the Secretary of State for Social Services if, pursuant to his answer of 8 February, *Official Report*, column *1115*, the one case of mention of rape on a notification form for an abortion after 18 weeks concerns a woman under the age of majority.

Mr. Newton: The statistic referred to in my previous answer was provisional, and it related to gestation of 18 completed weeks and over. The age of the woman concerned was under the age of majority (that is, under 18 years old).

Generic Medicines

Mr. Simon Coombs: To ask the Secretary of State for Social Services if he has any plans to examine the cost and method of supply of generic medicines to the National Health Service; and if he will make a statement.

Mr. Moore: The White Paper "Promoting Better Health" commended voluntary generic prescribing by doctors as good professional practice and noted the expectation of its continued use in the future. It is important therefore that there should be wide availability of generic medicines throughout the country and that the market should operate efficiently. Together with my right hon. and learned Friend the Secretary of State for Scotland and my right hon. Friend the Secretary of State for Wales, I am appointing Touche Ross Management Consultants to study the market for generic medicines in Great Britain. They are being asked to examine the extent of competition in supplies to NHS hospitals and to family practitioner service contractors, the prices paid, the effectiveness of the systems for setting the prices of these medicines and the extent to which United Kingdom and other manufacturers can enter and remain in the market.

I am asking the consultants to report within six months. The contents of their report will necessarily be confidential because of the commercial information which it will contain. The terms of reference for the study are:

1. To study the market for generic medicines in Great Britain with particular reference to:
   - (a) the extent of competition in the supply of generic medicines;
   - (b) the similarities and differences between the ways in which generic medicines are procured by and distributed to:
     - (i) NHS hospitals;
     - (ii) FPS contractors (retail pharmacists and dispensing doctors);
   - (c) the prices paid for generic medicines by:
     - (i) NHS hospitals;

(ii) FPS contractors;

and the reasons for any differences in those prices;

(d) the effectiveness of the systems for setting prices for generic medicines in the Drug Tariffs and recovery of any difference between the Drug Tariff price and the price actually paid, noting that the system in Scotland differs in certain respects from that in England and Wales;

(e) the relationship between the prices of generic medicines and the extent to which United Kingdom and other manufacturers can enter and remain in the market.

2. In the light of the above:

(a) to put forward if possible proposals for improving the arrangements for the procurement, distribution and pricing of generic medicines, with particular reference to FPS contractors, which:

(i) are compatible with our international trading obligations (including EEC and GATT) and the independent contractor status of retail pharmacists and dispensing doctors;

(ii) take account of the range of ownership and management in retail pharmacy and the nature and level of involvement of wholesalers;

(iii) would stimulate further competition;

(iv) would ensure the availability of generic medicines at reimbursable prices throughout Great Britain;

(v) would lead to reductions in the cost of medicines to the NHS as a whole;

(vi) would ideally also further encourage the prescribing of generic medicines, where appropriate;

(b) to assess the effect of any proposals on United Kingdom and other manufacturers of generic medicines;

(c) to report within six months.

Income Support (Spending Power)

Mr. Gregory: To ask the Secretary of State for Social Services if he will provide estimates of net weekly spending power, both under the present system of supplementary benefit and under the new system of income support, for each of the following illustrative cases: (i) a lone parent, living in rented acommodation, who has been claiming benefit for herself and two dependent children aged four and 11 for three months, (ii) a lone parent, living in mortgaged accommodation, who has been claiming benefit for herself and three children aged under 10 years for a period of six months, one of the children is disabled and receives attendance allowance and help with heating and laundry, (iii) a lone parent, living in rented accommodation, who has been claiming benefit for herself and one child aged 12 for less than a year and who has part-time earnings of £25 a week, (iv) a single unemployed man aged 30 years living with parents, (v) a pensioner aged 76 years, living in her daughter's household and receiving additional supplemantary requirements for diet and heating, (vi) a single woman aged 26 years, living in her parents' home, who receives a severe disability allowance and who needs extra heating, (vii) an unemployed householder with a wife and a child aged three years living in rented accommodation and (viii) a single man aged over 25 years who is sick, entering a new claim and living in rented accommodation, with a net weekly spending power defined as income after payment, where appropriate, of any housing costs, and assuming that householders have average local authority rents and rates representative of the income support client groups.

Mr. Portillo: The answers are as follows:

Net Weekly Spending Power[1] April 1988
Illustrative Income Support Cases[2]

	Supplementary Benefit[3]	*Income Support*	*Change*
	£	£	£
(i) Rent-paying lone parent, 2 children aged 4 and 11, claiming 3 months.	62·02	70·10	+8·08
(ii) Lone parent with mortgage, 3 children under 10, claiming 6 months. Attendance allowance, heating and laundry additions for 1 child.	97·78	103·65	+5·87
(iii) Rent-paying lone parent, 1 child aged 12, part-time earnings £25, claiming under 1 year.	34·06	49·35	+15·29
(iv) Single unemployed man aged 30, non-householder.	29·31	33·40	+4·09
(v) Pensioner aged 76, diet and heating additions, non-householder receiving attendance allowance.	62·33	66·45	+4·12
(vi) Single woman aged 26, severe disability allowance and heating addition, non-householder.	33·18	46·45	+13·27
(vii) Unemployed man, wife and a child aged 3, rent-payer.	66·00	68·35	+2·35
(viii) Single man, sick, new claim, rented accommodation.	31·37	33·40	+2·03

[1] Net weekly spending power is defined as income after payment of housing costs (rent or mortgage and local authority rates—where appropriate).

[2] All other main assumptions as in "Impact of the Reformed Structure of Income Related Benefits", October 1987, except where detailed assumptions have been specified elsewhere.

[3] April 1987 net spending power on supplemantary benefit has been uprated to April 1988 hypothetical levels by the retail price index excluding housing.

Mr. Favell: To ask the Secretary of State for Social Services if he will provide estimates of net weekly spending power, both under the present system of supplementary benefit and under the new system of income support, for each of the following illustrative cases: (i) a sick man claiming less than a year with a wife and two children aged three years, paying a mortgage, (ii) an unemployed man with a wife and three children aged three, 11 and 12 years who live in local authority accommodation, (iii) a single man aged 28 years, sick for seven months needing an extra allowance for laundry and diet and who lives in his own house, (iv) a single man, living alone in rented accommodation, who has been disabled for over a year and who has an attendance allowance and additional assistance with heating and diet, (v) an unemployed man whose wife is sick and receives a severe disablement allowance and help with heating and laundry, (vi) a pensioner aged 82 years living in rented accommodation,

(vii) a pensioner aged 82 years with a wife aged 77 years who is an owner-occupier, with net weekly spending power defined as income after payment, where appropriate, of any housing costs, and assuming that householders have average local authority rents and rates representative of the income support client groups.

Mr. Portillo: The answers are as follows:

Net weekly spending power[1] April 1988 illustrative income support cases[2]

	Supplementary benefit[3] £	*Income support* £	*Change* £
(i) Sick man paying a mortgage, non-working wife, 2 children aged 3, claiming 8 months	78·23	97·70	+19·47
(ii) Unemployed man, non-working wife, 3 children aged 3, 11 and 12, local authority accommodation	96·13	100·55	+4·42
(iii) Single man aged 28, sick 7 months, additional requirements for laundry and diet, owner-occupier	40·61	46·45	+5·84
(iv) Single man, living alone, rented accommodation, attendance allowance and additional requirements for heating and diet, disabled over a year	71·83	93·20	+21·37
(v) Unemployed man, wife sick, receiving a severe disability allowance with additional requirements for heating and laundry	61·25	70·05	+8·80
(vi) Pensioner aged 82, rented accommodation	42·93	46·45	+3·52
(vii) Pensioner aged 82, wife aged 77, owner-occupier	69·40	70·05	+0·65

[1] Net weekly spending power is defined as income after payment of housing costs (rent or mortgage and local authority rates—where appropriate).

[2] All other main assumptions as in "Impact of the Reformed Structure of Income Related Benefits", October 1987, except where detailed assumptions have been specified elsewhere.

[3] April 1987 net spending power on supplementary benefit has been uprated to April 1988 hypothetical levels by the retail price index excluding housing.

Hospitals (Maintenance Costs)

Mr. Conway: To ask the Secretary of State for Social Services what is the average cost per 24 hours for maintaining an in-patient in a cottage hospital; and what is the equivalent figure for a district general hospital within the area of the Shropshire district health authority.

Mr. Newton *[holding answer 23 February 1988]:* For costing purposes, all hospitals are classified into a series of standard types which reflect the principal use to which their beds are allocated. Cottage hospitals and district general hospitals do not feature in this classification as such. However, for 1986-87 the average cost per in-patient day (England) for acute hospitals (1-50 beds) was £58·40; the equivalent figure for the Royal Shrewsbury hospital (739 beds) was £87·75.

Low Income Families

Sir Brandon Rhys Williams: To ask the Secretary of State for Social Services if he will publish a table using the assumptions in his answer to the hon. Member for Kensington of 4 February, *Official Report*, column *737*, showing the current net weekly spending power of families in the same range of examples and that which will result from the changes in benefits intended from April, with an additional column showing the extent of the differences; and if he will publish a comparable table using expenditure and benefit figures likely to be appropriate for families in inner London in the same income ranges.

Mr. Scott *[holding answer 2 March 1988]:* The additional information requested can be obtained by simple subtraction using the information provided to my hon. Friend on 4 February at columns *737-38*.

It is not possible to produce comparable tables for families in inner London. Insufficient inner London local authorities have made returns recording their local authority rent and rates in sufficient detail to allow the estimation of statistically sound average figures for specific family types.

NHS (Private Patients)

Mr. Miller: To ask the Secretary of State for Social Services if decisions have been taken on the central reference lists of model charges for National Health Service private patients for the year from 1 April.

Mr. Newton *[pursuant to his reply, 15 February 1988, c. 500-2]:* I am sorry that there was an error in the table setting out the central reference list of private out-patient charges for the year from 1 April 1988. The table gives the correct charges.

Private non-resident charges 1988-89

Item of service	*Class A to E*			*Class F + G*		
	1987-88	*1988-89*	*Percentage change*	*1987-88*	*1988-89*	*Percentage change*
1. Consultation	6·50	7·00	+7·7	12·00	13·00	+8·3
2. i. Daycases	26·50	38·50	+7·5	27·50	29·50	+7·3
ii. Daypatients	31·00	34·00	+9·7	32·00	35·00	+9·4
3. Pathology	7·00	7·50	+7·1	13·50	15·00	+11·1
4. Radiography						

Item of service	Class A to E 1987-88	Class A to E 1988-89	Percentage change	Class F + G 1987-88	Class F + G 1988-89	Percentage change
i. Per unit value	0·78	n.a.	n.a.	1·00	n.a	n.a.
ii. Minimum charge	12·50	n.a.	n.a.	16·00	n.a	n.a.
iii. Per Korner unit value	n.a.	[1]6·50 [2]1·00	n.a.	n.a.	[1]9·00 [2]1·25	n.a.
iv. CT scanning	96·00	96·00	No change	115·0	115·00	No change
5. Radiotherapy	18·00	18·00	No change	44·50	44·50	No change
6. Physiotherapy	5·00	5·50	+10·0	9·00	11·50	+27·8
7. Occupational Therapy	7·00	8·50	+21·4	10·00	10·00	No change
8. Other Diagnostic procedures						
i. Audiometry	5·00	5·00	No change	5·00	5·00	No change
ii. ECG	9·00	9·50	+5·6	16·50	17·50	+6·1
iii. EEG	37·00	38·50	+4·1	72·50	83·50	+15·2
iv. EMG	23·00	24·00	+4·3	44·50	50·50	+13·5
9. Use of Operating theatres						
i. Less than 10 minutes	22·00	22·50	+2·3	27·00	28·00	+3·7
ii. 10-30 minutes	42·50	44·00	+3·5	54·00	56·00	+3·7
iii. More than 30 minutes	64·50	67·00	+3·9	81·00	84·00	+3·7

[1] Price per unit for first 6 units.
[2] Price for each additional unit (over 6).

FOREIGN AND COMMONWEALTH AFFAIRS

United Nations (United Kingdom Voting Record)

Mr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the 14 resolutions on which the United Kingdom abstained and the 14 on which the United Kingdom voted against, in each case giving the reason for such decisions, at the 42nd sessions of the United Nations General Assembly (1987) First Committee.

Mr. Eggar: At the first committee of the 42nd General Assembly, the United Kingdom voted against the following resolutions:

Resolution number	Topic	United Kingdom position
Resolution 31	Negative Security Assurances	Because they contained language that conflicted with our strategy of nuclear deterrence.
Resolution 39b	Nuclear Weapons Freeze	
Resolution 39c	Prohibition of Nuclear Weapons	
Resolution 39h	Nuclear Arms Freeze	
Resolution 42a	Non-use of Nuclear Weapons	
Resolution 42c	Cessation of Nucler Arms Race	
Resolution 42e	International Cooperation for Disarmament	
Resolution 42m	Follow-up to the First Special Session on Disarmament	
Resolution 26a	Test ban	Because we believe a nuclear test ban to be in present circumstances unverifiable.
Resolution 26b	Test ban	
Resolution 42l	Report of the Conference on Disarmament (CD)	
Resolution 34b	Denuclearisation of Africa	Because it contained unacceptable language in connection with South Africa and the presumption that a South African nuclear weapons capability is an established fact.
Resolution 42d	Prevention of Nuclear War	Because it contained unrealistic and unnecessary proposals for work at the Conference on Disarmament.
Abstentions		
Resolution 93	Comprehensive System of International Peace and Security	Because it tended to duplicate and undermine the UN Charter.
Resolution 27	Comprehensive Test Ban Treaty and Monitoring	Because they did not provide a practical way of making progress on the issues of nuclear testing.
Resolution 38c	Notification of Tests	
Resolution 34a	Denuclearisation of Africa	Because of the presumption that a South African nuclear weapons capability is an established fact.
Resolution 35	New Weapons of Mass Destruction	Because it contained a proposal for an unverifiable and limitless ban on new weapons systems.

Resolution number	Topic	United Kingdom position
Resolution 38d	Bilateral Nuclear Arms Negotiations	Because it covered the same ground as a resolution the United Kingdom had sponsored.
Resolution 38f	Israeli attack on Iraqi reactor	Because we do not consider the First Committee to be the appropriate forum for discussion of the Israeli attack on an Iraqi nuclear reactor.
Resolution 38j	Implementation of UN Disarmament Resolutions	Because it calls on all member states of the UN to facilitate the implementation of disarmament resolutions, some of which we oppose.
Resolution 38l	Cut-off	Because the prohibition of production of fissionable material for weapons purposes remains in practice an unverifiable measure.
Resolution 39a	Role of Security Council	Because of reservations about both the principle and the practicalities of the suggested role for the Security Council.
Resolution 39g	World Disarmament Campaign	Because it criticises those states that do not make contributions to the World Disarmament Campaign in addition to those made through regular contributions to the UN budget.
Resolution 42b	Participation in the Conference on Disarmament	Because we consider that it is for the Conference on Disarmament to decide its own membership.
Resolution 44	Israeli Nuclear Capability	Because we consider it invidious and counter-productive to single out specific nations for criticism.
Resolution 91	Implementation of Declaration on the Preparation of Societies for Life in Peace	Because it was a purely declaratory resolution designed to serve Warsaw Pact propaganda interests.
Resolution 92	Implementation of Declaration on the Strengthening of International Security	Because it contained unrealistic and outdated references to comprehensive disarmament and colonial domination.
Resolution 42h	Disarmament Week	Mistakenly recorded as having been passed by consensus in the First Committee; we abstained during the vote in Plenary because the resolution encourages UN specialised agencies to engage in activities likely to detract from the task with which they have been mandated.

Explanations of Vote

We gave national explanations of vote on:

Resolution 34b – Denuclearisation of Africa
Resolution 35 – New Weapons of Mass Destruction
Resolution 38j – Implementation on UN Disarmament Resolutions
Resolution 39a – Role of Security Council
Resolution 39g – World Disarmament Campaign
Resolution 42b – Participation in the CD

Written Answers to Questions

Monday 14 March 1988

EDUCATION AND SCIENCE

Engineering, Physics and Maths (Women Undergraduates)

Mr. McCartney: To ask the Secretary of State for Education and Science what proportions of undergraduates in engineering, physics and mathematics are women.

Mr. Jackson: The information is as follows:

Full-time United Kingdom domiciled undergraduates at universities in Great Britain

	Per cent women
1986	
Physics	16
Mathematical sciences[1]	25
of which Mathematics	32
Engineering and technology	10

[1] Includes Mathematics, Statistics and Computer Studies.

Teaching Standards

Mr. John Marshall: To ask the Secretary of State for Education and Science if he has any further proposals to ensure that standards of teaching are adequately assessed: and if he will make a statement.

Mrs. Rumbold: The intended outcome of pilot work on teacher appraisal in six authorities is a proven set of guidelines which will form the basis of an agreed national framework. The implementation of that framework should lead to a system which will both enhance career development for teachers and raise standards of teaching in our schools.

Family Partnership Scheme, Salford

Mr. Terry Lewis: To ask the Secretary of State for Education and Science when he will reply to Councillor Mrs. P. M. Lea, chair of Salford education committee, who wrote to him on 30 November 1987 about Salford's family partnership scheme.

Mr. Kenneth Baker: I very much regret that councillor Mrs. Lea's letter was mislaid within the Department. A copy has been obtained, and I have replied to her today.

CERN

Mr. Butler: To ask the Secretary of State for Education and Science what is the current level of the United Kingdom contributions to CERN.

Mr. Jackson: The United Kingdom subscription to the CERN budget in 1988 is 128·2 million Swiss francs (about £52 million); this represents 16·8 per cent. of the organisation's total budget.

Exeter Diocesan Education Committee

Mr. Steen: To ask the Secretary of State for Education and Science if he will now authorise payment of the £39,086·84 to the Exeter Diocesan education committee in respect of Roborough (Bickleigh Down) Church of England primary school, a claim for which was submitted on 20 February 1987.

Mr. Dunn: This sum was paid to the diocese's bank account on 22 February 1988.

Materials Science (Research)

Mr. Douglas: To ask the Secretary of State for Education and Science if he will make a statement on the provision he is making for research in materials science.

Mr. Jackson: The Science and Engineering Research Council (SERC) is currently funding materials science research in a wide range of academic departments. Present total expenditure on grants, studentships and facilities is just over £30 million. The council will shortly be considering the results of a recently completed review of this support.

Supply Teachers (Pay)

Mr. Alan Williams: To ask the Secretary of State for Education and Science which education authorities have decided not to recognise normal pay increments when employing supply teachers.

Mrs. Rumbold: The school teachers' pay and conditions document 1987 gave local education authorities greater flexibility in the payments they make to supply teachers, including the possibility of adopting a standard rate for all such teachers. It is for each LEA to decide how to use this flexibility: no information is held centrally about the policies of individual authorities on payments to supply teachers.

FOREIGN AND COMMONWEALTH AFFAIRS

Panama

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what discussions Her Majesty's ambassador to Panama has had with the Government of Panama covering the Panama canal treaty.

Mr. Eggar: Her Majesty's ambassador in Panama has had no discussions with the Government of Panama on the Panama canal treaty between the United States and Panama.

El Salvador

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what contact Her Majesty's ambassador to El Salvador has had with human rights, trade unions and non-government parties since 1986.

Mr. Eggar: As part of their normal duties, Her Majesty's diplomatic staff accredited to El Salvador maintain regular contact with human rights and other organisations including political parties and trade unions.

RIMPAC Exercises

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations have been received from any Pacific Government concerning the 1988 RIMPAC exercises.

Mr. Mellor: None.

Argentina

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what contacts there have been with the Government of Argentina to discuss the Falklands in the past year.

Mr. Eggar: Following my right hon. and learned Friend's statement in the House on 29 October 1986 we received some informal ideas from the Argentines, via the United States Government, which relate exclusively to the co-ordination and the avoidance of incidents in the south-west Atlantic. We replied using the same channel. The exchange continues.

Chile

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs how many visits to prisons Her Majesty's ambassador to Chile has made in the past year.

Mr. Eggar: The honorary British consul in Concepcion made several visits to one British prisoner, who has since been released on bail. There have been no other British citizens in prison in Chile during the past year. Her Majesty's embassy staff have no consular standing to visit imprisoned Chileans.

Mr. Corbyn: To ask the Secretary of State for Foreign and Commonwealth Affairs what meetings Her Majesty's ambassador has had with human rights, trade unions and opposition parties in Chile in the last year.

Mr. Eggar: Her Majesty's ambassador in Chile and his staff have had numerous meetings with human rights groups, trade union representatives and opposition parties during the past year. A full list is not readily available and could be obtained only at disproportionate cost.

Gibraltar (Shootings)

Mr. McCusker: To ask the Secretary of State for Foreign and Commonwealth Affairs if he is now able to state on what passports the Irish Republican Army terrorists shot in Gibraltar were travelling and in whose names; in what nationality the additional passports were found; and whether any other passports were found.

Mr. Mellor: Two British passports in the names of Robert Wilfred Riley and Catherine Alison Harper (amended to Mrs. Smith) and one passport, believed to be Irish, in the name of Brendan Coyne, were found on the bodies. Two Irish passports in the names of John Samuel Miller and Mary Johnston and one British passport in the name of Edward McArdle were found in a Ford Fiesta car found on the Spanish side of the border. No information is yet available on other passports.

Iraq

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his latest estimate of the chemical weapon capacity of Iraq.

Mr. Mellor: Iraq's use of chemical weapons against Iranian forces has been confirmed by several United Nations reports since March 1984. We believe that Iraq has a capacity to manufacture chemical weapons and is capable of using such weapons effectively.

Soviet Union (Chemical Weapons)

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his latest estimate of the chemical weapon capacity of the Soviet Union.

Mr. Mellor: As my right hon. Friend, the Secretary of State for Defence told the House on 10 November 1987, the Soviet Union commands the world's largest and most sophisticated chemical warfare capability. It has produced and stockpiled a wide variety of chemical agents and munitions, and has a massive tonnage of nerve agent alone. In December last year the Soviet Union declared that the size of its chemical weapons stockpile was 50,000 tons. This figure is substantially lower than western estimates.

Nuclear Technology (Export)

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he has on the number and nature of notification made since May 1979 by (i) by the Federal Republic of Germany and (ii) France to the European Commission under Euratom treaty articles 103 and 104, regarding draft contracts for exports of nuclear technology and materials to non-European Economic Community member states.

Mr. Mellor: The information requested is not readily available, and could only be provided at disproportionate cost. Information is provided directly by individual member states to the Commission and we would not normally be informed of agreements or contracts involving other member states.

United States (Chemical Weapons)

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his latest estimate of the chemical weapons capacity of the United States.

Mr. Mellor: As my hon. Friend the Minister of State for the Armed Forces told the House on 3 December 1987, it would be inappropriate to comment in detail on the defence capabilities of an ally. As is well known, the United States has a limited and aging retaliatory chemical weapons capability which it is in the process of modernising.

"Nuclear Rivals in the Middle East"

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will seek to obtain for his departmental library a copy of "Nuclear Rivals in the Middle East" by Shyam Bhatia published by Routledge in March.

Mr. Mellor: Yes; the book has already been ordered.

Amirabad Nuclear Complex, Tehran

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he possesses concerning the Amirabad nuclear complex near Tehran in terms of its technical capacity to assist in nuclear weapons production.

Mr. Mellor: I assume the hon. Member is referring to the Tehran university nuclear centre which is sited in Amirabad. The centre possesses a research reactor which was designed for the production of medical isotopes. Iran has signed the non-proliferation treaty and has placed all her nuclear materials under International Atomic Energy Agency safeguards. We have no evidence to suggest that these are being circumvented.

Miss Elena Gurevich

Mr. Amess: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he has on the case of Miss Elena Gurevich in the Soviet Union; and if he will make a statement.

Mr. Mellor: I refer my hon. Friend to the answer which I gave to my hon. Friend the Member for Hendon, South (Mr. Marshall) on 10 March at column *289*.

Mr. Raoul Wallenberg

Mr. Ken Hargreaves: To ask the Secretary of State for Foreign and Commonwealth Affairs what is his latest information on the case of Mr. Raoul Wallenberg; and if he will make a statement.

Mr. Mellor: The Soviet authorities have maintained since 1957 that Mr. Wallenberg died in prison in 1947. There have been reports over the years suggesting that Mr. Wallenberg may have been alive and in prison in the Soviet Union considerably later than 1947, but these accounts were never confirmed. We have frequently pressed the Soviet Union for a full account of the fate of Mr. Wallenberg, including, if he did indeed die in 1947, a detailed statement of the manner in which he died. The Soviet authorities have not so far provided adequate information.

Mr. Amess: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will raise the case of Mr. Raoul Wallenberg with the Government of the Union of Soviet Socialist Republics; and if he will make a statement.

Mr. Mellor: We have pressed the Soviet authorities on a number of occasions to give a full and frank account of the fate of Raoul Wallenberg and they are well aware of our views in this case.

South Africa (Oil Embargo)

Mr. Hood: To ask the Secretary of State for Foreign and Commonwealth Affairs what measures Her Majesty's Government are taking to monitor on behalf of the United Nations the oil embargo on South Africa.

Mrs. Chalker: None, since we voted against the United Nations General Assembly resolution establishing the monitoring group. However, our own guidelines, which exclude the export of United Kingdom continental shelf crude oil to South Africa, are effective.

Arms Control Negotiations

Mr. Cohen: To ask the Secretary of State for Foreign and Commonwealth Affairs what is Her Majesty's Government's policy towards dealing with the removal of disparities in the conventional forces of the North Atlantic Treaty Organisation and the Warsaw pact in separate arms control negotiations, before any agreement has been reached on the elimination of chemical weapons.

Mr. Mellor: Our policy in the conventional arms control field was set out in the statement issued at the NATO summit on 2 March, a copy of which has been placed in the Library of the House. Negotiations on the global elimination of chemical weapons are being pursued separately at the conference on disarmament in Geneva. They have made progress, but many complex issues remain to be resolved.

Nuclear Weapons (Disarmament Negotiations)

Mr. Cohen: To ask the Secretary of State for Foreign and Commonwealth Affairs whether there are any categories of nuclear weapons in the North Atlantic Treaty Organisation which cannot be subject to total elimination in disarmament negotiations: and if he will make a statement.

Mr. Mellor: The recent NATO summit on 2-3 March confirmed that for the foreseeable future there is no alternative to the Alliance strategy of deterrence based upon an appropriate mix of adequate and effective nuclear and conventional forces, which will continue to be kept up to date where necessary. NATO's immediate arms control priorities are for 50 per cent. cuts in the strategic offensive weapons of the United States and Soviet Union, the conclusion of a global and verifiable chemical weapons ban, and the elimination of the conventional imbalance between NATO and the Warsaw pact in Europe.

Entry Clearance

Mr. Madden: To ask the Secretary of State for Foreign and Commonwealth Affairs how many representations he has received from hon. Members in each of the last five years to date concerning entry clearance into the United Kingdom; and how many representations he has received from hon. Members since five countries became subject to visa control in 1986.

Mr. Eggar: Foreign and Commonwealth Office Ministers have received representations from hon. Members concerning entry clearance into the United Kingdom during the past five years as follows:

	Entry Clearance
1983	1,105
1984	1,472
1985	1,753
1986	2,183
1987	3,467

Records of representations received relating specifically to applicants from the five countries for which a visa requirement was introduced in 1986-87 are not available.

La Belle Discotheque

Mr. Dalyell: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will place in the Library

such parts of the intercepts relating to the La Belle discotheque bombing on 5 April 1986 as are no longer classified; to whom these intercepts have been shown, when and why; and if he will make a statement.

Mr. Mellor: No. It is not our practice to comment on intelligence and security matters.

HOME DEPARTMENT

Fine Defaulters

Mr. Baldry: To ask the Secretary of State for the Home Department when he anticipates bringing into force section 49 of the Criminal Justice Act 1972 to enable courts to impose a community service order in lieu of a warrant of commitment for failure to pay a fine.

Mr. John Patten: Following consultations with a range of interested bodies, we said, in the White Paper on criminal justice published in March 1986, that we were inclined not to implement this section, since it would add to the complexity and reduce the effectiveness of the fine enforcement process and consume probation service resources without appreciably reducing imprisonment for default. We propose to look again at the possibility of implementing this provision and we shall be seeking further views from the interested bodies.

Sunday Trading

Mr. John Marshall: To ask the Secretary of State for the Home Department what recent representations he has received about the Sunday trading law.

Mr. Renton: Since 18 December 1987 when I last answered a similar question from my hon. Friend the Member for Basildon (Mr. Amess)—column *834*—we have received 100 written representations broadly in favour of Sunday trading and 61 against.

Shops (Crime Prevention)

Mr. Amess: To ask the Secretary of State for the Home Department, if he plans any new initiatives to seek to prevent crime in shops.

Mr. John Patten: Advice on the prevention of theft from shops is featured in the handbook "Practical Ways to Crack Crime" which was published on 9 March in support of the Department's national crime prevention publicity campaign. The Home Office is also in touch with officials from the retail trade's main representative bodies — the Retail Consortium, the British Retailers Association and the Association for the Prevention of Theft in Shops — regarding the proposal, which I welcome, that the trade should mount its own national campaign aimed at the prevention of shop theft.

As an aid to planning effective measures against theft from shops we shall shortly be publishing, as a Home Office crime prevention unit paper, a report prepared by a representative of the Dixon Group plc, working in collaboration with the crime prevention unit, under the title "Retail Crime: Prevention through Crime Analysis".

Asylum

Mr. Simon Hughes: To ask the Secretary of State for the Home Department what is the average length of time taken for his Department to deal with cases of application for asylum *(a)* at ports of entry and *(b)* made by people who already have leave to enter.

Mr. Renton: For applications decided in 1987 it is estimated that the average length of time between the receipt of the application and the decision was 10 months for those applying at ports of entry and 16 months for those already in the United Kingdom.

Crime Prevention

Mr. Baldry: To ask the Secretary of State for the Home Department what indications he has about the effectiveness of recent crime prevention initiatives taken or encouraged by his Department.

Mr. John Patten: We have been encouraged by reports from a number of chief officers of police in urban areas of falls in the recorded level of certain crimes notably burglary, which are often targeted by local crime prevention schemes. The Department will continue to encourage the expansion of these schemes in the light of growing evidence that, when they are properly organised and supported, they can be effective in preventing certain crimes and in reducing the fear of crime more generally.

A good example of the effectiveness of the multi-agency preventive approach to local crime problems is a burglary reduction project in Rochdale, supported by the Home Office. This has produced a 60 per cent. reduction in that crime over a seven-month period.

Multi-agency crime prevention projects established as demonstration models in "Five Towns" in 1986 with Home Office funded co-ordinators have each demonstrated their effectiveness in a number of different ways, notably in securing increased public support for crime prevention work, bringing down the figures for particular crimes and in reducing also the public's fear of crime. It is a measure of the success of the "Five Towns" projects that each has gained sufficient local support to continue beyond the period of Home Office funding. The lessons learned in the "Five Towns" projects will be applied to the development of the "Safer Cities" programme.

Prison Officers

Mr. Bermingham: To ask the Secretary of State for the Home Department how many prison officers were in post in England and Wales as at 31 December 1983.

Mr. Douglas Hogg: There were 17,939 staff in the prison officer class on 31 December 1983.

Exclusion Orders

Mr. Home Robertson: To ask the Secretary of State for the Home Department how many people were served with exclusion orders under the Prevention of Terrorism Act between 1 and 7 March; who they were; what the provisions of the exclusion orders were; and why they were served with the order.

Mr. Hurd: None.

Terrorism

Mr. Home Robertson: To ask the Secretary of State for the Home Department how many people were detained under the Prevention of Terrorism Act between 1 and 7

March; who they were; where they were detained; why they were detained; for how long they were held; and what charges were brought against them.

Mr. Hurd: Between 1 and 7 March eight people were detained under section 12 of the Prevention of Terrorism (Temporary Provisions) Act 1984 on suspicion of involvement in the commission, preparation or instigation of acts of terrorism. All eight were detained in London. Four were detained for 11 hours, 3 days 18 hours, 3 days 23 hours, and 3 days 23 hours, respectively, before being released. The other four were detained for 4 days 19 hours, 4 days 19 hours, 4 days 2 hours and 3 days 22 hours. At that point, on 8 March, I signed orders excluding them from the United Kingdom. They were then detained under article 9(3) of the Prevention of Terrorism (Supplemental Temporary Provisions) Order 1984 for a further 1 day, 1 day, 22 hours and 22 hours respectively, pending their removal from the United Kingdom. No charges were brought against any of those detained.

It is not our normal practice to name individuals detained under the Prevention of Terrorism (Temporary Provisions) Act 1984.

Fire-Service (Clwyd)

Mr. Barry Jones: To ask the Secretary of State for the Home Department (1) if he will visit the county of Clwyd to meet full time and retained firemen to discuss current and proposed manning levels; and if he will make a statement;

(2) if he will visit Buckley and Queensferry fire stations; and if he will make a statement;

(3) whether he has recently visited the county of Clwyd fire service headquarters and fire stations in Clwyd; and if he will make a statement;

(4) what is the authorised establishment of the Clwyd fire service; how many officers are currently in post; and if he will make a statement.

Mr. John Patten: My right hon. Friend has not recently visited the Clwyd fire service and has no present plans to do so. The whole time firefighter establishment of the Clwyd fire brigade at 1 January 1988 was 197 and the retained establishment was 240. Staff actually in post were 184 and 227, respectively.

Political Asylum

Mr. Corbyn: To ask the Secretary of State for the Home Department if he will list by country of origin the total number of applications for political asylum received by it currently outstanding; and how many of these have been outstanding for *(a)* more than six months, *(b)* more than one year and *(c)* more than two years.

Mr. Renton: Information on the total numbers of asylum applications outstanding at the end of 1986 was published by nationality of applicant in "Refugee Statistics, United Kingdom, 1986" — Home Office Statistical Bulletin, No. 13/87 — a copy of which is in the Library. Reliable information on the breakdown of these figures by length of time the application had been outstanding could be produced only at disproportionate cost. It is planned to publish a further bulletin relating to 1987 later this year.

Immigration Laws (Detained Persons)

Mr. Corbyn: To ask the Secretary of State for the Home Department how many people are currently held in *(a)* police stations, *(b)* prisons, *(c)* remand centres arising from the operation of immigration laws; and what are the comparable figures for March and September of each year since 1983.

Mr. Renton: Information in the form requested is not available centrally and could be obtained only at disproportionate cost. On 10 March 1988 there was a total of 178 people detained at the two main establishments used for detention arising from the operation of the immigration laws; that is, 90 at Latchmere house and 88 at Harmondsworth.

British Nationality Act 1981

Mr. Corbyn: To ask the Secretary of State for the Home Department how many applications for registration under the British Nationality Act 1981 have been *(a)* received by his Department, *(b)* fully processed and accepted, *(c)* acknowledged but not decided upon and *(d)* awaiting acknowledgement.

Mr. Renton: Since 1 April 1987 an estimated 295,000 applications of all types for British citizenship have been received; 43,895 applications have been granted. Some 105,000 applications for registration and naturalisation which have yet to be decided upon have been acknowledged and a further 130,000 packages containing citizenship applications await acknowledgement.

Equal Opportunities Commission

Ms. Richardson: To ask the Secretary of State for the Home Department (1) whether, in the light of the Equal Opportunities Commission's recent report, he will consider introducing an equal treatment Bill giving women positive equality rights in law;

(2) whether, in the light of the Equal Opportunities Commission's recent report, he will consider introducing legislation banning discrimination in private clubs where there is a male and female membership;

(3) whether, in the light of the Equal Opportunities Commission's recent report, he will consider seeking to strengthen and widen the Commission's powers to initiate formal investigations;

(4) whether, in the light of the Equal Opportunities Commission's recent report, he will consider *(a)* introducing means of improving training in sex discrimination law of tribunal members and *(b)* including at least one woman member on each panel;

(5) whether, in the light of the Equal Opportunities Commission's recent report, he will consider legislation to obtain equal pay for work of equal value in the event of forthcoming legal judgments not providing this outcome;

(6) whether, in the light of the Equal Opportunities Commission's recent report, he will consider seeking to combine the present Equal Pay and Sex Discrimination Acts;

(7) whether, in the light of the Equal Opportunities Commission's recent report, he will consider introducing legislation to place a duty upon local authorities and other public bodies to operate a system of contract compliance to eliminate sex discrimination.

Mr. John Patten: The Equal Opportunities Commission's proposals were published on 8 March. We will be giving its recommendations careful consideration in consultation with colleagues.

Football Matches (Policing)

Mr. Pendry: To ask the Secretary of State for the Home Department what was the cost of policing football matches in England and Wales in each of the last three football seasons.

Mr. Douglas Hogg: I would refer the hon. Member to the reply which I gave to a question from my hon. Friend the Member for Darlington (Mr. Fallon) on 10 March, at column *285*.

Prisoners (Police Cells)

Mr. Bermingham: To ask the Secretary of State for the Home Department how many sentenced prisoners were held in police cells during February in England and Wales.

Mr. Douglas Hogg: This information is not held centrally and could be obtained only at disproportionate cost.

Mr. Bermingham: To ask the Secretary of State for the Home Department how many sentenced prisoners are currently being held in police cells in England and Wales.

Mr. Douglas Hogg: On Friday 11 March, 191 sentenced prisoners were being held in police cells in England and Wales.

Heysel Stadium

Mr. Heffer: To ask the Secretary of State for the Home Department what has been the total cost to public funds of the extradition proceedings in connection with the Heysel stadium disaster; if any part of this sum is recoverable from the Belgian Government; and if he will make a statement.

Mr. John Patten *[holding answer 15 February]:* Expenditure so far identified includes about £30,000 incurred by the police and £61,000 by the Crown Prosecution Service. Legal aid costs borne by the Lord Chancellor's Department have yet to be settled. None of this expenditure is recoverable from the Belgian authorities because the extradition treaty provides that the costs incurred in such proceedings are borne by the requested state.

Professor Colin Blakemore

Mr. Dalyell: To ask the Secretary of State for the Home Department what information relating to Professor Colin Blakemore's work was improperly disclosed from the animals procedures committee; and why.

Mr. Douglas Hogg *[holding answer 2 March 1988]:* I have today written to the hon. Member.

File (Disappearance)

Mr. Livingstone: To ask the Secretary of State for the Home Department, pursuant to the answer of 8 February, *Official Report*, column *41*, what police inquiries were carried out into the loss of security classified material from the office of the hon. Member for Southend, East (Mr. Taylor) and what were the conclusions of such inquiries.

Mr. Hurd *[holding answer 7 March 1988]:* I understand that my hon. Friend the Member for Southend, East (Mr. Taylor) was interviewed by an officer of the Metropolitan police on 10 April 1986 and a file of papers was then recorded as lost property. I further understand that the file was later found and that no other police inquiries were made.

PRIME MINISTER

Polaris

Mr. Cohen: To ask the Prime Minister if she will explain the basis on which she stated at a press conference following her visit to the North Atlantic Treaty Organisation on 17 February that Her Majesty's Government are modernising Polaris with Trident in accordance with the Montebello resolutions, as stated on page 7 of the Central Office of Information transcript; and if she will make a statement.

The Prime Minister The Government's decision in 1980 to replace Polaris with Trident was taken in order to maintain the effectiveness and credibility of Britain's independent strategic nuclear deterrent well into the next century. The decision is entirely consistent with NATO's commitment, articulated at Montebello in 1983 and also most recently this month at the NATO summit, to maintain effective and up-to-date nuclear forces.

Non-Proliferation Treaty

Dr. Thomas: To ask the Prime Minister when she next expects to meet with the leaders of the United Kingdom's partner depository states for the nuclear non-proliferation treaty to discuss progress and initiatives under article VI.

The Prime Minister: I have at present no plans to do so.

NATO Summit (Brussels)

Dr. Thomas: To ask the Prime Minister (1) if, during her meeting with President Mitterrand at the NATO Ministers meeting in Brussels on 2-3 March, she discussed the prospects of France joining the nuclear non-proliferation treaty;

(2) if, during her meeting with President Mitterrand at the NATO summit in Brussels on 2-3 March, she discussed the joint Anglo-French stand-off air-launched nuclear missile system.

The Prime Minister: I had no separate meeting with President Mitterrand at the NATO summit.

Civil Servants

Mr. Dobson: To ask the Prime Minister if, pursuant to her answer of 7 December 1987 to the hon. Member for Linlithgow (Mr. Dalyell), *Official Report*, column 11, she will detail the changes made for the sake of clarification or completeness in the revised note of guidance on the duties and responsibilities of civil servants.

The Prime Minister: Such changes are numerous, but can be readily identified from a comparison of the revised text—*Official Report*, 2 December 1987, columns *572-75* —with the original text—*Official Report* 26 February 1985, columns *130-32*.

Educational Testing (Correspondence)

Mr. Dalyell: To ask the Prime Minister what steps she is taking to discover the source of the leak of a letter from Mr. Paul Gray to Mr. Tom Jeffrey in relation to educational testing; and if she will make a statement.

The Prime Minister: It is not the usual practice to give information on such matters.

ATTORNEY-GENERAL

Alleged Government Subversion (Prosecutions)

50. **Mr. Allen:** To ask the Attorney-General, pursuant to his answer of 22 February, *Official Report*, column *15*, what representations he has received about possible prosecutions in relation to offences concerning alleged attempts to subvert the Government of Lord Wilson; and if he will make a statement.

The Attorney-General: Since becoming Attorney-General I have received about 100 letters from Members of Parliament and the public about the "Spycatcher" case. Several of these letters have raised the question of investigations or prosecutions in relation to the allegations to which the hon. Member refers. I have referred correspondents — and also the hon. Member — to the Prime Minister's statement of 6 May.

"Spycatcher"

51. **Mr. Winnick:** To ask the Attorney-General if he will give the latest estimate of the likely total eventual cost of the legal proceedings and advice in the United Kingdom and abroad in connection with cases to date on "Spycatcher."

The Attorney-General: The total amount of costs expended to date is about £660,000. I cannot usefully estimate the total eventual cost.

Government Legal Actions

52. **Mr. Tony Banks:** To ask the Attorney-General how many civil actions in which Her Majesty's Government are or were the plaintiff have been instituted since May 1979; and in how many cases *(a)* judgments and *(b)* costs were awarded against Her Majesty's Government.

The Solicitor General: The information sought by the hon. Member is not readily available and could only be obtained at disproportionate cost.

Dog Fighting

53. **Mr. Harry Greenway:** To ask the Attorney-General how many prosecutions were brought in the past eight years for the unlawful promotion of dog fights and other forms of animal baiting; and if he will make a statement.

The Attorney-General: No separate records are maintained by the Crown Prosecution Service of prosecutions brought by that service for such offences. Records of convictions in cases involving cruelty to animals are kept by the Home Office.

"My Country, Right or Wrong"

Mr. Dalyell: To ask the Attorney-General, pursuant to his answer of 9 March, if he will propose to the British Broadcasting Corporation the appointment of an independent third party with security clearance to examine transcripts of the remaining programmes in the British Broadcasting Corporation series "My Country, Right or Wrong" with a view to establishing to Her Majesty's Government's satisfaction whether the transmission of the programmes would raise any security problems; and if he will make a statement.

The Attorney-General: No.

Family Court (Policy)

Mrs. Virginia Bottomley: To ask the Attorney-General how many officials in the Lord Chancellor's Department are responsible for formulating policy on the introduction of a family court.

The Solicitor-General: Currently a specialist lawyer and an executive officer in the Lord Chancellor's Department are engaged full-time, in collaboration with officials in their own and other Departments, on policy formulation relevant to the whole area embraced by the concept of a family court.

OVERSEAS DEVELOPMENT

Kampuchea

57. **Mr. Matthew Taylor:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he has met representatives of Oxfam to discuss the provision of aid to Kampuchea; and if he will make a statement.

Mr. Chris Patten: This issue, with many others, was discussed when I met the director of Oxfam, Mr. Frank Judd, last December.

Sub-Saharan Africa (Debt)

61. **Sir Russell Johnston:** To ask the Secretary of State for Foreign and Commonwealth Affairs what plans he has to assist Commonwealth countries in sub-Saharan Africa with their current problem of external debt.

Mr. Chris Patten: The United Kingdom has put forward an initiative to alleviate the debt problems of the poorest sub-Saharan African countries, including those which are members of the Commonwealth. We have also promised major contributions to the IMF's enhanced structural adjustment facility and the World Bank's special programme of assistance, both of which will provide considerable help to these countries.

Gross bilateral aid for Commonwealth countries in sub-Saharan Africa in 1986 was £200 million.

Contaminated Foodstuffs

62. **Ms. Ruddock:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he has any information regarding the alleged supply via food aid of European Economic Community radioactive contaminated foodstuffs to Third world countries; and if he will make a statement.

63. **Ms. Quin:** To ask the Secretary of State for Foreign and Commonwealth Affairs if he has any information regarding the alleged supply via food aid of European Economic Community radioactive contaminated foodstuffs to Third world countries; and if he will make a statement.

Mr. Chris Patten: We have no evidence that any of the European Community's food aid consignments have exceeded the maximum levels of radioactivity permitted for the Community's exports of foodstuffs; these levels are the same as those permitted for imports from third countries.

Uganda (Civil Service Pensions)

64. **Mr. Bidwell:** To ask the Secretary of State for Foreign and Commonwealth Affairs what reply he has received to his most recent approach to the Ugandan Government concerning the payment of pensions to a few ex-civil servants now resident in the United Kingdom.

Mr. Chris Patten: Our high commission in Kampala raises this matter regularly. It has reported that restoration of pension payments to certain former public servants now resident in the United Kingdom is under investigation by the Government of Uganda.

Cyprus

Mr. Faulds: To ask the Secretary of State for Foreign and Commonwealth Affairs what assessment Her Majesty's Government made, in deciding on their policy of giving aid for the whole of Cyprus on a Government to Government basis, of the degree of control exercised by Greek Cypriot Government over northern Cyprus and the extent to which it has a mandate to act on behalf of the Turkish Cypriot population.

Mr. Chris Patten: We recognise only one Republic of Cyprus. However, as far as education and training awards of benefit to the Turkish community are concerned, the British Council deals directly with the Turkish Cypriot authorities in the educational field.

Sudan

Mr. Robert Banks: To ask the Secretary of State for Foreign and Commonwealth Affairs how many vehicles are currently undertaking relief work in the Sudan, provided under the United Kingdom aid programme.

Mr. Chris Patten: In 1987 the ODA provided 20 trucks for the combined agencies relief team (CART) at a cost of £400,000. These vehicles are enabling CART to distribute food in and around Juba.

In January this year the Sudanese army commandeered 15 of the CART trucks, 14 of which have now been returned. We are awaiting further information on the last truck.

Mr. Robert Banks: To ask the Secretary of State for Foreign and Commonwealth Affairs what work is being undertaken to ensure that food supplies are reaching southern Sudan.

Mr. Chris Patten: Donors are working with the Government of Sudan to identify ways of providing relief supplies to the whole of southern Sudan. The ODA responded to a world food programme appeal for 1,400 tonnes of food aid to be airlifted into Juba by providing 400 tonnes, with associated transport costs; the European Community provided a further 600 tonnes. This food is being distributed by ODA-funded trucks. In February, a military-escorted convoy of barges organised by the Sudanese Government delivered 2,600 tonnes of relief aid to Malakal for the Upper Nile region. Of this the ODA financed 450 tonnes through the Catholic fund for overseas development. The International Committee of the Red Cross is now waiting to receive the agreement of the Sudanese Government and the rebel forces to begin relief work in areas of southern Sudan previously inaccessible because of civil war.

Mr. Robert Banks: To ask the Secretary of State for Foreign and Commonwealth Affairs what assurances have been received that the vehicles for moving food supplies in the Sudan will not be used for other purposes by the Sudan Government.

Mr. Chris Patten: On 27 February the Prime Minister of Sudan, Sadiq el Mahdi, informed our ambassador in Khartoum that the commandeering of vehicles provided by the ODA had been due to a breakdown in communication. I have accepted assurances that this will not happen again. These trucks are once more being used to distribute food supplies around the Juba area.

Mozambique

Sir Russell Johnson: To ask the Secretary of State for Foreign and Commonwealth Affairs if any United Kingdom aid-supported projects in geographical areas subject to attack or disruption by the Mozambique National Resistance have been disrupted by the Mozambique National Resistance; and if he will make a statement.

Mr. Chris Patten: We have had reports of two incidents at or near the sites where teams from the National Railways of Zimbabwe are reconstructing the Limpopo railway from Chicualacuala. In addition work has been disrupted from time to time on the Beira and Nacala railway projects. All aid-financed activities, particularly emergency relief, suffer in varying degrees from the disruption of internal transport caused by the security situation.

Sir Russell Johnson: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will state the level of United Kingdom aid to Mozambique, giving details of *(a)* the nature of each project supported, *(b)* the level of support given to each project and *(c)* the location within Mozambique of each project.

Mr. Chris Patten: Commitments of United Kingdom aid to Mozambique amounted to £35 million in 1987, of which £15 million was for balance of payments support and £15 million for emergency relief. We are also contributing to transport projects in Mozambique sponsored by the Southern African development co-ordination conference. Details of current capital projects are as follows:

Project	*Total commitment (£ million)*	*Location*
Mozambique bilateral aid		
Prawn fisheries: boat and jetty rehabilitation	2·515	Angoche
Road and bridging material	0·297	Various
Aeronautical telecommunications	0·721	Maputo, Beira, Tete
Leyland trucks for coal industry	0·660	Moatize
SADCC aid		
Limpopo railway	14·000	Gaza and Maputo
Nacala railway rehabilitation	1·453	Niassa and Nampula provinces

Project	Total commitment (£ million)	Location
Beira railway breakdown crane	1·100	Beira

International Development Association

Miss Lestor: To ask the Secretary of State for Foreign and Commonwealth Affairs when negotiations for the ninth replenishment of the International Development Association will commence.

Mr. Chris Patten: The association has yet to announce a date, but negotiations will probably begin early in 1989.

NATIONAL FINANCE

War Stock

Mr. Nicholas Bennett: To ask the Chancellor of the Exchequer what representations he has received regarding the repayment of 3½ per cent. war stock; and if he will make a statement.

Mr. Lilley: My right hon. Friend has received a number of representations on this subject.

Parliamentary Questions

Mr. Sims: To ask the Chancellor of the Exchequer whether he has any proposal to raise the advisory cost limit of £200 for answering parliamentary questions.

Mr. Peter Brooke: Yes. The advisory figure of £200 was introduced in 1982 as the level at which the likely cost of a full reply to a parliamentary question should be drawn to the attention of Ministers. This figure is now out of date. It is accordingly being raised as from today to £250.

This does not alter the discretion of individual Ministers to decide that a particular question should be answered partially or in full regardless of cost.

Third World

Mr. Andrew Smith: To ask the Chancellor of the Exchequer what is his estimate of the reduction in tax take for Her Majesty's Government from banks in respect of the current year, as compared with last year, as a result of their write-down of Third world debt.

Mr. Lilley *[holding answer 29 February 1988]:* Tax receipts in the current year are provisionally estimated to be lower by about £270 million as a result of losses incurred by banks on irrecoverable loans to third world countries. The estimate for 1986-87 is £30 million.

VAT

Mr. Warren: To ask the Chancellor of the Exchequer what information he has as to which member states apply a positive rate of value added tax to magazines and which also provide a subsidy in the form of tax relief for such publications.

Mr. Lilley *[holding answer 9 March 1988]:* A positive rate of VAT is applied to magazines by Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands and Spain. The supply of periodicals in Italy with a cover price of less than 8,000 lire and sold by persons other than the editor is zero-rated.

Information on subsidies in the form of tax relief is not readily available and could be obtained only at disproportionate cost.

Manufacturing

Mr. Meacher: To ask the Chancellor of the Exchequer what information he has as to the annual average percentage increase in (i) gross domestic product at constant market prices, (ii) manufacturing output, (iii) wages per head in manufacturing, (iv) retail prices, (v) manufacturing productivity, (vi) manufacturing investment at constant prices, (vii) wages and salaries per unit of output in manufacturing, over the period 1983 to 1987 in *(a)* the United Kingdom, *(b)* the United States of America, *(c)* Germany, *(d)* France, *(e)* Japan, and *(f)* Sweden.

Mr. Major *[holding answer 10 March 1988]:* Data on (i) GDP (or GNP) at constant market prices are given in OECD *Quarterly National Accounts*. Data on (ii) manufacturing output and (iv) retail (consumer) prices are given monthly in OECD *Main Economic Indicators*. Data on (iii) wages per head in manufacturing are given monthly in the *Employment Gazette*. Data for (vi) manufacturing investment at constant prices are given in the OECD *National Accounts* (Volume II: Detailed Tables). Data for (v) manufacturing productivity can be calculated from the series for manufacturing output and employment given in the OECD *Main Economic Indicators*. Data on wages and salaries for unit of output are not published in any standard international source.

Investment

Mr. Bowis: To ask the Chancellor of the Exchequer if he will provide figures for gross and net investment, as totals per head and as a proportion of gross domestic product for the last five available years in the following countries: Norway, Sweden, Japan, Western Germany, France, the United States of America, Italy and the United Kingdom.

Mr. John Major *[holding answer 11 March 1988]:* The following three tables give annual data for 1982 to 1986 for gross and for net fixed investment as a percentage of gross domestic product and for gross fixed investment per head of the population in US dollars. Comparable figures, in a common currently, are not available for net investment per head.

Gross fixed capital formation as a percentage of gross domestic product[1]

	1982	1983	1984	1985	1986
United States of America	17·2	17·2	18·0	18·1	17·8
Japan	29·7	28·3	27·9	27·7	27·8
Germany	20·5	20·5	20·2	19·7	19·4
France	21·4	20·2	19·3	19·0	18·8
United Kingdom	16·2	16·2	17·3	17·2	17·2
Italy	22·3	21·3	21·2	21·2	20·1
Norway	25·5	25·7	26·0	21·7	27·6
Sweden	18·8	18·7	18·6	19·1	18·2

[1] Exact definitions of fixed capital formation vary from country to country.

Source: Calculated from OECD National Accounts 1960 to 1986.

Net fixed capital formation as a percentage of gross domestic product[1]

	1982	1983	1984	1985	1986
United States of America	3·1	3·6	5·2	5·4	5·3
Japan	16·2	14·6	14·2	13·9	14·1
Germany	7·8	7·9	7·6	7·1	7·1
France	9·0	7·8	7·4	7·2	6·8
United Kingdom	4·0	4·1	5·1	5·2	4·9
Italy	11·1	10·2	10·3	10·4	9·2
Norway	10·3	10·9	12·2	8·3	13·1
Sweden	6·9	6·8	6·9	7·5	6·9

[1] Net fixed capital formation is gross capital formation after providing for depreciation. Estimates of depreciation are subject to a very wide margin of error and are not comparable between countries. Gross domestic product does not provide for depreciation, and is therefore not an appropriate denominator.

Source: Calculated from OECD National Accounts 1960 to 1986.

Gross fixed capital formation per head[1]

	1982	1983	1984	1985	1986
United States	2,312	2,460	2,827	2,991	3,091
Japan	2,852	2,875	3,074	3,270	3,427
Germany	2,075	2,190	2,306	2,386	2,478
France	2,206	2,161	2,166	2,226	2,300
United Kingdom	1,472	1,567	1,766	1,882	1,976
Italy	2,066	2,035	2,174	2,291	2,294
Norway	2,794	3,040	3,357	3,041	4,120
Sweden	1,989	2,092	2,233	2,415	2,387

[1] US dollars, at current prices and OECD estimates of purchasing power parities.

Source: OECD National Accounts 1960-86.

Civil Service Functions (Dispersal)

Mr. Soley: To ask the Chancellor of the Exchequer whether there will be full consultation with the Council of Civil Service Unions about any proposals for further dispersal of Civil Service functions.

Mr. Brooke: The Council of Civil Service Unions will be given an early opportunity to comment upon developments in the policy on the location of Government work referred to in my answer to the hon. Member for East Kilbride (Mr. Ingram) on 18 February, at columns *475-76*. Furthermore, it is normal practice for Departments to consult their trade union sides before undertaking significant relocations.

Mr. Soley: To ask the Chancellor of the Exchequer when he will make an announcement, supplementing the Prime Minister's statement of 18 February, about the further dispersal of Civil Service functions.

Mr. Brooke: I expect shortly to be in a position to make the further statement about the location of Government work forcast in my answer of 18 January, at columns *475-76*, to the hon. Member for East Kilbride (Mr. Ingram).

THE ARTS

British Library

Mr. Butler: To ask the Minister for the Arts what is his estimate of the current inflation rate of building costs within the British Library project; and if he will make a statement.

Mr. Luce: The estimate for the current inflation rate of building costs for the new British Library at St. Pancras is 7 per cent. on an annual basis.

South Bank Board

Mr. Tony Banks: To ask the Minister for the Arts if he will place in the Library the terms of the trust deed setting up the South Bank Board as an independent body.

Mr. Luce: I will place a copy of the trust deed in the Library as soon as it is finalised.

Mr. Tony Banks: To ask the Minister for the Arts what changes are to be made to the standing and organisation of the South Bank Board.

Mr. Luce: Arrangements are being considered whereby the South Bank Board would become an independent charitable trust, under the terms of the Arts Council's charter, from 1 April 1988. The details are not yet complete but I will advise the House of them as soon as decisions are reached.

Mr. Tony Banks: To ask the Minister for the Arts when he expects to name the new members of the independent South Bank body; and whom he is consulting.

Mr. Luce: I have asked Mr. Ronald Grierson to continue as chairman of the South Bank Board with effect from 1 April 1988 for a further three years. Arrangements for other members of the board depend on finalising the details of a new independent charitable trust.

TRADE AND INDUSTRY

Exports and Imports

Mr. Leighton: To ask the Chancellor of the Duchy of Lancaster what has been the percentage change in the volume and value of exports from and imports into the United Kingdom of biscuits, chocolate, chocolate and sugar confectionery, respectively, since 1972: *(a)* with the European Economic Community and *(b)* with the rest of the world.

Mr. Alan Clark: The information is given in the table.

Percentage changes 1972-1978
European Economic Community (as at 1 January 1988)

	Exports		*Imports*	
	Volume	*Value*	*Volume*	*Value*
Biscuits (SITC 048.42 (part))	+218	+1,485	+123	+1,150
Chocolate and chocolate confectionery (SITC 073.0)	+243	+1,572	+127	+1,449
Sugar confectionery (SITC 062.0)	+ 48	+ 885	+255	+1,697

Rest of the World

	Exports		*Imports*	
	Volume	*Value*	*Volume*	*Value*
Biscuits (SITC 048.42 (part))	+15	+419	+316	+1,442
Chocolate and chocolate confectionery (SITC 073.0)	+19	+379	+ 98	+ 904

	Exports		Imports	
	Volume	Value	Volume	Value
Sugar confectionery (SITC 062.0)	−31	+260	+125	+ 950

Manufacturing Industry (Investment)

Mr. Meacher: To ask the Chancellor of the Duchy of Lancaster what has been the level of direct investment in overseas manufacturing industry and gross domestic fixed capital formation from private sector United Kingdom manufacturing industry in each year since 1977.

Mr. Alan Clark: The information is given in the table. It should be noted that net overseas direct investment is a financial concept and is not the same as capital expenditure on fixed assets or the growth in a company's net assets. Direct investment covers only the sums invested in a related concern by the parent company and that concern will then decide how this is to be used, whether on fixed assets, to increase debtors, repay borrowing etc.

	Net United Kingdom direct investment in overseas manufacturing[1]	*Private sector manufacturing gross domestic fixed capital formation*[2]
	£ million	*£ million current prices*
1977	1,077	4,190
1978	1,520	5,220
1979	1,397	6,163
1980	1,427	6,182
1981	2,528	5,113
1982	1,579	5,260
1983	2,126	5,655
1984	2,100	6,997
1985	2,860	8,443
1986	5,663	8,823

[1] Includes overseas direct investment in manufacturing by public corporations and by non-manufacturing companies in the United Kingdom. Separate figures excluding these categories are not available.

[2] Excludes assets held on financial lease by manufacturing.

Racal Ltd

Mr. Janner: To ask the Chancellor of the Duchy of Lancaster whether he has completed his investigations concerning the question of the alleged sale of radio equipment by Racal Ltd. to the Palestine Liberation Organisation in 1981; and if he will make a statement.

Mr. Alan Clark: A conclusion to the investigation is expected shortly.

Mr. Janner: To ask the Chancellor of the Duchy of Lancaster whether the current investigation concerning the alleged sale of radio equipment by Racal Ltd. to the Palestine Liberation Organisation in 1981 includes an inquiry into the training of militiamen from the Palestine Liberation Organisation in battleground communications provided by Racal Ltd.

Mr. Alan Clark: No.

British Shipbuilders

Mr. Clay: To ask the Chancellor of the Duchy of Lancaster when he will reply to the letter from the hon. Member for Sunderland, North concerning Government support for British Shipbuilders sent to him on 4 March.

Mr. Kenneth Clarke: I have written to the hon. Member this morning.

House of Fraser

Mr. Ron Brown: To ask the Chancellor of the Duchy of Lancaster what recent representations he has received from Lonrho plc about the conduct of the inquiry by his Department's inspectors into the affairs of House of Fraser plc; and if he will make a statement.

Mr. Maude: I cannot discuss matters relating to the investigation of the affairs of House of Fraser Holdings plc while it is in progress.

City Action Teams

Mr. Madden: To ask the Chancellor of the Duchy of Lancaster whether the City Action team to be located in Leeds will also be responsible for all the Bradford metropolitan district; whether any City Action team officials will be based permanently or temporarily in any part of the Bradford metropolitan district; what action City Action team officials are taking to contact public, private and voluntary agencies in Bradford; and how such agencies in Bradford may make contact with City Action team officials.

Mr. Kenneth Clarke: The Leeds — Bradford City Action team will cover the Leeds and Bradford urban programme areas. City Action team officials are located in the regional offices of the Departments of the Environment, of Employment and of Trade and Industry which are in Leeds. Officers in all three Departments already have close contacts with organisations and agencies in the whole area the team covers. If any person or agency in Bradford wants to get in touch with the team they should contact one of the three departments.

Mr. Madden: To ask the Chancellor of the Duchy of Lancaster what budget will be available to the City Action team based in Leeds; what part of that budget represents new financial resources; what proportion of the overall budget will be spent within the Bradford metropolitan district; and who is the responsible accounting officer for City Action team expenditure in Leeds and Bradford.

Mr. Kenneth Clarke: The total funds which the three City Action team departments estimate they will spend in Leeds-Bradford in 1987-88 is around £100 million. They estimate around £50 million of this will be spent in Bradford. In addition the Government are now making available £0·79 million for the City Action team to spend in 1988-89 on special pump-priming projects involving the private sector and designed to stimulate enterprise and employment. The responsible accounting officer for that special top-up fund is the Permanent Secretary of my Department.

Mr. Madden: To ask the Chancellor of the Duchy of Lancaster what preference will be given to those living within the Bradford metropolitan district in any employment from projects arising directly or indirectly from activity undertaken or initiated by the City Action team based in Leeds; and what preference Bradford-based companies will be given in the placing of orders or contracts by the City Action team based in Leeds.

Mr. Kenneth Clarke: The Government's City Action team for Leeds-Bradford covers both these cities and its activities will be of benefit to both.

Competition Act 1980

Mr. Page: To ask the Chancellor of the Duchy of Lancaster what progress has been made in implementing the programme of references under section 11 of the Competition Act 1980 announced on 7 September 1987.

Mr. Kenneth Clarke: A reference of the Welsh Water Authority was sent to the Monopolies and Mergers Commission on that day and the Post Office counter service at Crown offices was referred on 6 November. I am sending a reference of British Coal's capital and investment activities to the Commission today.

The remaining reference in the programme announced on 7 September, London Underground, will be deferred until later this year to enable management to concentrate on the investigation into the King's Cross disaster and any follow-up action needed. Its place in the programme will be filled by a reference relating to British Rail's provincial sector which will be made later in the spring.

I then propose to announce a further programme of references for the remainder of 1988 and early 1989.

Action for Cities

Mr. Tony Banks: To ask the Chancellor of the Duchy of Lancaster how many Action for Cities working breakfasts will take place; where they will be held; which Ministers will be involved; how many business people will be involved; and what will be the total cost.

Mr. Kenneth Clarke: My present intentions are to hold six working breakfasts in Newcastle, Leeds, Manchester, Birmingham, Liverpool and London. They will be attended by my hon. Friend the Member for Northavon (Mr. Cope) — the Minister of State, Department of Employment — my hon. Friend the Member for Rossendale and Darwen (Mr. Trippier) — the Parliamentary Under-Secretary of State for the Environment — my hon. Friend the Member for South Ribble (Mr. Atkins) — the Parliamentary Under-Secretary of State for Industry — and myself as Chancellor of the Duchy of Lancaster and Minister responsible for the co-ordination of Government inner city policies.

An audience of 200 to 250 senior representatives of industry and business will attend each presentation. Final costs are not yet known, but are expected to be in the region of £0·5 million.

Enterprise Initiative

Mr. Austin Mitchell: To ask the Chancellor of the Duchy of Lancaster whether he has any proposals to extend to advertising the range of advice offered by his Department or financed by grants for consultancies under the enterprise initiative.

Mr. Kenneth Clarke *[holding answer 11 March 1988]:* The subject of advertising is already addressed by the marketing initiative.

Research and Development

Mr. Bowis: To ask the Chancellor of the Duchy of Lancaster if he will provide figures for the total amount per head of population spent on research and development for the last five available years in the following countries: Norway, Sweden, Western Germany, France, the United States of America, Japan, Italy and the United Kingdom.

Mr. Alan Clark *[holding answer 11 March 1988]:* The available information is given in the table.

Gross expenditure on research and development per head of the total population[1]

[2]£ per head

	1981	1982	1983	1984	1985
Norway	71	81	93	109	120
Sweden	117	n.a.	151	n.a.	200
West Germany	126	139	151	n.a.	184
France	101	115	125	139	153
United States of America	167	186	206	235	270
Japan	100	115	132	150	177
Italy	41	46	51	58	70
United Kingdom	110	n.a.	123	n.a.	146

n.a. Data not available.

[1] For 1985, where this was not available that for the nearest year has been taken.

[2] Exchange rates at purchasing power parities calculated by OECD have been used to convert foreign currencies to sterling.

Source: OECD.

Mr. Bowis: To ask the Chancellor of the Duchy of Lancaster if he will provide figures for the proportion of gross domestic product spent on research and development for the last five available years in the following countries: Norway, Sweden, Western Germany, France, the United States of America, Japan, Italy and the United Kingdom.

Mr. Alan Clark *[holding answer 11 March 1988]:* The available information is given in the table:

Gross expenditure on research and development as a percentage of gross domestic product

Per cent.

Country	1981	1982	1983	1984	1985
Norway	1·29	1·37	1·41	1·51	1·53
Sweden	2·22	..	2·46	..	2·79
West Germany	2·45	2·51	2·54	..	2·66
France	2·01	2·10	2·15	2·25	2·31
United States of America	2·45	2·60	2·62	2·69	2·83
Japan	2·14	2·23	2·36	2·45	2·62
Italy	1·01	1·04	1·12	1·19	1·33
United Kingdom	2·42	..	2·27	..	2·33

.. = data not available.

Source: OECD.

Internal Market

Mr. Robertson: To asked the Chancellor of the Duchy of Lancaster if he will list all the proposals for completion of the internal market currently under consideration by the Council of Ministers.

Mr. Alan Clark *[holding answer 8 March 1988]:* the 1988 presidency action programme on the single market lists more than 140 individual measures for discussion by the Council this year. Copies of the programme are available in the Library of the House.

GATT

Mr. Ingram: To ask the Chancellor of the Duchy of Lancaster if there have been recent meetings of the general agreement on tariffs and trade textile working group; and if he will make a statement.

Mr. Alan Clark *[holding answer 29 February 1988]:* The GATT textiles committee last met on 4 December 1987. The committee undertook the annual review of the operation of the multi-fibre arrangements, as required by article 10.4, and considered the membership of the GATT textiles surveillance body for 1988. The committee next meets on 14 March.

SCOTLAND

Student Grants

Mr. McTaggart: To ask the Secretary of State for Scotland if he will list for each Scottish university the number of students in receipt of fees only grants for the current academic year; and if he will express these figures as a percentage of the total student numbers.

Mr. Michael Forsyth: The latest available complete figures are set out below. They relate to the academic session 1986-87 and are in respect of those students at each university who are assisted by the Scottish Education Department.

University	
Aberdeen	1,018 students (28 per cent.
Dundee	368 students (21 per cent.)
Edinburgh	1,604 students (32 per cent.)
Glasgow	1,948 students (25 per cent.
Heriot-Watt	491 students (28 per cent.)
St. Andrews	369 students (34 per cent.)
Stirling	222 students (15 per cent.)
Strathclyde	1,286 students (24 per cent.)

Prisons (Overcrowding)

Mr. McTaggart: To ask the Secretary of State for Scotland if he will make a statement about the transfer of prisoners back to Barlinnie from Low Moss remand centre, and what further steps he will take to relieve overcrowding in Scottish prisons.

Lord James Douglas-Hamilton: On 26 January 1988 a number of inmates at Low Moss began to destroy furniture and fittings. When the incident was under control 24 inmates from one dormitory were transferred to HM prison Barlinnie. There was significant damage to property. No injuries were sustained.

The Scottish Home and Health Department is currently reviewing the revised use of capacity in its establishments. A further hall will become available at HM prison Shotts in the near future.

Rating Reform

Mr. Wallace: To ask the Secretary of State for Scotland what is the estimated cost of production and distribution of his booklet: "You and the Community Charge: A Step by Step Guide."

Mr. Lang: I refer the hon. Member to my reply to the hon. Member for Dundee, East (Mr. McAllion) of 7 March.

Health Boards

Mr. Darling: To ask the Secretary of State for Scotland (1) if he has any plans to instruct health boards to set up a register of interests showing all shareholdings, directorships and consultancies of health board members; and if he will make a statement;

(2) if he has any plans to instruct health board members to declare their interest in private health insurance schemes; and if he will make a statement.

Mr. Michael Forsyth: No. Chairmen and members of health boards are required to declare any interests in matters being considered by their board in terms of the National Health Service (Health Boards: Membership, Procedure and Payment of Subscriptions) (Scotland) Regulations 1975.

Football Matches (Policing)

Mr. Pendry: To ask the Secretary of State for Scotland what was the cost of policing football matches in Scotland in each of the last three football seasons.

Lord James Douglas-Hamilton: This information is not held centrally.

Cervical Cytology

Mr. Wray: To ask the Secretary of State for Scotland when his Department's report on the cervical cytology services in Scotland will be *(a)* published and *(b)* implemented.

Mr. Michael Forsyth: The report of a working group set up by the scientific services advisory group of the Scottish Health Services Planning Council was issued to health boards on 10 December 1987. I have placed in the Library a copy of the report and of the Scottish Home and Health Department's letter of the same date asking health boards to review their cervical cytology services and establish by the end of 1988 a computerised call and recall system which will ensure that all women in the age range 20 to 60 receive an invitation to attend for a smear test by 1993.

Dog Registration Scheme

Mr. Home Robertson: To ask the Secretary of State for Scotland whether he proposes to introduce a scheme to enable local authorities in Scotland to operate a dog registration system in accordance with an amendment to the Local Government Bill.

Lord James Douglas-Hamilton: There are no plans for the introduction of such a scheme in Scotland.

Islay

Mr. Tony Banks: To ask the Secretary of State for Scotland how many members of his Department's agricultural staff have visited Islay during the past 12 months.

Mr. Michael Forsyth: Ten members of staff of the Department of Agriculture and Fisheries for Scotland have visited Islay during the past 12 months.

White-fronted Geese

Mr. Tony Banks: To ask the Secretary of State for Scotland if he will detail the type of damage caused to crops and grassland by the feeding habits of white-fronted geese on Islay.

Mr. Michael Forsyth: Typical damage to root crops is a widespread breaking in to the roots which leads to deterioration and rotting. Livestock feed is lost and damaged turnips are unmarketable for human consumption.

Continual grazing pressure on improved grassland causes a loss of valuable winter and spring grazing for livestock.

Health Boards (Finances)

Sir Hector Monro: To ask the Secretary of State for Scotland what financial allocations he has made to health boards for 1988-89.

Mr. Michael Forsyth: I have allocated £1,661 million[1] to health boards to meet their gross recurrent expenditure commitments on hospitals and community health services in 1988-89. After expected income is taken into account, the net cash limited allocations to individual health boards are as follows:

Recurrent expenditure (net)

Health board	*£ million*
Argyll and Clyde	118·305
Ayrshire and Arran	88·548
Borders	25·675
Dumfries and Galloway	42·528
Fife	82·835
Forth Valley	77·570
Grampian	152·266
Greater Glasgow	430·705
Highland	62·292
Lanarkshire	136·332
Lothian	266·427
Orkney	4·667
Shetland	5·724
Tayside	153·124
Western Isles	8·517
	1,655·515

[1] Includes £19·06 million allocated for specific commitments including national cardiac surgery services, lithotripsy and AIDS.

Forestry Commission (Kielder Forest)

Ms. Quin: To ask the Secretary of State for Scotland what is the number of staff employed by the Forestry Commission in the Kielder forest district in 1985 to 1987 in *(a)* supervisory and administrative grades and *(b)* industrial grades; and in each category, how many staff are employed in (i) planting and maintenance, (ii) harvesting, (iii) nursery work, (iv) research, survey and environmental work and (v) forest work.

Mr. Gummer: I have been asked to reply.

The information, which is based on average figures, is as follows:

Year	*Supervisory and administrative grades*	*Industrial grades*
1985	34	149
1986	33	144
1987	33	136

The above figures do not include directly employed private contractors; the number of such contractors at 31 March 1987 was 22.

Most staff are employed on a range of duties in the course of a year. It is not practicable, therefore, to break down the total numbers of staff employed into the listed areas of work.

Ms. Quin: To ask the Secretary of State for Scotland what was the total area of Forestry Commission land in Kielder Forest district in each of the years 1985 to 1987; and what was the area of *(a)* land under trees, *(b)* unplanted land, *(c)* land planted and *(d)* land harvested, in each of those years.

Mr. Gummer: I have been asked to reply.

The information is set out in the table:

	Total Area of Land (hectares)	*Land under Trees (hectares)*	*Unplanted Land (hectares)*
[1]1985	50,675	40,180	10,495
[1]1986	50,671	40,180	10,491
[1]1987	50,369	40,177	10,186

	Planting (hectares)		*Timber Production 000 m^3*[2]
	New Planting	*Restocking*	
[1]1985	4	393	135
[1]1986	—	313	160
[1]1987	6	513	174

[1] Year (at 31 March)

[2] Timber production is measured by volume and not in terms of area.

AGRICULTURE, FISHERIES AND FOOD

Exports

Mr. Ralph Howell: To ask the Minister of Agriculture, Fisheries and Food if he will list for each year since 1979, the total tonnage and value of exports of *(a)* wheat, *(b)* barley, *(c)* oats, *(d)* oilseed rape and *(e)* the total tonnage and value for all four commodities.

Mr. Donald Thompson: The data requested are set out in the table.

Exports of Wheat, Barley, Oats and Rape (including Colza Seed) 1979-87

	Wheat		Barley		Oats		Rape and Colza seed		Total	
	Quantity	*Value*	*Quantity*	*Value*	*Quantity*	*Value*	*Quantity*	*Value*	*Quantity*	*Value*
1979	134	16,353	830	76,683	6	815	2	552	972	94,403
1980	1,055	11,596	1,638	160,221	2	370		186	2,695	272,373
1981	1,511	168,121	3,127	305,785	2	341	1	393	4,641	474,640
1982	2,354	278,051	2,302	250,976	5	672	14	3,958	4,675	533,657
1983	1,400	175,476	2,523	288,252	2	267	106	33,980	4,031	497,975
1984	2,215	264,516	3,868	444,396	1	110	166	49,658	6,250	758,680
1985	1,890	218,190	3,014	319,652		71	294	86,877	5,198	624,790
1986	3,987	452,556	4,119	426,172	1	174	496	149,915	8,603	1,028,817
1987	[2]4,122	312,354	3,088	207,102	9	1,405	296	80,988	7,514	601,849

Quantity = '000 tonnes.
Value = £'000.
[1] Rape and Colza Seed are not separately distinguished.
[2] Provisional estimates.
Source: HM Customs and Excise.

Oils and Fats

Mr. Leighton: To ask the Minister of Agriculture, Fisheries and Food what has been the percentage change in the United Kingdom consumption per head of butter and other edible oils and fats, respectively, since 1972.

Mr. Donald Thompson: Estimates based on the national food survey data indicate that household consumption per head of butter in the United Kingdom fell by 55 per cent. between 1972 and 1987. Over the same period per capita consumption of edible oils and fats increased by 25 per cent.

Public Analyst Service

Mr. Dalyell: To ask the Minister of Agriculture, Fisheries and Food what is his policy towards the funding of the public analyst service, with particular reference to the relative priority to be accorded to laboratory tests performed by the public analysts on behalf of local authority trading standards officers, environmental health officers and other inspectors operating in the field of consumer protection; and if he will make a statement.

Mr. Donald Thompson: Local authorities are responsible for determining their own priorities for the enforcement of consumer protection legislation. Under the Food Act 1984, each food and drugs authority has to appoint a public analyst, but it is not the policy of this Government to interfere with the funding arrangements between an authority and its public analyst nor with the authority's decisions on the relative importance of the services to be carried out by the public analyst.

Price Increases

Mr. Ralph Howell: To ask the Minister of Agriculture, Fisheries and Food what has been the annual average percentage increase in *(a)* agricultural produce, *(b)* food and *(c)* general prices in each year since 1979.

Mr. Donald Thompson: The average annual percentage increases were as follows:

	Agricultural Producer Prices	*Food Prices*	*General Prices*
1979	10·2	12·0	13·4
1980	5·4	12·1	18·0
1981	10·9	8·4	11·9
1982	7·8	7·9	8·6
1983	5·2	3·2	4·7
1984	0·2	5·6	5·0
1985	−1·6	3·1	6·1
1986	1·3	3·3	3·4
1987	1·8	3·1	4·2
1988 (January)	1·0	2·9	3·3

Source:
[1] Index of Producer Prices of Agricultural Products, Ministry of Agriculture, Fisheries and Food.
[2] Food component of Retail Price Index, Department of Employment.
[3] All items, Retail Price Index, Department of Employment.

Forestry

Mr. Ron Davies: To ask the Minister of Agriculture, Fisheries and Food if he will give details of the outstanding forestry planting grant and felling licence applications referred to him by the Forestry Commission; when each was so referred; when he expects to be able to announce a decision for each one; and for which cases further consultation is still being considered.

Mr. Gummer *[holding answer 10 March 1988]:* My right hon. Friend is considering one forestry planting grant application to which objections have been raised. This application relates to 60 hectares of land at West Stotley, Northumberland and was referred to him on 25 November 1987. He has consulted his right hon. Friend, the Secretary of State for the Environment, and intends to advise the forestry commissioners of his views shortly.

Environmentally Sensitive Areas

Mr. Ron Davies: To ask the Minister of Agriculture, Fisheries and Food when he proposes to review the prescriptions for existing environmentally sensitive areas; and if he will consider extending to them the management options available in new environmentally sensitive areas.

Mr. Gummer *[holding answer 8 March 1988]:* I have no plans to review prescriptions for environmentally sensitive areas before the effects of existing ones have been assessed. The additions to the range of options available in new ESAs were designed specifically for those areas and it would not be appropriate to extend them.

Mr. Ron Davies: To ask the Minister of Agriculture, Fisheries and Food if he will clarify the procedures

adopted by monotoring steering committees operating in each environmentally sensitive area; and if he will give details of the extent to which representatives from bodies outside his Ministry are involved in monitoring programmes.

Mr. Gummer *[holding answer 8 March 1988]:* I refer the hon. Member to the answer given to him on 7 March at column *15*.

Mr. Ron Davies: To ask the Minister of Agriculture, Fisheries and Food whether all applications from farmers in the first tranche of environmentally sensitive areas have now been processed; and if he will make a statement.

Mr. Gummer *[holding answer 8 March 1988]:* In 1987, a total of 1,421 applications to participate in ESA agreements in England were received, of which all but 12 have been fully processed.

Mr. Ron Davies: To ask the Minister of Agriculture, Fisheries and Food if he will provide details of staffing allocations for each environmentally sensitive area; and when he expects all farms presently involved in the programme to have received visits from project officers.

Mr. Gummer *[holding answer 8 March 1988]:* Each environmentally sensitive area has an appointed project officer from ADAS together with an assistant. They are supported by other staff from my Department as necessary. Most holdings are visited before an agreement is concluded and all will be visited at least once during the period of the agreement.

Mr. Ron Davies: To ask the Minister of Agriculture, Fisheries and Food what arrangements he is making to enforce management prescriptions on relevant farms within environmentally sensitive areas; and if he will make a statement.

Mr. Gummer *[holding answer 8 March 1988]:* A sample of holdings will be visited each year to ensure that management prescriptions are being complied with. Every holding with a management prescription will be visited at least once during the period of the agreement. Provisions as to breach of agreements are set out in the designation orders.

Mr. Ron Davies: To ask the Minister of Agriculture, Fisheries and Food how he proposes to secure the co-operation where relevant of water authorities and internal drainage boards in furthering environmentally sensitive area objectives.

Mr. Gummer *[holding answer 8 March 1988]:* My Department, jointly with the Department of the Environment, will shortly be issuing revised conservation guidelines for drainage authorities. These guidelines cover the responsibilities of water authorities and internal drainage boards for environmental protection and specifically refer to ESA objectives.

NORTHERN IRELAND

International Fund for Ireland

Mr. Jim Marshall: To ask the Secretary of State for Northern Ireland under what circumstances the International Fund for Ireland seeks guidance from his Department on decisions relating to the disbursement of funds; and on how many occasions this occurred in 1987.

Mr. Viggers: The International Fund for Ireland is administered by an independent board appointed by the United Kingdom and Irish Governments. All questions pertaining to the disbursement of funds are a matter for the board and should be addressed to the chairman. Article 3 of the agreement establishing the fund provides that

"disbursements shall be consistent with the economic and social policies and priorities of the respective Governments".

To assist in its work, the board has an advisory committee, comprised of senior civil servants of the two Governments, which meets regularly. In addition, the board has delegated to specialist agencies, including some Government Departments, responsibility for the administration of its various programmes within criteria and operating arrangements specified by the board. The activities of administering agencies in respect of their responsibilities for fund programmes are closely monitored by the board.

Mr. Jim Marshall: To ask the Secretary of State for Northern Ireland if he will make a statement on the economic and social policies and priorities that guide decisions on disbursements from the International Fund for Ireland.

Mr. Viggers: The International Fund for Ireland is administered by an independent board appointed by the United Kingdom and Irish Governments. All questions pertaining to the disbursements of funds are a matter for the board and should be addressed to the chairman. However, article 3 of the Agreement to establish the International Fund for Ireland provides that

"The need to maximise the economic and social benefits of the Fund in Ireland shall be an overriding consideration in making disbursements from its resources and these disbursements shall be consistent with the economic and social policies and priorities of the respective Governments".

Mr. Jim Marshall: To ask the Secretary of State for Northern Ireland if he will publish a table all those projects in Northern Ireland in receipt of funds from the International Fund for Ireland.

Mr. Viggers: The International Fund for Ireland is administered by an independent board appointed by the United Kingdom and Irish Governments. All questions pertaining to projects in rejects of funds from the International Fund for Ireland are a matter for the board and should be addressed to the chairman.

Mr. Jim Marshall: To ask the Secretary of State for Northern Ireland if he will make a statement on the decision by the International Fund for Ireland to refuse support to Conway Community Development Enterprise Ltd., and the criteria used to reach this decision.

Mr. Viggers: Article 3 of the agreement to establish the International Fund for Ireland provides that disbursements from the fund

"shall be consistent with the economic and social policies and priorities of the respective Governments".

The United Kingdom Government have advised the board of the International Fund for Ireland that provision of support to Conway Community Development Enterprise Ltd. in respect of activities at the Conway street mill is not consistent with the Government's economic and social policies and priorities.

Terrorism

Mr. Beggs: To ask the Secretary of State for Northern Ireland what is the estimated percentage of the total arms shipped illegally into Ireland which have been recovered to date.

Mr. Tom King: Since the beginning of 1987, 807 firearms, some 18,000 lbs of explosives, including almost 900 lbs of commercial explosives, and nearly 180,500 rounds of ammunition have been recovered by the security forces on both sides of the border. It is not possible to determine precisely what proportion this represents of the firearms and explosives which have been shipped illegally to terrorists.

Prisoners (Statistics)

Mr. Jim Marshall: To ask the Secretary of State for Northern Ireland how many (i) life sentence prisoners and (ii) prisoners detained under his pleasure have been released on licence in each year since 1980; how many in each category were *(a)* Loyalist, *(b)* Republican and *(c)* undifferentiated; and what was the average length of service in each of these classifications.

Mr. Tom King: The information is as follows:

Persons serving indeterminate sentences released on licence since 1980

Year	Life			Secretary of State's Pleasure			Totals
	Loyalist	Republican	Others	Loyalist	Republican	Others	
1980	—	1	1	—	—	—	2
1981	1	1	1	—	1	—	4
1982	1	—	5	—	—	1	7
1983	1	—	1	2	—	—	4
1984	2	—	—	—	—	—	2
1985	2	2	—	5	2	—	11
1986	1	2	[1]1+(1)	5	5	—	[1]14+(1)
1987	8	7	2	4	7	—	28
1988 (to date)	1	—	—	2	—	—	3
Totals	17	13	[1]11+(1)	18	15	1	[1]75+(1)
Average years served	11·89	11·25	9·86	10·56	10·47	10·33	

[1] One person originally released on licence in August 1977 had his licence revoked in February 1983: he was subsequently re-released on licence in October 1986.

Note: The classifications in the table are based on the believed paramilitary affiliations of the prisoners at the time of their arrest.

Mr. Jim Marshall: To ask the Secretary of State for Northern Ireland how many prisoners there are *(a)* presently serving life sentences and *(b)* detained under his pleasure in Northern Ireland prisons; how many in each category have been given release dates; and how many in each category are classified as (i) Loyalist, (ii) Republican and (iii) undifferentiated.

Mr. Tom King: The information is as follows:

Persons Serving Indeterminate Sentences as at 4 March 1988

Life

	Number
Loyalist	218
Republican	160
Others	32
Total	410
Secretary of State's Pleasure	
Loyalist	7
Republican	24
Others	3
Total	34
Overall Total	444

Those included in the above figures who have been given provisional release dates

	Number
Loyalist	12
Republican	5
Others	3
Total	20
Secretary of State's Pleasure	
Loyalist	3
Republican	3
Others	—
Total	6
Overall Total	26

Note: the classifications in the table are based on the believed paramilitary affiliations of the prisoners at the time of their arrest.

Mr. Jim Marshall: To ask the Secretary of State for Northern Ireland how many (i) life sentence prisoners and (ii) prisoners detained under his pleasure have been given release dates in each year since the setting up of the Northern Ireland life sentence review board; and how many in each category have been classified as *(a)* Loyalist, *(b)* Republican and *(c)* undifferentiated.

Mr. Tom King: The information is as follows:

Persons serving indeterminate sentences given release dates since the present life sentence review

Year	Life			Secretary of State's pleasure			
	Loyalist	*Republican*	*Others*	*Loyalist*	*Republican*	*Others*	*Totals*
1983	—	—	—	—	—	—	—
1984	1	—	—	3	3	—	7
1985	1	1	1	7	5	—	15
1986	7	8	2	6	6	—	29
1987	5	6	4	2	3	—	20
1988 (to date)	9	—	—	1	1	—	11
Totals	23	15	7	19	18	—	82

Notes:
1. This table does not include one prisoner released on medical grounds in 1984.
2. The classifications in the table are based on the believed paramilitary affiliations of the prisoners at the time of their arrest.

Mr. Brendan Burns and Mr. Brendan Moley

Mr. William Ross: To ask the Secretary of State for Northern Ireland (1) if he will call for a report from the Chief Constable as to those matters about which the Royal Ulster Constabulary wished to interview the late Brendan Burns;

(2) if he will call for a report from the Chief Constable as to those matters about which the Royal Ulster Constabulary wished to interview the late Brendan Moley.

Mr. Tom King *[holding answer 7 March 1988]:* No.

EMPLOYMENT

Labour Statistics

Mr. John Marshall: To ask the Secretary of State for Employment if he will make a statement about the changes in the level of unemployment in the London borough of Barnet over the last two years.

Mr. Lee: The number of unemployed claimants in the Barnet local authority area at the latest date available and in the previous two years was as follows:

January 1986	11,256
January 1987	10,821
January 1988	8,685

The comparison is affected by the changes in the compilation of the unemployment statistics in March 1986.

Mr. Coombs: To ask the Secretary of State for Employment what was the total number of people benefiting from special employment and training measures at the latest available date in the Swindon area; and if he will list the measures and the numbers involved in each case.

Mr. Nicholls: The number of people participating in special employment and training measures funded by my Department including Manpower Services Commission programmes and schemes in the Swindon area on 31 January 1988 was as follows:

	Number
YTS	1,160
Community Programme	953
New Job Training Scheme	30
Voluntary Projects Programme	11
Other adult training	[1]524
Total	2,678

[1] Figures for all other adult training schemes are not available. The figure refers to the number of people who have entered some such schemes since 1 April 1987.

National Dock Labour Scheme

Mr. Jacques Arnold: To ask the Secretary of State for Employment how many permanent registered dock workers in the London labour board area in each year from 1980 to 1986 have been dismissed by their employer for an offence justifying summary dismissal under the disciplinary provisions of the dock labour scheme; and how many of these men have been reinstated by order of the local dock labour board and appeal tribunals.

Mr. John Greenway: To ask the Secretary of State for Employment how many permanent registered dock workers in the Hull and Goole dock labour board area in each year from 1980 to 1986 have been dismissed by their employer for an offence justifying summary dismissal under the disciplinary provisions of the dock labour scheme; and how many of these men have been reinstated by order of the local dock labour board and appeal tribunals.

Mr. Roger King: To ask the Secretary of State for Employment how many permanent registered dock workers in the Tyne and Wear local dock labour board area in each year from 1980 to 1986 have been dismissed by their employer for an offence justifying summary dismissal under the disciplinary provisions of the dock labour scheme; and how many of these men have been reinstated by order of the local dock labour board and appeal tribunals.

Mr. Wood: To ask the Secretary of State for Employment how many permanent registered dock workers in the Grimsby and Immingham local dock labour board area in each year from 1980 to 1986 have been dismissed by their employer for an offence justifying dismissal under the disciplinary provisions of the dock labour scheme; and how many of these men have been reinstated by order of the local dock labour board and appeal tribunals.

Mr. Wilshire: To ask the Secretary of State for Employment how many permanent registered dock workers in the West Scotland local dock labour board area in each year from 1980 to 1986 have been dismissed by their employer for an offence justifying summary dismissal under the disciplinary provisions of the dock labour scheme; and how many of these men have been reinstated by order of the local dock labour board and appeal tribunals.

Mr. Nicholls: The information requested is maintained at the office of the local dock labour board for the area concerned. I have asked the board to assemble the information and will reply in substance as soon as it becomes available.

Departmental Staff

Mr. Corbyn: To ask the Secretary of State for Employment what discussions he has had with unions representing staff at Department of Employment offices in London concerning staff levels, conditions and transfers since January.

Mr. Lee: There have been a number of extensive discussions between senior officials in the employment service and CPSA union officials since some CPSA members started strike action in Camden towards the end of December 1987. On 9 March there was a meeting between the general secretary and deputy general secretary of the CPSA and senior officials in my Department and it was agreed a further meeting should take place.

Equal Opportunities Commission

Ms. Richardson: To ask the Secretary of State for Employment (1) whether, in the light of the Equal Opportunities Commission's recent report, he will consider seeking to repeal the two-year qualifying period for unfair dismissal;

(2) whether, in the light of the Equal Opportunities Commission's recent report, he will consider introducing legislation to prevent employers from imposing qualifying periods of employment for a woman to have the right to return to work after pregnancy.

Mr. Nicholls: The Equal Opportunities Commission's proposals were published on 8 March. I shall be giving them careful consideration.

Mr. McTaggart: To ask the Secretary of State for Employment what information he has on the number of long-term unemployed people in *(a)* Glasgow, *(b)* Scotland and *(c)* the United Kingdom, who have difficulty returning to employment because of problems of literacy, numeracy or language.

Mr. Nicholls *[holding answer 3 March 1988]:* The information is not available in the form requested.

Information collected in January 1987 through the restart programme revealed that in Scotland 6 per cent. of those unemployed for six months or more seen by restart counsellors and 11·9 per cent. of those on restart courses had problems with literacy and numeracy. Those problems may have contributed to their difficulty in returning to employment. Comparable figures for Great Britain are 10·3 per cent. of those counselled and 25·2 per cent. of those on restart courses. Separate figures are not available for the Glasgow area. The restart survey also suggested that language problems were experienced by unemployed people, particularly in large conurbations.

WALES

Surgical Operations (Cancellations)

Mr. Nicholas Bennett: To ask the Secretary of State for Wales (1) what information he has as to the number and percentage of operations in Wales which are cancelled due to the absence of the consultant surgeon; and if he will make a statement;

(2) what estimate he has as to the number and percentage of operations and out-patient treatments which are cancelled in each Welsh health district on 1 March as a result of the trade unions' day of action.

Mr. Grist: This information is not available centrally.

Milford Haven Enterprise Zone

Mr. Nicholas Bennett: To ask the Secretary of State for Wales whether he will consider extensions to the Milford Haven enterprise zone to include areas adjacent to the zone including Front street, Pembroke Dock.

Mr. Grist: Any application to extend the zone will need to be considered against the background to the Government's future policy for enterprise zones, as indicated by my right hon. Friend the Secretary of State for the Environment in his written answer of 17 December 1987 to the Member for Banbury (Mr. Baldry), at columns *618-19*.

Ysgol Morgan Llwyd, Clwyd

Mr. Barry Jones: To ask the Secretary of State for Wales if he will visit Ysgol Morgan Llwyd, Clwyd, to meet the board of school governors, parents and staff to discuss the need for extra financial resources to enable school visits, related to the new General Certificate of Secondary Education examinations, to be undertaken; and if he will make a statement on progress in implementing the General Certificate of Secondary Education scheme.

Mr. Wyn Roberts: I have no plans to visit the school. The distribution of general certificate of secondary education funding to each secondary school is a matter for Clwyd local education authority to determine in the light of local circumstances.

Evidence from Her Majesty's inspectorate in an interim report on the general certificate of secondary education published on 8 March shows that encouraging progress is being made in introducing the examination in Wales.

St. Tydfil's Hospital, Merthyr

Mr. Alan Williams: To ask the Secretary of State for Wales when his Department was first notified of the possibility of the closure of the high dependency unit at St. Tydfil's hospital, Merthyr; when it was told that a decision to close it had been taken; and how many representations he has received about the closure.

Mr. Grist: The Department was first notified of the possibility of the temporary closure of the high dependency unit at St. Tydfil's hospital in December 1987 and was told in January that a decision to close had been taken. Since the closure is temporary, there was no requirement on the authority to obtain my approval. I have received three representations about the closure.

Derelict Land Clearance

Mr. Alan Williams: To ask the Secretary of State for Wales what role has been played by Government Departments other than the Welsh Office in derelict land clearance in the south Wales valleys since 1969; and when.

Mr. Peter Walker: I refer the right hon. Gentleman to the reply given to him on 8 March 1988 by my right hon. Friend the Secretary of State for the Environment, at columns *120-21*.

ENERGY

Electricity Industry

Mr. Hardy: To ask the Secretary of State for Energy what is the number of people employed in the public sector of the electricity supply industry.

Mr. Michael Spicer: The average number of people employed in the electricity supply industry in England and Wales during 1986-87 (the latest year for which figures are available) was 132,000.

Mr. Barry Jones: To ask the Secretary of State for Energy if, during preparation of the proposals for privatisation of the electricity supply industry, any estimate has been made by his Department of (i) the present value of Connah's Quay power station and (ii) the cost of refurbishing it to produce power while meeting current environmental standards; and if he will make a statement on the policy he will require the Central Electricity Generating Board to adopt towards the disposal of redundant power stations prior to privatisation.

Mr. Michael Spicer: The value of individual power stations and the cost of refurbishment are matters for the CEGB.

Coal Industry

Mr. Hardy: To ask the Secretary of State for Energy what is the number of full-time employees in the coal industry; and what proportion of the number so employed eight years ago this represents.

Mr. Michael Spicer: The number of full-time employees in the coal industry at the end of February 1988 was 123,822, which is 43 per cent. of the corresponding number eight years previously.

Dounreay

Mr. Wallace: To ask the Secretary of State for Energy how many inspection person days Euratom has spent in each year since May 1979 at the Dounreay nuclear power development establishment.

Mr. Michael Spicer: Euratom inspectors visit Dounreay very frequently. Precise details could be provided only at disproportionate cost.

Mr. Wallace: To ask the Secretary of State for Energy what information the United Kingdom Atomic Energy Authority at Dounreay gives to Euratom and International Atomic Energy Agency inspectors on the content of nuclear materials sent from Dounreay to Sellafield by ship and from Dounreay and Sellafield and elsewhere by plane.

Mr. Michael Spicer: Site operators inform Euratom and the International Atomic Energy Agency of all movements of civil nuclear materials.

Mr. Wallace: To ask the Secretary of State for Energy how often Euratom safeguards inspectors forward safeguards reports on Dounreay to the Euratom headquarters.

Mr. Michael Spicer: Euratom safeguards inspectors report for each inspection made at Dounreay.

Radioactive Tritium Gas

Dr. Thomas: To ask the Secretary of State for Energy what quantities of radioactive tritium gas have been licensed for handling processing at the United Kingdom Atomic Energy Authority, Harwell facility in each year since 1979.

Mr. Michael Spicer: No licence is required for the storage and use of tritium at UKAEA sites. I understand that very small quantities of tritium gas are stored at the Harwell laboratory for civil research purposes.

Power Companies (Plutonium)

Dr. Thomas: To ask the Secretary of State for Energy if he has given any consideration to introducing legislation to require the proposed private power companies owning plutonium to make this available for defence uses.

Mr. Michael Spicer: No.

BNFL (Draft Contracts)

Dr. Thomas: To ask the Secretary of State for Energy if any draft contracts between British Nuclear Fuels Ltd. and OKG Aktiebolag in Sweden have been notified to the European Commission under article 103 of the Euratom treaty.

Mr. Michael Spicer: I am advised that these contracts do not fall within the scope of article 103 of the Euratom treaty. They were notified under article 105 upon the United Kingdom's accession to the European Communities in January 1973.

Nuclear Waste

Dr. Thomas: To ask the Secretary of State for Energy if any decision has been taken to substitute a radiologically equivalent amount of higher level wastes for lower level wastes when returning such materials from British Nuclear Fuels Ltd. storage after reprocessing to originators of nuclear wastes in Sweden.

Mr. Michael Spicer: British Nuclear Fuels Ltd. has not entered into any contracts for the reprocessing of material from Sweden since 1976. The arrangements for the disposal of wastes arising from pre-1976 contracts are as set out in the reply given by my hon. Friend the Member for Eddisbury (Mr. Goodlad) to the hon. Member for Great Grimsby (Mr. Mitchell) on 2 May 1986 at columns *502-3*.

Nuclear Reactors

Mr. O'Brien: To ask the Secretary of State for Energy (1) what representations he has received concerning the general trend towards the development of smaller nuclear reactors; and if he will make a statement;

(2) what information he has on the design features of smaller nuclear reactors with low power densities and their implications for safety; and if he will make a statement.

Mr. Michael Spicer: My Department, with the advice and assistance of the United Kingdom Atomic Energy Authority, keeps abreast of developments in nuclear reactor technology. Safety is fundamental to the design, construction and operations of all nuclear reactors in the United Kingdom.

ENVIRONMENT

Disabled People (Access)

Mr. Wigley: To ask the Secretary of State for the Environment under what powers a local authority may act in offering financial assistance to the owner of a sports club to make it accessible to disabled people.

Mr. Chope: I will write to the hon. Member.

Crown Suppliers

Mr. Dalyell: To ask the Secretary of State for the Environment if he will make a statement on the progress of the privatisation of the Crown Suppliers.

Mr. Chope: The Government's intention to invite bids for those of the Crown Suppliers' businesses, which can be undertaken on a normal commercial basis, was announced on 3 February. We expect soon to appoint a financial institution to advise on the best method of effecting the sale.

Rents

Mr. Andrew Smith: To ask the Secretary of State for the Environment what estimate he has made of the effect on rent levels as a consequence of the implementation of the Housing Bill; and if he will make a statement.

Mr. Waldegrave: Any estimates of the effect of our deregulation proposals on rent levels would at this stage be purely speculative.

Drinking Water (Nitrate Levels)

Mr. O'Brien: To ask the Secretary of State for the Environment what cases there have been of drinking water in the Yorkshire and Humberside region containing nitrate in excess of the EEC recommended levels in the past 12 months.

Mr. Moynihan: During 1987 one supply provided by Yorkshire water authority and four supplies provided by Anglian water authority exceeded the EC drinking water directive standard for nitrate of 50 milligrams per litre. Two other Yorkshire water authority supplies exceeded the directive standard for a few days. However, none of these supplies contained nitrate at a level which was considered to be a public health risk.

Richmond House

Mr. Hannam: To ask the Secretary of State for the Environment what are the access provisions for disabled people at the new Department of Health and Social Security building, Richmond house.

Mr. Chope: Disabled people may enter Richmond house by a level corridor from the underground car park to the main bank of lifts. Alternatively, they may use a special wheelchair entrance adjacent to the main entrance in Whitehall.

Further measures are in hand to provide access through the main entrance and foyer.

Rating Reform

Mr. Nicholas Bennett: To ask the Secretary of State for the Environment what representations he has received concerning the replacement of rates by the community charge in respect of self-catering accommodation; and if he will make a statement.

Mr. Howard: We have received representations from and on behalf of the self-catering industry about the treatment of self-catering accommodation in the new local government finance system. It is our intention that holiday-let self-catering accommodation which includes services and facilities similar to those provided in a hotel should remain in rating. We are considering further the precise boundary between the domestic and non-domestic sectors in the light of the representations that have been made.

Housing (Nottingham)

Mr. Allen: To ask the Secretary of State for the Environment, pursuant to his answer of 7 March about housing in Nottingham, what was the error to which he refers.

Mr. Waldegrave: There was an error in the appointment by my Department of the estimate of private sector dwellings in disrepair between authorities in the East Midlands region. As I have previously explained, this had no bearing on the Housing Corporation's allocations for 1988-89. Corrected figures have been passed to the Housing Corporation and incorporated in its final housing needs index which will be one of the factors to be taken into account in drawing up future plans for investment in housing association schemes.

Unused Sites (Wiltshire)

Mr. Simon Coombs: To ask the Secretary of State for the Environment if he will list all the unused sites owned by public bodies within the district of North Wiltshire, together with their owners and sizes in hectares, as detailed in the Land Register.

Mr. Trippier: The information requested for unused and underused sites entered on the land register for the district of north Wiltshire is set out below:

Owner and site address	*Area in hectares*
North Wiltshire district council	
Reids Piece, Purton	1·10
Redhill, Broad Town	1·07
Harris road, Ashton Keynes	1·50
Cemetery field, London road, Chippenham	2·29
Thamesdown borough council	
Land at Purton and Cricklade, Wiltshire forming part of the site of the former railway line from Swindon to Cricklade	9·72
Wiltshire county council	
Rylands, Wootton Bassett	2·30
Noremarsh, Wootton Bassett	0·49
Knockdown road, Sherston	0·81
Lower Beversbrook farm, Oxford road, Calne	6·34
The Green, Christian Malford	4·49

Owner and site address	Area in hectares
Cricketts lane, Chippenham	1·95
British Railways Board	
Adjoining former goods yard, Hullavington	1·52
North side of Bristol to Paddington main line, Thingley	1·01
Badminton—adjoining Chippenham to Malmesbury road—approximately 1¼ miles east of former station	4·45
Adjoining former station, Hullavington	1·52
Former goods yard, Corsham	1·01
Former goods yard, Dauntsey	1·21
Bath district health authority	
Land at Malmesbury Hospital	1·45
Land at Chippenham Hospital	0·51
Land at St. Andrew's Hospital, Chippenham	0·92
Land at Greenways hospital, Chippenham	3·76

Rates

Mr. Nicholas Bennett: To ask the Secretary of State for the Environment if he will make a statement on the implications for rates of the judgment delivered on 11 February in the House of Lords in the case of Clement *v.* Addis Ltd.

Mr. Howard: My right hon. Friend did so on 9 March.

Rushmoor (Redevelopment)

Mr. Soley: To ask the Secretary of State for the Environment if the redevelopment package for Totland Close, Prospect Estate, Rushmoor, will be allowed capital expenditure within Rushmoor's housing investment programme allocation; and if it will be subject to the current programme for 1988-89 or subsequent years.

Mrs Roe: Rushmoor borough council has the sole responsibility for decisions on local housing matters of this kind.

Government Offices and Staff (Wales)

Mr. Nicholas Bennett: To ask the Secretary of State for the Environment if he will list the number of Government offices and the number of staff employed in them, excluding military personnel in (i) Pembrokeshire, (ii) Dyfed and (iii) Wales.

Mr. Chope: The numbers and total areas of Government offices in the locations to which the hon. Gentleman refers are as follows:

	Numbers	Area
(a) Pembrokeshire	22	(8,393m²)
(b) Dyfed	67	(31,732m²)
(c) Wales	386	(414,000m²)

These figures do not include military establishments and it will be appreciated that offices vary significantly in size and can be occupied by more than one Government Department.

Records of staff numbers in these areas are not held centrally either by the Welsh Office or PSA and to obtain them would entail disproportionate costs.

Council House Sales (Delays)

Mr. Gerald Bowden: To ask the Secretary of State for the Environment whether, pursuant to his answer of 20 January, *Official Report*, column *753*, he has received any further information as to the reasons for the continued delay in the purchase by Mr. W. B. Hammond of his home at 12b Mount Adon Park, London SE22, from Southwark council.

Mrs. Roe: The Department is continuing to press the council to explain the reasons for the delay in this case. I will write to my hon. Friend as soon as the information is available.

Mr. Gerald Bowden: To ask the Secretary of State for the Environment (1) what information he has as to the reasons for the delay in the purchase by Mr. and Mrs. Harman of their home at 10 William Margrie Close, London SE15, from Southwark council;

(2) what information he has as to the reasons for the delay in the purchase by Mr. and Mrs. Mico of their home at 185 Brenchley Gardens, London SE23, from Southwark council;

(3) what information he has as to the reasons for the delay in the purchase by Mrs. Cheryl Sanders of her home at 353 Friern Road, London SE22, from Southwark council;

(4) what information he has as to the reasons for the delay in the purchase by Mrs. Grace Davies of her home at 36 Avondale Rise, London SE15, from Southwark council.

Mrs. Roe: The Department is taking up with the council the cases mentioned.

Planning (Public Inquiries)

Mr. Corbyn: To ask the Secretary of State for the Environment what proposals he has to alter the public inquiry system into major planning schemes; and if he will make a statement.

Mr. Waldegrave: The Government's response to the fifth report, Session 1985-86, from the Environment Committee, "Planning: Appeals, Call-in and Major Public Inquiries: CM43", contained proposals for revised rules of procedure at public inquiries, and for a new code of practice on preparing for major inquiries. Following consultations with the Council on Tribunals and a wide range of other organisations, we expect shortly to submit the revised rules to the Lord Chancellor for making, and to bring the new code of practice into operation.

Planning Applications

Mr. Corbyn: To ask the Secretary of State for the Environment if he will list by London borough the total number of planning applications *(a)* called in by him or *(b)* referred to him on appeal by the applicant and the number of cases where he (i) upheld the local planning decision and (ii) varied it; and if he will also list the comparable figures for each year since 1979.

Mr. Waldegrave: The information requested is in tables A and B below; 1984 is the earliest year from which this information is readily available.

Planning applications called in by the Secretary of State
Table A

	1984	1985	1986	1987
City of London	—	1	4	—
Barking and Dagenham	—	—	—	—
Barnet	—	1	—	—

	1984	1985	1986	1987
Bexley	—	—	2	—
Brent	—	1	2	1
Bromley	—	—	—	—
Camden	1	5	2	2
Croydon	—	1	—	—
Ealing	—	—	—	—
Enfield	—	—	—	—
Greenwich	—	—	—	—
Hackney	—	—	—	—
Hammersmith and Fulham	—	—	—	—
Haringey	1	—	—	—
Harrow	—	—	1	—
Havering	—	—	—	—
Hillingdon	—	—	—	—
Hounslow	—	—	—	—
Islington	—	—	—	—
Kensington and Chelsea	—	—	—	1
Kingston upon Thames	—	—	—	—
Lambeth	—	—	—	1
Lewisham	—	—	8	1
Merton	—	—	—	—
Newham	—	—	1	—
Redbridge	—	—	—	—
Richmond upon Thames	—	—	—	—
Southwark	—	—	—	—
Sutton	—	—	—	—
Tower Hamlets	—	—	—	—
Waltham Forest	—	—	—	—
Wandsworth	—	—	—	—
City of Westminster	2	—	—	1

Table B
Planning appeals 1984

Borough	Recorded	Dismissed	Allowed
City of London	12	6	2
Barking and Dagenham	10	4	2
Barnet	74	38	16
Bexley	49	29	14
Brent	47	11	15
Bromley	196	85	39
Camden	139	55	44
Croydon	85	39	18
Ealing	65	31	16
Enfield	87	47	28
Greenwich	54	12	14
Hackney	25	9	9
Hammersmith	71	15	24
Haringey	39	17	7
Harrow	59	22	20
Havering	58	25	17
Hillingdon	60	25	15
Hounslow	78	22	12
Islington	43	14	15
Kensington and Chelsea	79	34	13
Kingston upon Thames	74	23	29
Lambeth	40	12	9
Lewisham	16	2	4
Merton	38	16	6
Newham	44	8	7
Redbridge	75	39	38
Richmond upon Thames	70	28	17
Southwark	46	17	15
Sutton	43	16	12
Tower Hamlets	20	4	7
Waltham Forest	34	10	8
Wandsworth	40	14	10
City of Westminster	122	45	19

Table B
Planning appeals 1985

Borough	Recorded	Dismissed	Allowed
City of London	5	4	—
Barking and Dagenham	12	8	4
Barnet	91	40	28
Bexley	36	22	13
Brent	50	25	19
Bromley	182	120	78
Camden	133	38	59
Croydon	116	52	34
Ealing	58	32	30
Enfield	80	47	27
Greenwich	62	21	44
Hackney	35	18	8
Hammersmith	65	30	32
Haringey	47	26	17
Harrow	76	27	23
Havering	49	33	17
Hillingdon	81	35	29
Hounslow	122	53	45
Islington	46	23	14
Kensington and Chelsea	107	42	26
Kingston upon Thames	74	36	30
Lambeth	36	13	15
Lewisham	20	10	6
Merton	57	22	16
Newham	37	21	21
Redbridge	79	24	32
Richmond upon Thames	85	45	27
Southwark	73	13	26
Sutton	43	19	23
Tower Hamlets	17	6	7
Waltham Forest	40	19	11
Wandsworth	47	22	18
City of Westminster	164	54	49

Table B
Planning Appeals 1986

Borough	Recorded	Dismissed	Allowed
City of London	6	4	2
Barking and Dagenham	9	3	4
Barnet	111	29	27
Bexley	50	13	20
Brent	64	15	20
Bromley	254	101	88
Camden	205	46	51
Croydon	114	48	45
Ealing	87	29	21
Enfield	111	53	35
Greenwich	92	16	32
Hackney	21	7	9
Hammersmith	85	27	16
Haringey	73	20	18
Harrow	120	49	29
Havering	66	23	19
Hillingdon	73	25	26
Hounslow	123	44	51
Islington	51	18	14
Kensington and Chelsea	102	46	40
Kingston upon Thames	72	29	34
Lambeth	58	11	13
Lewisham	22	9	5
Merton	48	30	21
Newham	39	13	21
Redbridge	78	33	33
Richmond upon Thames	86	30	37
Southwark	81	26	19
Sutton	58	17	12
Tower Hamlets	18	7	9
Waltham Forest	57	23	16
Wandsworth	47	19	13
City of Westminster	181	41	53

Table B
Planning appeals 1987

Borough	Received	Dismissed	Allowed
City of London	13	2	1
Barking and Dagenham	10	5	4

Borough	Received	Dismissed	Allowed
Barnet	186	71	46
Bexley	55	29	22
Brent	80	32	38
Bromley	330	117	89
Camden	210	65	78
Croyden	133	52	52
Ealing	102	38	49
Enfield	141	67	40
Greenwich	98	31	49
Hackney	49	20	11
Hammersmith	135	45	49
Haringey	88	42	23
Harrow	115	70	37
Havering	57	29	27
Hillingdon	107	48	31
Hounslow	143	70	37
Islington	98	24	19
Kensington and Chelsea	102	57	42
Kingston upon Thames	83	37	32
Lambeth	67	28	39
Lewisham	36	15	11
Merton	42	24	7
Newham	42	15	8
Redbridge	68	32	31
Richmond upon Thames	115	55	31
Southwark	62	20	45
Sutton	52	31	26
Tower Hamlets	43	9	6
Waltham Forest	68	31	20
Wansworth	65	33	13
City of Westminster	199	49	55

Local Authorities (Debt)

Mr. Simon Hughes: To ask the Secretary of State for the Environment if he will publish in the *Official Report* the amount of debt accumulated by each local authority in England *(a)* in total and *(b)* per head of the population, in each local authority area.

Mr. Chope: A copy of the table showing the information requested has been laid in the Library of the House. The figures relate to 31 March 1987 and are based on those published in the CIPFA publication "Capital Expenditure and Debt Financing Statistics".

Birtenshaw Farm, Bolton

Mr. Thurnham: To ask the Secretary of State for the Environment (1) what recent representations he has received against development at Birtenshaw farm, Bolton; and if he will make a statement;

(2) when he will be announcing his decision about the Ashworth covenant at Birtenshaw farm.

Mr. Waldegrave: Since the turn of the year, 29 local residents have made representations to the Department seeking a decision on the application to remove the restriction contained in the covenant. The Department has sought and is awaiting information and views from Bolton borough council on the status of the covenant. When they are received, I hope we shall be able to proceed to a decision.

Land

Mr. Tony Banks: To ask the Secretary of State for the Environment if he will identify by previous owner the land recorded on the land register system which has been sold or brought into use since 1981.

Mr. Trippier: Detailed information for the period up to 31 December 1983 is not available.

Information from 1 January 1984, in the form of a schedule of owners showing the amount of land each has sold or brought into use and detailing some 39,000 acres of land, will be available shortly when I will place it in the Library of the House.

Public Sites

Mr. Tony Banks: To ask the Secretary of State for the Environment if he will list the public sites disposed of following the exercise of statutory powers by Her Majesty's Government.

Mr. Trippier: The following sites, formerly owned by public bodies, have been disposed of following the exercise by my right hon. Friend of his powers under section 98 of the Local Government, Planning and Land Act 1980:

Alfred street/Oak Bank, Harpurhey, Manchester
Barmpton lane, Darlington
Boothroyden "A" site, Blackley, Manchester
Doxford Park way, Sunderland
Fiddlers Green lane, Cheltenham
Freely lane, Bramham, Leeds
Hall Farm road, Doxford Park, Sunderland
Keswick lane, Bardsey, Leeds
Kirkfield lane, Thorner, Leeds
Land at Congleton road, Macclesfield
Land between Nos. 2 and 4 Meadow way, Offley, Hertfordshire
Land at Surbiton Lagoon, Surbiton
Ling way, Coltishall, Broadland
Lyndon road, Bramham, Leeds
Old Market street/Grant street, Blackley, Manchester
Oozewood road, Royton, Oldham
Pleckgate road, Blackburn
Primrose lane, Boston Spa, Leeds
261-281 Regents Park road, London, N3
Richmond road/Dawsons corner, Pudsey
Roewood lane, Higher Hurdsfield, Macclesfield
South Park drive, Blackpool
South street/Parkhouse street/Wood street, Openshaw, Manchester
Stocks Park drive, Horwich
Thames road north, Barking
The Grange, Southgate circus, Enfield
Whiteley croft, Otley
Willow avenue, Clifford, Leeds

Urban Development Grant

Mr. Tony Banks: To ask the Secretary of State for the Environment if he will give the location of the £580 million of investment arising from urban development grant and urban regeneration grant.

Mr. Trippier: The private sector investment that will be attracted by urban development and urban regeneration grant now stands at £592 million. The regional breakdown is as follows:

Region	[1]£ million
East Midlands	44
London	95
Merseyside	52
Northern	79
North West	95
South East	1
West Midlands	181
Yorkshire and Humberside	45
TOTAL	592

[1] Private sector investment.

Mr. Tony Banks: To ask the Secretary of State for the Environment if he will give the location and distribution of the 28,500 jobs and 7,000 homes attributed by Her Majesty's Government to the urban development grant and urban regeneration grant.

Mr. Trippier: A regional breakdown of the jobs and homes attributed to approved urban development grants and urban regeneration grant schemes is as follows:

Region	*Jobs*	*Homes*
East Midlands	1,990	780
London	6,220	90
Merseyside	3,040	600
Northern	2,210	1,860
North West	5,610	490
South East	50	0
West Midlands	8,490	2,040
Yorkshire and Humberside	1,260	1,420
TOTAL	28,870	7,280

Richmond Yard

Mr. Hoyle: To ask the Secretary of State for the Environment (1) which company undertook the valuation of the Crown premises at Richmond yard; and what was the cost to the Government of that valuation;

(2) what estimate the Property Services Agency has made of the cost of undertaking the valuation of the Crown premises at Richmond yard by in-house staff;

(3) why the valuation of the Crown property at Richmond yard was carried out by a private company.

Mr. Chope *[holding answer 1 March 1988]:* The valuation of the Crown premises at Richmond yard was undertaken by Messrs. Cluttons, chartered surveyors. The fee for the service was negotiated on a strictly commercial and therefore confidential basis. The decision to appoint a private sector valuer was made in view of the importance of establishing the true commercial rent for the property. No in-house assessment was made.

SOCIAL SERVICES

Hospital General Managers

Mr. Allen: To ask the Secretary of State for Social Services if he has any plans to increase the degree of management control which hospital general managers have over doctors in hospitals.

Mr. Newton: No, but the resource management initiative is based on, and intended to assist, more effective co-operation between managers and clinicians.

Drug Tenders

Mr. Robert B. Jones: To ask the Secretary of State for Social Services what guidance is given to health authorities on the use of discount cash flow methods for assessing drug tenders.

Mr. Newton: A range of guidance has been issued to health authorities on investment and option appraisal. This guidance has incorporated relevant Treasury rules on Government accounting and covers both mandatory requirements and good practice—including the use of discounted cash flow methods. This technique would not generally be applicable to the assessment of drug tenders.

Mr. Robert B. Jones: To ask the Secretary of State for Social Services what guidance is given to health authorities on the costs of storage in evaluating tenders for drugs.

Mr. Newton: The Department commissioned a recent study by management consultants—MMM Consultancy Group Ltd.—which considered the options available to health authorities in dealing with their purchasing, distribution and storage of pharmaceuticals. The report subsequently circulated to health authorities carried recommendations relating to storage of drugs of high value and high throughput. Authorities are currently reviewing their arrangements for the purchasing and storage of pharmaceuticals in the light of these recommendations.

Mr. Robert B. Jones: To ask the Secretary of State for Social Services when the East Anglian regional health authority last invited tenders for the supply of drugs to the authority.

Mr. Newton: The regional health authority went out to tender in August 1987 for a distributive service for all product lines where the expenditure within the region was less than £5,000 per annum.

Tenders for some pharmaceutical products where expenditure exceeds £5,000 per annum were issued in January 1988.

Hospital Laboratory Service

Mr. Win Griffiths: To ask the Secretary of State for Social Services if he has any plans to reorganise the hospital laboratory service in England and Wales; and if he will make a statement on the level of services for the public and the remuneration structure and conditions of service for the staff.

Mr. Newton: We have no present plans to reorganise the hospital laboratory service. The remuneration structure and conditions of service for hospital laboratory staff are matters for the appropriate Whitley councils. I understand that the management side of the Professional Technical Staffs B Whitley Council, the body that deals with medical laboratory scientific officers, is to put proposals for a comprehensive grade restructuring to the staff side at a meeting on 19 April. In the longer term, consideration will also be given to decisions made in response to the Management Advisory Service's report on pathology services staffing which is currently under consideration by the National Health Service Management Board. Any proposed changes will pay full regard to the need to maintain a high standard of service for the public.

Plans for Wales are a matter for my right hon. Friend the Secretary of State for Wales.

National Haemoglobinopathy Card

Ms. Walley: To ask the Secretary of State for Social Services what action he is taking to ensure that screening and counselling services are accessible to all people at risk from inherited blood disorders when he introduces the national haemoglobinopathy card.

Mrs. Currie: The introduction of the national haemoglobinopathy card will not in any way change existing medical practices. The purpose of the card, to be introduced around April, is to ensure

(i) appropriate treatment for those with the disease,

(ii) that people identified with the trait should receive the appropriate counselling,
(iii) for those screened and found to be "normal", reassurance and avoidance of duplicate screening.

Individuals identified as being "at risk" from inherited blood disorders are offered counselling as part of the existing process.

Pensioners (Investment Income)

Mr. John Marshall: To ask the Secretary of State for Social Services what information he has on the trend in pensioners' investment income over the past 15 years.

Mr. Scott: The latest date for which information is available is 1985. Pensioners' weekly investment income, expressed in 1985 prices, rose on average from £11·20 in 1970 to £12·80 in 1985, a real terms increase of £1·60, or over 14 per cent. The upward trend has, however, not been constant.

Occupational Pensions

Mr. John Marshall: To ask the Secretary of State for Social Services how many retirement pensioners are in receipt of an occupational pension, and what is the average occupational pension.

Mr. Scott: In 1985, the latest date for which information is available, 51 per cent. of all pensioners and 70 per cent. of recently-retired couples had an occupational pension. The average weekly amount then in payment was £37.

Hospitals (Fire Safety)

Mr. Fearn: To ask the Secretary of State for Social Services how often hospital fire safety checks are made; and if he will make a statement.

Mrs. Currie: Health authorities are required to have fire precautions policies and programmes agreed with local chief fire officers. Within the framework of these policies and programmes it is for health authorities to decide the type and frequency of checking applicable to specific fire precautions, having regard, where appropriate, to departmental and other guidance. For example, guidance on the maintenance and testing of fire alarm and detection systems is given in health technical memorandum 82. We attach great importance to the maintenance of effective fire precautions in all National Health Service units particularly as many patients are frail or immobile. We therefore require health authorities to be scrupulous in their observance of fire precaution regulations and guidance.

Children (Drownings)

Mr. Simon Coombs: To ask the Secretary of State for Social Services how many children, under the age of 18 years, were drowned in each of the last 10 years.

Mrs. Currie: The information is show in the table. The latest year for which data are available is 1986.

Registrations of deaths with drowning (ICD[1] 994.1) as underlying cause of death. Persons 0 to 17 years of age. England and Wales 1977 to 86

Year	Number
1977	167
1978	162
1979	151
1980	128
1981	139
1982	131
1983	130
1984	97
1985	95
[2]1986	90

[1] International Classification of Diseases, 8th and 9th Revision.
[2] 28 days and over, provisional.

AIDS

Mr. Dobson: To ask the Secretary of State for Social Services if he will list the total sums allocated to Bloomsbury health authority for services related to AIDS, and the projects which have thereby been funded by the health authority; and from which sources the Tottenham Court road Brook advisory centre has received funding as a result of the AIDS allocations.

Mr. Newton: This information is not held centrally. The hon. Member may like to contact the chairman of Bloomsbury health authority.

Staff Transfers

Mr. Corbyn: To ask the Secretary of State for Social Services what discussions he has had with unions representing staff at Department of Health and Social Security offices in London concerning staff transfers.

Mr. Portillo: There have been no discussions with unions representing staff at Department of Health and Social Security offices in London concerning the permanent transfer of staff.

Staff Turnover

Mr. Corbyn: To ask the Secretary of State for Social Services if he will list, by grade, the staff turnover figures for the Department of Health and Social Security offices at *(a)* Finsbury Park, *(b)* Highgate and *(c)* Hoxton for each year since 1983.

Mr. Portillo: The following tables give the staff turnover figures, in each grade, for the Department of Health and Social Security local offices at *(a)* Finsbury Park, *(b)* Highgate and *(c)* Hoxton during the period 1 October 1985 to 31 December 1987.

Turnover is defined as the loss and movement of staff due to resignation, retirement, dismissal, death, transfer, promotion and reversion.

The information requested is not available prior to 1 October 1985.

a. Finsbury Park Local Office

Grade	Staff turnover of local office		
	1 October 1985 to 31 December 1985	1 January 1986 to 31 December 1986	1 January 1987 to 31 December 1987
LOI	1	23	5
LOII	4½	40	10
AA	1	14	5
Typist	Nil	1	1
Other	Nil	3	5
TOTAL	6½	81	26

b. Highgate Local Office

Grade	Staff turnover of local office		
	1 October 1985 to 31 December 1985	1 January 1986 to 31 December 1986	1 January 1987 to 31 December 1987
LOI	1	9	11
LOII	3	26	34
AA	2½	11	17
Typist	Nil	3	Nil
Other	2	5	4
TOTAL	8½	54	66

c. Hoxton Local Office

Grade	Staff turnover of local office		
	1 October 1985 to 31 December 1985	1 January 1986 to 31 December 1986	1 January 1987 to 31 December 1987
LOI	3	8	4
LOII	4	19	22
AA	Nil	17	16
Typist	1	Nil	Nil
Other	2	3	4
TOTAL	10	47	46

Social Fund

Mr. Corbyn: To ask the Secretary of State for Social Services what considerations of the role of local charities will be given in assessing the social fund allocation to each Department of Health and Social Security office.

Mr. Scott: None.

Abortions

Ms. Ruddock: To ask the Secretary of State for Social Services if he will list the number of abortions under nine weeks gestation, between nine and 12 weeks, between 13 and 16 weeks and over 16 weeks performed on women resident in each regional health authority and each district health authority area in England and Wales for the latest 12-month period for which figures are available.

Mr. Newton: I regret that the exact information requested can be provided only at disproportionate cost. However, data on gestation period for usual residents of district health authorities are currently being produced for 1986, which the hon. Member may find useful, and I will place these in the Library when they become available.

Ms. Ruddock: To ask the Secretary of State for Social Services if he will list the numbers of abortions performed on women in each regional health authority and district health authority in England and Wales, expressed *(a)* in age bands, numerically and as a percentage of the total number and *(b)* by grounds, expressed numerically and as a proportion of the total number, for the latest 12-month period for which figures are available.

Mr. Newton: I regret that the exact information requested can be provided only at disproportionate cost.

Statistics are not released for district health authority of termination, but table 24 of abortion statistics does show the age distribution for usual residents of regional and district health authorities. A copy of this publication for 1986 may be found in the Library.

Family Planning

Mr. Dobson: To ask the Secretary of State for Social Services what information he has as to the proportion of people, receiving contraceptive help and advice from Camden and Islington family planning clinics, who are under 25 years and as to the corresponding figures for the Tottenham Court road Brook advisory centre and the community clinics run by Bloomsbury health authority.

Mr. Newton: The available information is not precisely in the form requested. Figures are not collected centrally for under-25s, only for under-20s and those aged 20 to 34. Some family planning clinics in Camden come within Bloomsbury and some within Hampstead district health authority. The available information is given in the table:

Family Planning Clinic Services 1986
Community and Hospital Clinics—Patients seen: Numbers

District Health Authority	Under 20 years	20 to 34 years
Islington	1,210	8,143
Hampstead	202	3,150
Bloomsbury	3,865	28,866
of which		
Tottenham Court Road Brook Centre	3,369	[1]6,608

[1] Relates to persons aged 20 to 35 years.

Great Ormond Street Hospital

Mr. Dobson: To ask the Secretary of State for Social Services what is the expected date of completion of the external works on the cardiac block at Great Ormond street.

Mrs. Currie: This scheme, which is mainly concerned with landscaping and does not affect the use of the new facilities, is now planned for completion in May.

Mr. Dobson: To ask the Secretary of State for Social Services what is the total cost to date of the restoration works undertaken on the cardiac block at Great Ormond street hospital.

Mrs. Currie: So far about £17·25 million has been paid in fees and construction costs.

Mr. Dobson: To ask the Secretary of State for Social Services what is the estimated final total cost of restoring the cardiac block at Great Ormond street hospital expressed in 1982 prices and current prices.

Mrs. Currie: I refer the hon. Member to my reply to him on 23 November 1987, at column *82*.

Mr. Dobson: To ask the Secretary of State for Social Services what is the estimated cost of equipping the restored cardiac block at Great Ormond street hospital.

Mrs. Currie: Our estimate of a net cost of £650,000 has not changed since my reply to the hon. Member on 23 November 1987, at column *82*.

National Health Service Review

Mr. Robin Cook: To ask the Secretary of State for Social Services if he will list the health authorities that have made submissions to the Government's review of the National Health Service.

Mr. Moore: I refer the hon. Member to the reply which my right hon. Friend the Prime Minister gave to the hon. Member for Leeds, Central (Mr. Fatchett) on 7 March, at column *18*.

Committee on Safety of Medicines

Mr. Wareing: To ask the Secretary of State for Social Services how many members of the Committee on Safety of Medicines are women; and if he will name them.

Mr. Newton: One woman is currently a member of the Committee on Safety of Medicines:

Dr. Elizabeth Mayne, MD, FRCP, FRCPath, Department of Haematology, Royal Victoria Hospital, Belfast.

Four women are members of sub committees of the Committee on Safety of Medicines:

Dr. Linda Beeley, MA(Oxon), FRCP, Consultant Clinical Pharmacologist, The Queen Elizabeth Hospital, Edgbaston;

Dr. Joyce Davidson, MB, BS, FRCGP, General Practitioner, Cardiff;

Dr. Elizabeth Miller, MB, BS, BSc, Principal Microbiologist, Communicable Diseases Surveillance Centre, Colindale;

Dr. Sheila Wallace, FRCP, DObst, RCOG, Consultant Paediatric Neurologist, University Hospital of Wales, Cardiff.

Tranquillisers

Mr. Wareing: To ask the Secretary of State for Social Services if he will set up a sub-committee of the Committee on Safety of Medicines to make a study of benzodiazepine, to include members co-opted from voluntary and community organisations active in the field of counselling patients who have become addicted to tranquillisers.

Mr. Newton: It is for the Committee on Safety of Medicines to decide whether or not to set up a sub-committee on any issue. In relation to benzodiazepines, the committee has recently completed a review of the problem of dependence, leading to the advice to doctors in "Current Problems No. 21", which is in the Library.

Mr. Wareing: To ask the Secretary of State for Social Services what further instructions he has given to the doctors of his Department's regional medical services following the publication by the Committee on Safety of Medicines of "Current Problems No. 21", in which the dangers of overprescribing benzodiazepine are mentioned.

Mr. Newton: Doctors of the Department's regional medical service regularly attend prescribing seminars at which current issues and matters of interest are discussed. These include discussions on articles such as the one providing recommendations on benzodiazepines contained in "Current Problems No. 21". All doctors in the regional medical service have had their attention drawn to this article by the provision of a personal copy to each of them.

Mr. Wareing: To ask the Secretary of State for Social Services what savings he expects to accrue to the National Health Service when general practitioners act upon the advice given about benzodiazepine in "Current Problems No. 21"; and if he will consider using such savings to assist in the funding of voluntary organisations counselling patients who have suffered from addiction to such tranquillisers.

Mr. Newton: "Current Problems No. 21" contains recommendations about the use of benzodiazepines and implementation would depend on the responses by individual patients to the courses of treatment advised by their own general practitioners. It is not possible to quantify the savings that might accrue. A number of voluntary organisations helping tranquilliser users have received central funding as part of a widespread expansion of counselling services.

Mr. Wareing: To ask the Secretary of State for Social Services what steps he takes to ensure that general practitioners understand the importance of the yellow card report system as the means of notifying their concern about the suspected adverse reactions of patients to the administration of benzodiazepine.

Mr. Newton: The Committee on Safety of Medicines is very concerned to ensure that doctors are well aware of the importance of the yellow card system as for reporting suspected adverse reactions to all medicinal products, including benzodiazepines. The committee's leaflet, "Current Problems", sent two or three times a year to all doctors, invites reports of suspected adverse drug reactions and includes detailed advice on how, where and what to report. Similar advice is also included in the British National Formulary, which the Department sends free of charge to all doctors, and in the ABPI's data sheet compendium. Yellow cards are sent regularly with "Current Problems" and are also provided at the back of doctors' prescription pads, and in the BNF and data sheet compendium. They can also be obtained by ringing CSM Freephone.

Last year the CSM and the drug safety research unit jointly launched a red alert scheme to encourage doctors to report suspected serious adverse reactions to new drugs, using a yellow card with red triangles.

As a result of all these measures, the number of yellow card reports received by the CSM has increased steadily to 16,431 in 1987. The CSM is exploring further initiatives to increase doctors' awareness of adverse drug reactions and the yellow card reporting system.

Cervical Cancer

Mr. Wray: To ask the Secretary of State for Social Services what is the percentage of failure in the detection of cervical cancer by the present test system used by his Department.

Mrs. Currie: Estimates of the false negative rate for cervical smear tests vary widely. In some cases an inadequate sample of cells is captured by the person taking the smear; in others cellular changes may be missed by the laboratory in which the smear is examined. That is why health circular (88)1 issued in January 1988 includes guidance on the quality of smear-taking and on internal quality control and external quality assessment in laboratories.

No screening test or screening programme can achieve 100 per cent. accuracy. Nevertheless, studies by the World Health Organisation's International Agency for Research on Cancer show that women who have a smear test every five years between the ages of 20 and 64 are 84 per cent. less likely than unscreened women to develop invasive cervical cancer.

Yellow Card Reports

Mr. Wareing: To ask the Secretary of State for Social Services if, pursuant to his answer of 3 March, *Official*

Report, columns *697-8*, in respect of the use of yellow card reports by general practitioners, he will give a breakdown on the nature of the yellow card reports submitted by general practitioners to the Committee on Safety of Medicines during 1987.

Mr. Newton: An article by the Committee on Safety of Medicines analysing yellow card reports received in 1986 and 1987 will appear very shortly in the CSM update series in the British Medical Journal.

NHS Performance Indicators

Mr. Jack: To ask the Secretary of State for Social Services if he will make a statement on the reasons why the National Health Service performance indicators for 1986-87 have not yet been placed in the Library.

Mr. Newton: I refer my hon. Friend to my reply to him on 11 February 1988 at column *355*. The 1986-87 Health Service indicators will be published in March, and a set will be placed in the Library.

Psychiatric Care

Mr. Nicholas Winterton: To ask the Secretary of State for Social Services when he intends to publish the report by the social services inspectorate on the provision by local authorities of psychiatric care; why there has been a delay in the publication of this report; and if he will make a statement.

Mr. Newton: A report prepared by the Department's social services inspectorate following an inspection of personal social services for mentally ill people in eight local authorities is in draft form and has not yet been submitted to Ministers.

In the meantime, a report on local arrangements has been made available to each participating local authority.

Chronically Sick and Disabled Persons Act

Mr. Wareing: To ask the Secretary of State for Social Services how he monitors the implementation by local authorities of their statutory obligations under the Chronically Sick and Disabled Persons Act 1970.

Mr. Scott: I am unable to add to my reply on 8 March 1988 to the hon. Members for Ealing, Southall (Mr. Bidwell), for Mansfield (Mr. Meale), for Dumbarton (Mr. McFall) and for Kirkcaldy (Dr. Moonie) at columns *159-60*.

RPI (Error)

Mr. Wareing: To ask the Secretary of State for Social Services if he will list the charities to which funds will be donated arising out of the retail price index computer error; what is the total amount which will be donated to each of these charities; and which charities located in the north-west of England will benefit.

Mr. Scott: Details of the arrangements for the payments to charities are still being considered and will be announced in the near future.

Press Releases

Mr. Dobson: To ask the Secretary of State for Social Services for what reasons all local authority welfare rights officers and other non-journalistic outlets were dropped from the mailing list of his Department's press release section in September 1987; whether this was done with any notification; whether he will reinstate the former mailing list; and if he will make a statement.

Mr. Portillo: The Department's press office has not stopped sending press notices to any one group of recipients. It does, however, review its long press lists from time to time. It works on the principle that press notices are designed and intended for the press and this is where they are mainly sent. The last review took place in October and November last year. Recipients were not notified. Because few of the recipients have made inquiries about this action, I do not consider it necessary to restore the former mailing list. However, several welfare rights units have expressed concern about their removal; a small mailing list will be established to provide them with the social security benefits information in which they are interested.

Ministerial Offices

Mr. Dobson: To ask the Secretary of State for Social Services if he will provide a breakdown of the £17,000 cost of the fixtures and fittings in his new private office; and if he will provide similar information for the private offices of his junior Ministers.

Mr. Moore: Expenditure incurred on furniture, office equipment and floor covering as the result of the move to Richmond house totalled £12,400 for furniture and £4,600 for floor coverings.

Furniture and fittings for the two restored historic room suites used by Ministers were provided in a style compatible with the restoration and not with individual Minister's or staff requirements. Such furniture was inherited for the use of the Department on occupancy of the building. The remaining three Ministers utilised furniture and equipment from the previous accommodation.

Meridian (Member's Correspondence)

Mr. Kaufman: To ask the Secretary of State for Social Services when he intends to reply to the letters sent to him by the right hon. Member for Manchester, Gorton on 6 November 1987, 15 December 1987 and 3 February 1988 with regard to financial assistance to Meridian, following the reference to him of this correspondence by the Home Secretary in October 1987.

Mr. Moore: I regret that, despite extensive inquiries, we have no trace of this correspondence. If the right hon. Member will furnish me with copies of the correspondence, I will look into it immediately.

Whitley Hospital, Coventry

Mr. Nellist: To ask the Secretary of State for Social Services, pursuant to the answer of 9 March, if he will instruct the Coventry district health authority not to enter into any further financial or other commitments with Coventry Church housing association, in relation to Whitley hospital, pending the outcome of his consideration of the health authority's proposal to close the hospital; on what basis commitments have already been entered into; and if he will make a statement.

Mrs. Currie: We are currently considering Coventry district health authority's proposal to close the Whitley hospital and we expect to take a decision shortly. The health authority cannot enter into any commitments relating to the Whitley hospital while a decision on its future is pending.

Waiting Lists (Eastbourne)

Mr. Gow: To ask the Secretary of State for Social Services what are the current waiting lists for in-patients and out-patients at the district general hospital, Eastbourne, and at Saint Mary's hospital, Eastbourne, in each specialty for *(a)* examinations, *(b)* treatment and *(c)* operations; what were the comparable figures on the same dates in 1984, 1985, 1986 and 1987; and what proposals he has to reduce these waiting lists.

Mr. Newton: Our available information is given in the table. We do not hold information centrally on numbers awaiting out-patient appointments. It should be noted that in certain specialties a hospital may maintain a waiting list which is common to more than one hospital within a district health authority.

Number of patients on in-patient waiting list at 31 December for years 1984 to 1986 (latest available)

	1984	*1985*	*1986*
Eastbourne district general hospital			
General surgery	263	252	357
Ear, nose and throat	428	329	294
Traumatic and orthopaedic	681	793	925
Ophthalmology	86	168	206
Urology	375	259	221
Oral surgery	49	52	148
Gynaecology	643	629	772
Total all specialties	2,525	2,482	2,923
Total surgical specialties	2,525	2,482	2,923
St. Mary's hospital, Eastbourne			
General medicine	—	1	—
Dermatology	2	1	—
Rheumatology	6	4	2
Geriatrics	6	6	2
Total all specialties	14	12	4
Total surgical specialties	0	0	0

In the current financial year, we have made £110,000 available to Eastbourne district health authority to use spare ward capacity to treat 100 additional patients from the orthopaedic waiting list. In 1988-89, we shall make £155,000 available to the health authority to treat 150 additional gynaecology patients, mainly for hysterectomies, and an additional 250 adults and children for ear, nose and throat surgery.

Social Security Reform

Mr. Gow: To ask the Secretary of State for Social Services how many people living in the Eastbourne parliamentary constituency are currently in receipt of *(a)* housing benefit, *(b)* family income supplement and *(c)* supplementary benefit; and what is his estimate of the number of those in category *(a)* whose entitlement to benefit will be reduced under the new system which is to be introduced in April.

Mr. Portillo: The information requested is as follows:

	Number
(a) Housing benefit	11,600
(b) Family income supplement	Not available
(c) Supplementary benefit	[1]11,188

[1] Latest available figure—17 November 1987.

Notes

The figures for *(a)* and *(c)* relate to Eastbourne borough council and Eastbourne local office respectively. The boundaries are not conterminous with the parliamentary constituency.

I regret that the additional information requested is not available for individual areas.

Consultants' Contracts

Mr. Michael McNair-Wilson: To ask the Secretary of State for Social Services if he will publish in the *Official Report* the contents of a consultant's contract with the National Health Service.

Mr. Newton: I have placed a copy of the recommended form of contract in the Library.

Bronchitis and Emphysema

Mr. Charles Wardle: To ask the Secretary of State for Social Services whether he has accepted the findings of the Industrial Injuries Advisory Council's recent report on bronchitis and emphysema; and if he will make a statement.

Mr. Lofthouse: To ask the Secretary of State for Social Services what response he proposes to make regarding the recommendations of the Industrial Injuries Advisory Council's report into the cause of emphysema among mineworkers.

Mr. Scott: I have accepted the report's conclusions and arrangements are being made for its publication. The council's main finding is that there is insufficient evidence to warrant prescription, according to the criteria laid down in section 76(2) of the Social Security Act 1975, of bronchitis and emphysema in their own right. The council also calls for further research in this field, especially studies on populations of non-smoking, dust-exposed workers.

Doctors (Financial Interests)

Mr. Fearn: To ask the Secretary of State for Social Services if he has any plans to introduce regulations requiring doctors and consultants to declare any financial interests they may have in private hospitals and clinics in a form accessible to prospective patients; and if he will make a statement.

Mr. Newton *[holding answer 10 March 1988]:* No; but the matter is one which is covered by the General Medical Council's code on professional conduct and discipline.

Patient Costs

Mr. Conway: To ask the Secretary of State for Social Services if he will give the average annual expenditure per patient in 1986-87 by Shropshire health authority.

Mr. Newton *[holding answer 23 February 1988]:* For 1986-87, hospital costing returns submitted by the Shropshire health authority show average costs per patient treated as follows:

Hospital	In-patients		Out-patients		A and E patients		Day patients		Day cases
	[4]£	[5]£	[6]£	[7]£	[6]£	[7]£	[6]£	[7]£	[6]£
Type									
Acute 1-50 beds	42·82	619·16	18·28	58·35	11·31	18·26	[1]n.a.	n.a.	[1]n.a.
Acute over 300 beds	87·75	562·98	31·57	112·12	26·37	27·39	[1]n.a.	n.a.	[1]n.a.
Mainly acute	50·45	557·84	15·64	35·13	12·77	19·89	[1]n.a.	n.a.	[1]n.a.
Partly acute	52·01	708·39	18·95	49·29	[1]n.a.	n.a.	26·50	939·98	n.a.
Mainly long stay	38·76	[2]—	15·36	47·34	10·25	14·87	[1]n.a.	n.a.	[1]n.a.
Long stay	69·40	[2]—	[1]n.a.	n.a.	[1]n.a.	n.a.	[1]n.a.	n.a.	[1]n.a.
Geriatric	36·61	[2]—	[1]n.a.	n.a.	[1]n.a.	n.a.	[1]n.a.	n.a.	[1]n.a.
Mental illness	42·56	[2]—	[1]n.a.	n.a.	[1]n.a.	n.a.	22·20	2,886·35	[1]n.a.

[1] No patients of this type were treated during the year.
[2] Average costs per in-patient case in respect of hospitals providing long-stay treatment are not routinely calculated.
[3] "Other hospitals" (hospitals not clearly falling into any of the standard types) have been excluded: average costs are not calculated for such hospitals.
[4] Cost per I/P day.
[5] Cost per case.
[6] Cost per attendance.
[7] Cost per new case.

Invasive Carcinoma

Mr. Wray: To ask the Secretary of State for Social Services which socio-economic group is most affected by invasive carcinoma in the United Kingdom.

Mrs. Currie *[holding answer 22 February 1988]:* The latest available information on socio-economic groups affected by malignant neoplasms is given in the table which shows information for Great Britain on mortality for all malignant neoplasms by socio-economic group for the years 1979-80, 1982-83. Data for later years, and for the United Kingdom as a whole, are not available.

Standard Mortality Ratios (SMRs) for malignant, neoplasms (ICD 140-208) by socio-economic group (S.E.G.), Great Britain 1979-80, 1982-83.

S.E.G.	Description	SMR [1]	SMR [2]
1.1, 2.1	Employers in industry, commerce etc. large and small establishments	107	111
1.2, 2.2	Managers in industry, commerce etc. large and small establishments	79	95
3	Professional workers self-employed	51	69
4	Professional workers employees	74	94
5.1	Intermediate non-manual workers Ancillary workers and artists	69	88
5.2	Intermediate non-manual workers foremen and supervisors	134	148
6	Junior non-manual workers	85	98
7	Personal service workers	122	121
8	Foremen and supervisors manual	104	107
9	Skilled manual workers	118	115
10	Semi-skilled manual workers	119	120
11	Unskilled manual workers	156	133
12	Own account workers other than professional	82	77
13	Farmers employers and managers	82	126
14	Farmers own account	57	67
15	Agricultural workers	101	97
16	Members of armed forces	127	127
17	Inadequately described and not stated occupations	17	25

[1]: SMRs for males aged 20 to 64, 100 = All Males 20 to 64.
[2]: SMRs for all single and married women aged 20 to 59, 100 = all single and married women.
Notes:
Single women's coding is based on own occupation.
Married women's coding is based on husband's occupation.

TRANSPORT

British Rail (Financial Support)

10. **Mrs. Dunwoody:** To ask the Secretary of State for Transport if he has any plans to change present levels of financial support for British Rail, in the light of increasing demand for rail services.

35. **Mr. Snape:** To ask the Secretary of State for Transport if he is satisfied that present levels of financial support for British Rail are adequate in the light of increasing demand for rail services.

Mr. David Mitchell: I have repeatedly made it clear that I shall approve any worthwhile additions to British Rail's investment programme which are needed to meet the quality standards on subsidised services.

Transport Services (Financing)

14. **Mr. Grocott:** To ask the Secretary of State for Transport what discussions he has had with the chairmen of nationalised transport industries concerning the financing of transport services.

Mr. David Mitchell: I meet each of the chairmen from time to time to discuss various matters, including financial issues.

London Assessment Studies

15. **Mr. Corbyn:** To ask the Secretary of State for Transport what public transport projects will be assessed as part of the London assessment studies; and if he will make a statement.

Mr. Peter Bottomley: The study consultants have been in touch with BR and LRT, boroughs and other organisations about their ideas for improving public transport in the study areas. They will then develop a wide range of options for assessment. Currently planned projects are not being delayed by the studies. The studies will also consider the needs of pedestrians, and other vulnerable road users.

40. **Mr. Fraser:** To ask the Secretary of State for Transport what progress is being made with the London assessment studies; what representations he has received on them in the last six months; and if he will make a statement.

Mr. Peter Bottomley: We have received comments about various aspects of the assessment studies from local authority associations, London Planning Advisory Committee, individual boroughs, national and local groups and members of the public.

Channel Tunnel (Railway Development)

16. **Mr. Murphy:** To ask the Secretary of State for Transport if he will set up an inquiry into the potential benefits of electrifying railway lines to south Wales and the west of England in the light of the Channel tunnel development.

38. **Mr. Anderson:** To ask the Secretary of State for Transport if he will investigate the potential benefits of electrifying railway lines to south Wales and the west of England, in the light of the Channel tunnel development.

Mr. David Mitchell: I refer the hon. Members to the answer I gave earlier today to the hon. Member for Newport, West (Mr. Flynn).

23. **Mrs. Beckett:** To ask the Secretary of State for Transport if he has received any proposals from British Rail to electrify the London Midland railway line in the light of the Channel tunnel development; and if he will make a statement.

Mr. David Mitchell: I have received no such proposal.

24. **Mr. Adley:** To ask the Secretary of State for Transport if he will make a statement on his latest discussions with British Rail about Channel tunnel rail infrastructure.

Mr. David Mitchell: As my hon. Friend knows, we have asked British Rail for a report by June on its study of the possible need for additional capacity. It would be premature to hold further discussions with the board until we have received that report.

M4 (Central Barriers)

17. **Mr. Simon Coombs:** To ask the Secretary of State for Transport what is the cost of replacing the central barriers on the M4 between London and Bristol, junctions 1 to 20; and what is his estimate of the date of completion of this work.

Mr. Peter Bottomley: Work on the M4 commenced in 1982 and the Department is continuing to replace or upgrade all safety fencing to modern-day standards. The work is estimated to cost some £6 million and to be completed by 1990.

Work currently in hand is at junctions 2 and 4 and between junctions 14 and 15. It should be completed by mid May.

Works planned for this year include junctions 10 to 12 and 6 km between junctions 16 and 18 as part of the major maintenance scheme.

Ferry Safety

18. **Mr. Steinberg:** To ask the Secretary of State for Transport what recent discussions he has had with ferry company managers about ferry safety.

Mr. David Mitchell: I have had, from time to time, individual meetings with directors and other managers of ferry companies.

Roll-on/Roll-off Vessels

19. **Mr. Ron Davies:** To ask the Secretary of State for Transport what progress his Department has made in assessing the structural safety of roll-on/roll-off vessels.

Mr. David Mitchell: Work is in hand to check the stability of existing passenger roll-on/roll-off ferries, particularly the older ones. My Department is also undertaking a programme of research into ferry safety, including possible ways of reducing the risk of capsize if water reaches the car deck.

Manchester Airport

20. **Mr. George Howarth:** To ask the Secretary of State for Transport when he next intends to visit Manchester airport to discuss the future of the airport.

Mr. Peter Bottomley: My right hon. Friend has no immediate plans for a visit.

27. **Mr. McCartney:** To ask the Secretary of State for Transport when he last met the staff of Manchester airport to discuss the future of the airport.

Mr. Peter Bottomley: My noble Friend the Minister with responsibility for aviation met a delegation of board members and officers of Manchester Airport plc on 8 February.

Transport Services (Safety)

21. **Ms. Abbott:** To ask the Secretary of State for Transport if he will bring forward a White Paper on safety in transport services; and if he will make a statement.

Mr. David Mitchell: Safety is an essential element of all our policies, which are developed in White Papers, consultative documents and other statements. So I do not consider that a separate White Paper is needed.

44. **Mr. Harry Barnes:** To ask the Secretary of State for Transport what representations he has received about safety levels on transport services in the United Kingdom.

Mr. David Mitchell: It would be impractical to record centrally the many contacts and exchanges of views my Department has day by day with organisations and individuals on all aspects of transport safety.

Drink-Driving

22. **Mr. Jack:** To ask the Secretary of State for Transport when he expects to be able to estimate changes in drink-driving behaviour in 1987.

Mr. Peter Bottomley: Monitoring is continuous and aims to assess not only immediate effects but also the longer term impact. We shall release significant findings, including final results of last year's Christmas campaign, as they become available.

41. **Mr. David Davis:** To ask the Secretary of State for Transport what proportion of car drivers and motor cyclists who die in crashes and collisions between 10 pm and 4 am are over the legal limit of alcohol.

Mr. Peter Bottomley: The proportion of car drivers and motor cycle riders who die in road accidents between 10 pm and 4 am and who have a blood alcohol level in excess of the legal limit is 58 per cent. and 60 per cent., respectively.

Motorway Repairs

25. **Mr. Hannam:** To ask the Secretary of State for Transport how many miles of motorway were repaired last year.

Mr. Peter Bottomley: We estimate that 84 miles have been renewed during 1987-88.

Passenger Transport Authorities

26. **Mrs. Ann Taylor:** To ask the Secretary of State for Transport if he will make a statement on the future of the passenger transport authorities in the former metropolitan counties.

Mr. David Mitchell: I am not at present contemplating any changes to the existing passenger transport responsibilities in the metropolitan areas.

Road Safety

28. **Mrs. Ray Mitchie:** To ask the Secretary of State for Transport what new road safety initiatives his Department plans for the next year.

Mr. Peter Bottomley: We intend to announce later this year the outcome of the consultations that we have had following publication last year of the report "Road safety —the next steps", and our plans for implementing its recommendations so as to accelerate the reduction in road accident casualties.

Major initiatives so far have been the publication in February of our proposals for improving the training and testing of motor cyclists, and the review of motorway safety which we announced at Christmas—the results of which we expect to publish in the early spring. Tackling drinking and driving remains a major priority, as does the safety of all vulnerable road users, particularly children and pedestrians of all ages.

Smoke Hoods

29. **Mr. Patrick McNair-Wilson:** To ask the Secretary of State for Transport whether the Civil Aviation Authority has yet produced its specification for passenger smoke hoods; and if he will make a statement.

Mr. Peter Bottomley: The Civil Aviation Authority is wholly responsible for aviation safety regulation. The CAA has informed us that it has produced a further draft of its specification for passenger smoke hoods which has been circulated to interested parties for comment. The CAA expects to be able to finalise the specification in April.

43. **Mr. Aspinwall:** To ask the Secretary of State for Transport if he intends to introduce regulations regarding the retail sale of airline passenger protection smoke hoods.

Mr. Peter Bottomley: The sale of smoke hoods, whether for use by airline passengers or the public at large, is a commercial matter. There are no plans to introduce regulations governing their sale to airline passengers. The sale of any consumer product is now covered by the general safety requirement under the Consumer Protection Act 1987, which makes it a criminal offence to supply any consumer product that is not reasonably safe.

Passenger Safety

30. **Mr. Blunkett:** To ask the Secretary of State for Transport if, in the light of recent prosecutions arising from attacks on women in or near railway stations, he will be issuing, or revising guidelines to organisations providing public transport, concerning staffing levels, operating procedures and user's personal safety; and if he will make a statement.

Mr. David Mitchell: Staffing levels and operating procedures are for public transport operators to determine in the light of their business objectives and statutory obligations. The policing of BR and LUL stations is a matter for the British Transport police who maintain close links with the operators.

Transport Funding

31. **Mr. Pike:** To ask the Secretary of State for Transport what recent discussions he has had with local authorities concerning transport funding.

Mr. David Mitchell: My right hon. Friend the Secretary of State has had no discussions recently with local authorities about transport funding, although he did attend an Association of County Councils' function on 17 February at which he spoke on the need for greater spending on highway maintenance.

I met representatives of the Association of Metropolitan Authorities on 2 March to discuss the proposed change of PTAs to billing bodies from 1990-91.

Deregulation

32. **Mr. Hardy:** To ask the Secretary of State for Transport if he will make a further statement on the effect of deregulation on the quality of public road transport.

Mr. David Mitchell: Deregulation continues to have a beneficial effect on road passenger transport. Bus mileage has increased; there is competition and innovation in many areas of the country; the number of operators has gone up and services are more closely geared to passengers' needs; costs have been reduced and local authorities have made substantial savings in revenue support for subsidised services.

Transatlantic Routes (Manchester)

33. **Mr. Favell:** To ask the Secretary of State for Transport what recent representations he has received about the licensing of transatlantic air routes from Manchester.

Mr. Peter Bottomley: A number of representations have been received concerning improved access for United States carriers to Manchester. The licensing of those carriers is a matter for the United States Government, not Her Majesty's. The United States Government do not have the necessary traffic rights under the United States/United Kingdom air services agreement. It is necessary for them to seek to negotiate for these additional rights. Officials from the Department will be meeting a delegation from the United States Government in London later this week to try to make progress on this matter.

Irradiated Fuel (Transport)

34. **Ms. Ruddock:** To ask the Secretary of State for Transport if he has received a copy of the London borough

nuclear policy committee report "Transportation of Irradiated Fuel", by Large and Associates; and if he will make a statement.

Mr. David Mitchell: I refer the hon. Member to the answer I gave on 3 March, at column 656, to the hon. Member for Meirionnydd Nant Conwy (Dr. Thomas).

Severn Crossing

36. **Mr. Roy Hughes:** To ask the Secretary of State for Transport how long the consultation period on the second Severn crossing will be; what discussions he is having with local representatives; and if he will make a statement.

Mr. Peter Bottomley: The consultants for the project (W. S. Atkins and Partners and G. Maunsell and Partners) are making good progress. A public exhibition has been held at nine different centres on both sides of the estuary and consultations are now under way with affected parties. These consultations will continue during the coming months. The Department and the Welsh Office are in touch with local representatives in the areas affected by the proposals.

The consultants are proceeding with the further technical investigations needed. We hope to be in a position to finalise the proposals in 18 to 24 months.

Public Transport Improvements

37. **Mr. Jim Marshall:** To ask the Secretary of State for Transport what improvements in public transport he expects to implement during the next financial year.

Mr. David Mitchell: I refer the hon. Member to the 1988 public expenditure White Paper (Cm. 288) which gives details of the Government's planned levels of financial support to public transport services.

London Regional Transport

39. **Mr. Spearing:** To ask the Secretary of State for Transport when he now expects to publish further objectives for London Regional Transport.

Mr. David Mitchell: I expect to announce new objectives shortly after the findings of the formal investigation into the King's Cross fire are known.

Road Maintenance

42. **Mr. Chapman:** To ask the Secretary of State for Transport what steps are taken to ensure that road maintenance and repairs are undertaken with minimum inconvenience to drivers and passengers; and if he will make a statement.

Mr. Peter Bottomley: We aim to minimise inconvenience to road users by careful programming of works, improving traffic management arrangements and by getting works completed more quickly—particularly by greater use of lane rental contracts which are achieving an acceleration of 33 per cent. on average. Further measures are being considered. We hope to make an announcement on 1988-89 programme shortly.

Local Public Transport Services (Funding)

45. **Mr. Andrew F. Bennett:** To ask the Secretary of State for Transport whether he has any plans to improve the funding mechanisms of local public transport services.

Mr. David Mitchell: We have already brought about a substantial improvement by the deregulation of bus services and the introduction of competitive tendering for subsidised services. In the metropolitan areas precept control has also contributed to reducing the cost to the ratepayer of local public transport services, and we are now considering the responses to a proposal to replace the present precepting system for the passenger transport authorities by a system of billing on metropolitan districts.

Channel Tunnel

46. **Mr. Dunnachie:** To ask the Secretary of State for Transport what action he is taking to ensure that regions north of London are able to benefit fully from the opening of the Channel tunnel.

Mr. David Mitchell: I refer the hon. Member to the reply that I gave to the hon. Member for Halifax (Mrs. Mahon) on 2 March, at column 599.

A30 (Improvements)

Mr. Neale: To ask the Secretary of State for Transport if he will report on progress on the planning, design and construction of the various improvement schemes to the A30 from Launceston to Mitchell.

Mr. Peter Bottomley: We are making good progress on the six schemes in the national programme between Launceston and Mitchell. Together they will provide over 27 miles of dual carriageway at an estimated cost of some £35 million. The detailed position on each is:

Launceston to Plusha
The statutory procedures were completed in February. Construction is expected to start later this year.

Plusha to Bolventor
Revised proposals were published in October 1987. A public inquiry is to be held in April. The programmed start of contruction is in the period April 1989 to March 1991.

Shallowater Hill improvement
Added to the national programme in April 1987 with a programmed start of construction in the period April 1991 onwards. Preliminary studies and investigations are now in hand.

Bodmin to Indian Queens
Added to the national programme in April 1987 with a programmed start of construction in the period April 1991 onwards. A design agent is to be appointed shortly.

Indian Queens/Fraddon/St. Columb road bypasses
Public consultation of further options was held in January/February. Comments received are now being studied. A preferred route is expected to be announced later this year. The programmed start of construction is in the period April 1991 onwards.

Penhale to Carland Cross improvement
A public inquiry was held in February and the inspector's report is awaited. The scheme, which would bypass Summercourt and Mitchell, is programmed to start construction in the period April 1989 to March 1991.

Mr. Harris: To ask the Secretary of State for Transport if he will report on progress on the planning, design and construction of the various improvement schemes of the A30 from Mitchell to Long Rock, Penzance.

Mr. Peter Bottomley: We are making good progress on the two schemes in the national programme between Mitchell (Carland Cross) and Long Rock.

The detailed position is:

Zelah bypass

Revised proposals were published in November 1987. An announcement about a public inquiry is to be made shortly. The programmed start of construction is in the period April 1989 to March 1991.

Blackwater bypass

Construction is expected to be completed this summer.

Work has also started on the final phase of the safety improvements on the A30 at Crowlas.

Miss Emma Nicholson: To ask the Secretary of State for Transport if he will report on progress on the planning and design of the A30 improvement from Okehampton to Launceston; and what is the intended year for the start of its construction.

Mr. Peter Bottomley: Survey and detailed design work on this £21·8 million scheme is now nearly completed. Proposals are expected to be published in draft orders towards the end of the year. The planned start of construction is in the period April 1991 onwards. Given satisfactory progress with the statutory and administrative procedures we hope to start work early in that period.

Driver Testing

Mr. Watts: To ask the Secretary of State for Transport what action he is taking to implement the review of driver testing report.

Mr. Channon: I have approved the programme of detailed departmental action drawn up to implement the key measures recommended. The object will be to make the best use of existing resources and to give customers a better service with reduced waiting times for tests. A new service, providing Saturday morning tests, will be offered on a trial basis at selected centres throughout the country in the next few months.

Computerisation of test appointments over the next 18 months will offer customers a speedier and better booking service. In the light of the high costs and inflated queues for tests that the review has identified flowing from last-minute cancellations that cannot be reallocated, I propose to amend regulations to require 10 clear working days' notice to cancel or rebook without loss of fee.

Driving instructors play a key role in preparing people to cope with today's vehicles and road conditions. Learners should take their advice about when they are ready to take a driving test. We are continuing discussions with the associations of approved driving instructors about maintaining high standards and the publication of information to help customers seeking professional tuition. Avoiding accidents means not just a high level of driving skills, but constant awareness and consideration for other road users.

I am placing copies of the Department's "Plan for Implementation" in the Libraries of both Houses.

British Rail (Electrification)

Dr. Thomas: To ask the Secretary of State for Transport when he next expects to meet the chairman of British Rail to discuss its electrification programme and if he will make a statement.

Mr. David Mitchell: Electrification from London to Edinburgh is due to be completed on target in 1991. I understand that BR has no plans for further major route electrification.

Plutonium (Transport)

Mr. Salmond: To ask the Secretary of State for Transport if there are any proposals to use Prestwick airport for the transportation of plutonium; and if he will make a statement.

Mr. Peter Bottomley: I understand that British Nuclear Fuels' current preferred option is to use Prestwick airport for returning reprocessed plutonium oxide to Japan. This traffic will not take place until the mid-1990s and no firm decisions have yet been taken.

Major Road Schemes

Mr. Corbyn: To ask the Secretary of State for Transport, what plans he has to change the public inquiry system concerning major road schemes proposed by his Department; and if he will make a statement.

Mr. Peter Bottomley: We are satisfied that for the vast majority of road proposals the present inquiry system works well. The procedures continue to be kept under review and all suggestions for change are given careful consideration.

The Government's concern to safeguard the rights of those affected limits the scope for change.

Archway Road, London

Mr. Corbyn: To ask the Secretary of State for Transport if he will make it his policy that at the completion of the London assessment studies a public inquiry into the A1 (Archway road) section will be held.

Mr. Peter Bottomley: A decision on how to deal with the problems on the A1 Archway road will be taken after public consultation following completion of the east London assessment study. The statutory procedures for trunk road improvements include provision for public inquiries to be held.

Wrexham-Bidston Railway

Mr. Barry Jones: To ask the Secretary of State for Transport what proposals he has received from British Rail on the case for improving services on the Wrexham-Bidston railway line and for investing in train sets that are capable of giving reliable transport; whether he has received any proposals for special measures to bring back the class 142 pacer units; and if he will make a statement.

Mr. Channon: I have received no such proposals. These are essentially management matters for British Rail to consider.

Coastguard Stations (Devon)

Mr. Steen: To ask the Secretary of Transport how many coastguard stations there are in Devon; how many have breeches buoy equipment; and what would be the annual cost of continuing the use of breeches buoy equipment in coastguard stations where the equipment has already been bought.

Mr. David Mitchell: There are 21 coastguard stations in Devon of which 11 hold breeches buoy equipment. The annual cost of continuing to make use of the equipment in those 11 stations would be about £11,500. However,

development costs for replacement of obsolescent rocket apparatus would also have to be incurred in the near future.

Harbours

Mr. Beggs: To ask the Secretary of State for Transport if he will publish information on the value of European Economic Community aid and other grants awarded to each harbour authority in the United K[illegible]gdom in each of the last five years, including brief details of projects undertaken.

Mr. David Mitchell: I regret that the answer to this question could be obtained only at disproportionate cost. I shall write to the hon. Member.

Mr. Beggs: To ask the Secretary of State for Transport what information he has as to which harbours in the United Kingdom are *(a)* privately owned and *(b)* managed by companies which have shipping interests.

Mr. David Mitchell: Three shipping groups own and manage ports in the United Kingdom. Sealink UK has seven (Fishguard, Folkestone, Harwich (Parkeston Quay), Heysham, Holyhead, Newhaven, Stranraer); P&O three (Cairnryan, Felixstowe and Larne); and Caledonian MacBrayne (Scottish Transport Group) has 17 small ports in Scotland. Some other firms with shipping interests operate individual wharves or docks.

Mr. Beggs: To ask the Secretary of State for Transport whether it is a condition of European Economic Community aid to ports that berthing facilities may not be monopolised by a single shipping company; and if he will make a statement.

Mr. David Mitchell: I understand that the European Commission accords low priority to applications to aid projects which serve a single user. So in practice such projects do not usually receive grants from the European regional development fund.

Mr. Beggs: To ask the Secretary of State for Transport if he will undertake an inquiry to establish whether ports and harbours which have been in receipt of public funding are being managed in the public interest; and if he will make a statement.

Mr. David Mitchell: No. Harbour authorities must run their harbours in accordance with the duties and powers conferred on them by Parliament in their local legislation.

DEFENCE

Hunter Aircraft

Mr. Macdonald: To ask the Secretary of State for Defence if the Hunter aircraft operated by the fleet requirements and air direction unit are owned by his Department; and if they have any civilian role.

Mr. Freeman: All FRADU-operated Hunter aircraft are owned by the Royal Navy. They do not have a civilian role.

RAF Stornoway

Mr. Macdonald: To ask the Secretary of State for Defence (1) how many Phantom aircraft will be deployed at RAF Stornoway during Exercise Elder Forest 88;

(2) how many Tornado aircraft will be deployed at RAF Stornoway during Exercise Elder Forest 88;

(3) how many Canberra aircraft will be deployed at RAF Stornoway during Exercise Elder Forest 88;

(4) how many Hunter aircraft will be deployed at RAF Stornoway during Exercise Elder Forest 88;

(5) how many Falcon aircraft will be deployed at RAF Stornoway during Exercise Elder Forest 88;

(6) between which dates RAF Stornoway will be activated for Exercise Elder Forest 88;

(7) if any simulated air attacks on RAF Stornoway will take place during Exercise Elder Forest 88;

Mr. Ian Stewart: There are no plans to activate RAF Stornoway during Exercise Elder Forest, nor for any of the participating aircraft to operate from, or make simulated attacks upon, that airport.

Chile

Mr. Corbyn: To ask the Secretary of State for Defence what regular contacts there are between representatives of Her Majesty's armed forces and those of Chile.

Mr. Ian Stewart: Our diplomatic representation in Chile includes a defence element. United Kingdom defence personnel have regular contact with representatives of the Chilean armed forces, both in Chile and in the United Kingdom.

Mr. Corbyn: To ask the Secretary of State for Defence how many British armed forces personnel have visited any military facility in Chile in the last year.

Mr. Ian Stewart: In addition to visits by military personnel attached to the British embassy in Santiago, five serving officers from the United Kingdom visited Chilean military facilities in the last year. There were also three visits by Royal Navy ships.

General Purpose Machine Gun

Mr. Corbyn: To ask the Secretary of State for Defence what instructions are given to Army personnel serving in Northern Ireland concerning the use of the safety catch on the GPMG whilst on patrol or guard duties.

Mr. Ian Stewart: Instructions given to personnel lay down that, except in the act of firing, the safety catch on the GPMG is to be applied at all times when the weapon is cocked. The safety catch cannot be applied unless the weapon is cocked, nor can the weapon be fired except when cocked.

Mr. Corbyn: To ask the Secretary of State for Defence what is the normal training period for the use of a GPMG; and what is the minimum age a recruit can undertake such training.

Mr. Freeman: The normal training period in the use of the GPMG is some 30 hours over a period of about three months.

Adult recruits undertake GPMG training after they have completed their common military syllabus (recruit) training which lasts eight weeks. The minimum age of entry for an adult recruit is 17 years. For junior soldiers and junior leaders, however, GPMG training is not carried out within the first 14 weeks after entry. The minimum age of entry for a junior soldier is 16 years and 6 months; and for junior leaders, 16 years in England and Wales, and 15 years 8 months in Scotland.

Aidan McAnespie

Mr. Corbyn: To ask the Secretary of State for Defence how many members of the armed forces serving in Northern Ireland are facing disciplinary charges following the death of Aidan McAnespie.

Mr. Freeman: None. It would be inappropriate to initiate any disciplinary action until the trial of Guardsman Holden is concluded.

HMS Vulcan, Dounreay

Mr. Wallace: To ask the Secretary of State for Defence whether Euratom safety inspectors have access to the HMS Vulcan reactor at Dounreay.

Mr. Sainsbury: No.

Short Range Nuclear Weapons

Dr. Thomas: To ask the Secretary of State for Defence what information he possesses concerning the use to which the United States intends to put the nuclear materials from the warheads withdrawn under the 1983 NATO Montebello decision on unilateral removal of short range nuclear weapons.

Mr. Ian Stewart: The use of materials from United States nuclear warheads withdrawn from Europe as a result of SACEUR's 1985 proposals to implement the Montebello decision is a matter for the United States Government.

"Today" and "A Week in Politics"

Dr. Thomas: To ask the Secretary of State for Defence (1) if he will arrange for a transcript of his interview on the Radio 4 "Today" programme broadcast on 3 March to be placed in his departmental library;

(2) if he will place in *(a)* the Library and *(b)* his Department's library a transcript of his interview on "A Week in Politics" broadcast on Channel 4 on 2 March.

Mr. Ian Stewart: I refer the hon. Member to the reply I gave him on 11 March. Channel 4 programmes remain the copyright property of the production company which produces them and are not available on the open market.

Dr. Thomas: To ask the Secretary of State for Defence if he will seek to obtain for his Departmental library a copy of the transcript of the interview given by the North Atlantic Treaty Organisation General Secretary, Lord Carrington, to the BBC Radio Four "The World Tonight" programme concerning the North Atlantic Treaty Organisation summit on 3 March.

Mr. Ian Stewart: The library of the Ministry of Defence seeks to obtain all publications relevant to the working needs and interests of the Department where such material can be satisfactorily published on the open market. Transcripts of programmes transmitted by the BBC are deposited with the BBC written archives centre and are not normally available on the open market.

NATO (Defensive Weapons)

Dr. Thomas: To ask the Secretary of State for Defence if he will list all "smart" defensive weapons currently deployed by the North Atlantic Treaty Organisation in the European land, air and sea military theatres.

Mr. Ian Stewart: There is no formal NATO definition of a "smart" weapon, although the term is in general used to describe weapons with an autonomous navigation and target acquisition capability. There are a number of such weapons in the inventories of our allies, but it would be for them to provide details of the capabilities of their own weapon systems. The United Kingdom's major equipment programmes are described in successive Statements on the Defence Estimates.

Soviet Union (Weapons Systems)

Dr. Thomas: To ask the Secretary of State for Defence if he will list all the categories of weapons and support systems the Soviet Union has modernised since Mr. Gorbachev became Soviet leader, based on information available to his Department at 2 March.

Mr. Ian Stewart: I refer the hon. Member to the statement made by my right hon. Friend the Prime Minister on the NATO summit on 4 March at columns 1279-80 which emphasised that there has been no let-up in the Soviet Union's extensive military modernisation programme. For example, new cruise missiles have recently been flight-tested, while a new road-mobile ICBM has been deployed and a rail-mobile ICBM should be deployed shortly. In addition, a long-range strategic bomber has been introduced, a modified battle tank has been developed and a new mobile surface-to-air missile system is under development.

Dr. Thomas: To ask the Secretary of State for Defence what information he has on the Soviet weapons systems code named *(a)* AS-9 (Kyle), *(b)* AS-x-10 (Karen), *(c)* AS-11 (Kilter), *(d)* AS-12 (Kegler) and *(e)* AS-14 (Kedge), in terms of their intended deployment, capability and range.

Mr. Ian Stewart: All the Soviet weapon systems referred to are tactical air-to-surface missiles. They are intended for use by tactical air forces in early conventional attacks on targets such as air defence radar and missile sites, command and control centres and airfields.

The AS-9 (Kyle), AS-11 (Kilter) and AS-12 (Kegler) are anti-radiation homing missiles and can be carried by the SU-23 (Fencer), SU-17 (Fitter) and Mig 23 (Flogger) aircraft. The AS-10 (Karen)—which is now operational—and AS-14 (Kedge) are electro-optical homing missiles and are carried on the same range of airframes.

The AS-9 carries a 150 to 200 kg high explosive warhead and can also be equipped with a nuclear warhead. The AS-10 and AS-12 each carry a 100 kg high explosive warhead. We believe the AS-11 and AS-14 to be updated versions of the AS-9 and AS-10 respectively. The ranges of these missiles vary from a limited range up to about 100 km.

Chemical Weapons

Dr. Thomas: To ask the Secretary of State for Defence what information he has on progress in the development of binary chemical weapons in the United States of America.

Mr. Ian Stewart: The US Department of Defence has said that final assembly of 155mm artillery shells commenced in December 1987 and that the construction of production facilities for the Bigeye air delivered bomb has also recently been authorised.

Mr. Cohen: To ask the Secretary of State for Defence whether there is any military role which is specific to chemical weapons alone; and if he will make a statement.

Mr. Ian Stewart: Chemical weapons have a particular property that the mere threat of their use by an aggressor requires the defenders to wear protective equipment which imposes severe physiological degradation. That is why, although NATO affords a high priority to the protection of forces against the effects of chemical weapons, all its members are committed to the early conclusion of a global ban.

Mr. Cohen: To ask the Secretary of State for Defence what are the implications of the total elimination of chemical weapons for the North Atlantic Treaty Organisation's strategy of flexible response; and if he will make a statement.

Mr. Ian Stewart: A verifiable global elimination of chemical weapons would remove a major imbalance in East/West military capabilities.

Mr. Cohen: To ask the Secretary of State for Defence whether the retention of a limited chemical warfare capability by the North Atlantic Treaty Organisation forces is an integral part of the North Atlantic Treaty Organisation's strategy of flexible response.

Mr. Ian Stewart: There are no chemical weapons declared to NATO. However, in the absence of a comprehensive and verifiable ban on chemical weapons, and in the light of the massive Soviet CW capability, the modernisation of the limited United States retaliatory capability will contribute to upholding NATO's deterrent strategy of flexible response.

La Belle Discotheque

Mr. Dalyell: To ask the Secretary of State for Defence what are the implications for the safety of military installations in West Berlin of recent discoveries in connection with the bombing of La Belle discotheque on 5 April 1986 arising out of the trial of Christina Endrigkeit.

Mr. Ian Stewart: No charge has been brought against Frau Endrigkeit in connection with the La Belle discotheque bombing. The security of all military installations is kept under regular review in the light of all relevant circumstances.

Nuclear Warheads (Tests)

Mr. Cohen: To ask the Secretary of State for Defence (1) how many underground tests are required to develop a new nuclear warhead;

(2) whether the frequency of the United Kingdom's underground nuclear tests provides statistically significant evidence of the safety of the entire stockpile of the United Kingdom's nuclear warheads; and if he will make a statement;

(3) whether underground nuclear tests will remain necessary for as long as the United Kingdom retains its nuclear weapons, and if he will make a statement.

Mr. Sainsbury: It has been the policy of successive Governments not to disclose the purpose of individual underground nuclear tests, beyond saying that they are required "to maintain the effectiveness of the United Kingdom's nuclear deterrent".

AOR Support Vessels

Mr. Cohen: To ask the Secretary of State for Defence how many new AOR support vessels will be operational with the Royal Navy by the mid-1990s.

Mr. Sainsbury: The two auxiliary oiler replenishment vessels currently on order will be in service by the mid-1990s. The operational dates of subsequent vessels will depend on the size and timing of future orders.

Upholder Class Submarines

Mr. Cohen: To ask the Secretary of State for Defence (1) what is his Department's most recent estimate of the research and development and first-of-class costs for the new Upholder class submarine;

(2) what is his Department's most recent estimate for the unit cost of the new Upholder class submarine.

Mr. Sainsbury: I refer the hon. Member to the reply I gave on 14 January, at column *373*. Similar considerations apply to the detailed breakdown requested. However, information about the total cost of the programme was published in table 3.2 of volume 2 of the "Statement on the Defence Estimates 1987" (Cm. 101-II).

NATO Meeting

Mr. Wareing: To ask the Secretary of State for Defence when the next annual meeting of the North Atlantic Treaty Organisation at Oberammagau is to be held; and who will be representing Her Majesty's Government.

Mr. Ian Stewart: The NATO defence planning symposium normally takes place in Oberammagau in January each year. The United Kingdom is normally represented by officials from the Ministry of Defence and other Government Departments, as well as staff of the United Kingdom delegation to the North Atlantic Council and the United Kingdom military representative at NATO. No firm arrangements have yet been made for next year's conference.

Bomb Transporter (Accident)

Mr. Cohen: To ask the Secretary of State for Defence if he will make a statement about the accident of 4 March when a number of bombs fell from an American transporter on to the M25 motorway between junctions 15 and 16.

Mr. Ian Stewart: It is not our policy to comment on the cargoes carried by military vehicles, but I am informed that no munitions fell on to the M25 from a United States transporter on 4 March.

Ocean Surveillance Information Centre

Mr. Cohen: To ask the Secretary of State for Defence what is the number of staff employed at the joint ocean surveillance information centre; and what is their eligibility to belong to the trades unions.

Mr. Ian Stewart: I refer the hon. Member to the answer I gave him on 7 March, at column *62*.

RIMPAC Exercises

Mr. Corbyn: To ask the Secretary of State for Defence how many British troops, ships and planes will be involved in the 1988 RIMPAC exercises.

Mr. Ian Stewart: There are no plans for British service participation in a RIMPAC exercise in 1988 should any such exercise be arranged.

Exercise Fire Focus

Mr. Corbyn: To ask the Secretary of State for Defence what consultations there have been with the United States armed forces in preparation for operation Fire Focus.

Mr. Ian Stewart: Exercise Fire Focus is a United Kingdom national exercise to practise the reinforcement of the Falkland Islands. There was therefore no need to consult the armed forces of the United States or any other foreign country in preparation for it.

Mr. Corbyn: To ask the Secretary of State for Defence how many of the troops involved in Exercise Fire Focus are normally based in the Falklands.

Mr. Ian Stewart: Troops of the existing Falklands garrison are of course not part of the reinforcement, but will participate in a joint-force exercise and limited training exercises in the Falklands once the Fire Focus reinforcement is complete. It would not be in the interests of security to comment on the size of the garrison.

Mr. Corbyn: To ask the Secretary of State for Defence what is the total number of *(a)* Royal Air Force, *(b)* Army and *(c)* Royal Naval personnel involved in Exercise Fire Focus in the Falklands.

Mr. Ian Stewart: The military personnel being sent to the Falkland Islands in Exercise Fire Focus number fewer than 1,000, mostly from the Army. It would not be in the interests of security to reveal detailed numbers.

Written Answers to Questions

Tuesday 15 March 1988

FOREIGN AND COMMONWEALTH AFFAIRS

Turks and Caicos Islands

Mr. Butler: To ask the Secretary of State for Foreign and Commonwealth Affairs if he has any plans to review the governance of the Turks and Caicos Islands; and if he will make a statement.

Mr. Eggar: No. Elections took place in the Turks and Caicos Islands on 3 March. The People's Democratic Movement won a majority of the seats. We look forward to working with the new Government.

Export Promotion Services

Mr. Colin Shepherd: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make a statement on the reorganisation of the United Kingdom export promotion services in the Federal Republic of Germany.

Mrs. Chalker: The Foreign and Commonwealth Office and Department of Trade and Industry have reviewed the Government trade promotion services available to British exporters to the Federal Republic of Germany and have jointly agreed to arrangements for upgrading our service in the Federal Republic of Germany. A new post of Director General of Trade and Investment Promotion for the whole country will be created in Düsseldorf. An improved information technology system is being installed in Düsseldorf and in other British consultates-general in Germany which will provide British exporters with speedier service more closely targeted to their needs. All British exporters to the German market will benefit and especially those entering the export market for the first time.

A comprehensive and centralised data base is to be installed in the consulate-general in Düsseldorf. This will be linked to terminals in consulates-general in Hamburg, Frankfurt, Munich and West Berlin and to the British Marketing Office for High Technology in Stuttgart. An FRG-wide information network will thus be created. All consulates-general will have access to it and be able to communicate with each other through it. The new system will give exporters quicker answers to enquiries about market prospects and faster contact with potential agents and buyers.

The Focus Germany campaign and Lord Young's recent enterprise initiative are stimulating the interest of exporters, especially smaller and medium-sized companies in the German market. The realisation of the single market in 1992 will open it up even further. The FCO and DTI are strengthening Government services to exporters now to assist them in seizing the opportunities that will present themselves.

The enhanced system has been planned to be fully operational in October and will be installed over the next six months.

The consul-general in Düsseldorf, Peter Bryant, has taken over from 14 March, as the new Director General of Trade and Investment Promotion with responsibility to direct and co-ordinate the new organisation.

The commercial section in the embassy in Bonn will continue in being until 1 May. On that date it will close and thereafter all inquiries and visits which would have been made to the embassy should be directed to the British consulate-general in Düsseldorf. Their address is Nordsternhaus, Georg-Glock-Strasse 14, 400 Düsseldorf 30 (Telephone: 0211-43740, telex: 8584855; telefax 0211-4542319).

NATIONAL FINANCE

Royal Family (Civil List)

Mr. Stokes: To ask the Chancellor of the Exchequer if he will publish the total amount payable under the Civil List Acts to the Royal Family in the calendar years 1987 and 1988.

Mr. Lawson: The information on amounts payable to the Royal Family in the present and previous calendar year is as follows:

	1987 £	*1988* £
The Queen's Civil List	4,326,100	4,500,000
HM Queen Elizabeth The Queen Mother	375,300	390,300
HRH The Duke of Edinburgh	209,300	217,700
HRH The Duke of York	50,000	86,500
HRH The Prince Edward	20,000	20,000
HRH The Princess Royal	130,400	135,600
HRH The Princess Margaret, Countess of Snowdon	127,000	132,100
HRH Princess Alice, Duchess of Gloucester	51,400	53,500
HRH The Duke of Gloucester	102,200	106,300
HRH The Duke of Kent	138,000	143,500
HRH Princess Alexandra, Mrs. Angus Ogilvy	131,500	136,800
TOTAL	5,661,200	5,922,300
Refunded by Her Majesty The Queen	371,700	386,600
	5,289,500	5,535,700

Notes:

1. These figures combine the sum directly payable from the Consolidated Fund with supplementation provided by the royal trustees via the Treasury Vote "Class XIX, Vote 11 HM Treasury: Administration".
2. The underlying increase is 4·0 per cent., though the actual increase in total is 4·6 per cent., due to the additional payment to HRH The Duke of York.
3. The sum of £20,000 has been payable from the Consolidated Fund to HRH The Prince Edward since he attained the age of 18 on 10 March 1982, and has been paid in full since 1 January 1987.
4. Her Majesty paid £371,700 into the Consolidated Fund in respect of payments made in 1987 to members of the Royal Family whose expenses are met under section 3 of the Civil List Act 1972. A similar payment of £386,600 will be made for 1988.

Income Tax

Mr. Gordon Brown: To ask the Chancellor of the Exchequer what additional annual income net of tax and national insurance would result from *(a)* a 2 pence cut in the basic rate of income tax and *(b)* the reduction of all high rate income tax bands to 40 per cent. for (i) a person, (ii) an income taxpayer, (iii) a household and (iv) average family of four.

Mr. Norman Lamont [*pursuant to his reply*, 8 February 1988, c. *88*]: I regret that the table given with my reply to the hon. Member for Dunfermline, East contained some incorrect figures. I refer the hon. Member to the revised table below:

Increase in income after tax and national insurance (£ per annum) compared with indexation in 1988-89

Increase derived from	*Multiple of average male earnings*[1]					
	½	¾	*1*	1½	*2*	*5*
(a) 2 pence cut in basic rate						
(i) single	77	141	204	331	372	372
(ii) married couple wife not earning[1]	48	112	176	303	372	372
(iii) married couple wife earning[2]	82	188	294	534	658	744
(b) reduction of all higher rates of income tax to 40 per cent.						
(i) single	—	—	—	—	87	5,971
(ii) married couple wife not earning	—	—	—	—	15	5,685
(iii) married couple wife earning[2]	—	—	—	—	87	7,794

[1] Average male earnings assumed to be £244·70 per week; an increase of 6·5 per cent. on 1987-88 in line with the assumptions used by the Government Actuary for reviewing National Insurance contributions (paragraph 3.02 of the Autumn Statement 1987).
[2] Assuming that the wife's earnings are the same multiple of average earnings as her husband's.

Taxes and Rates

Mr. Cohen: To ask the Chancellor of the Exchequer how much tax and rates will be paid in the present financial year *(a)* by a married man, with two children, earning £250,000 a year, *(b)* by a single man, with no dependants, earning £250,000 a year, *(c)* by a married man, with two children, earning £100,000 a year, *(d)* by a single man, with no dependants, earning £100,000 a year, *(e)* by a married man, with two children, earning £25,000 a year, *(f)* by a single man, with no dependants, earning £25,000 a year, *(g)* by a married man, with two children, earning £7,500 a year and *(h)* by a single man, with no dependants, earning £7,500 a year, in each case assuming no other income.

Mr. Norman Lamont [*holding answer 8 March 1988*]: The available information is given in the table.

Income tax liability in 1987-88

Annual Earnings	*Single man*	*Married man*
£	£	£
7,500	1,370·25	1,000·35
25,000	6,811·75	6,195·25
100,000	50,203·00	49,381·00
250,000	140,203·00	139,381·00

The calculations assume that the taxpayer has no other income and that he is not entitled to any allowances or reliefs other than the personal allowances. The number of children does not affect liability to income tax.

Corresponding estimates on indirect taxes and local authority rates are not available

Mr. Matthew Taylor: To ask the Chancellor of the Exchequer if he will give the figure for the projected yield of a 1 per cent. rate of income tax in 1987-88 in England and Wales, based on existing outturns of income tax.

Mr. Norman Lamont [*holding answer 14 March 1988*]: For the United Kingdom as a whole, the revenue effect in a full year from a one penny change in the basic rate of income tax in 1987-88 is estimated at about £1·3 billion. Income tax liabilities of residents of England and Wales in 1985-86, the latest year for which data are available, were 89 per cent. of the total for the United Kingdom.

Allowances and Reliefs

Mr. Gordon Brown To ask the Chancellor of the Exchequer if he will publish a table showing the real increase in the direct tax allowances and reliefs published in table 6·5 of "The Government's Expenditure Plans 1988-89 to 1990-91,"Cm 288-1.

Mr. Norman Lamont [*holding answer 3 March 1988*]: The table shows the percentage change, in real terms, between 1986-87 and 1987-88 of the latest estimates of the cost of direct tax allowances and reliefs, based on the forecast movement of 4 per cent. in the general index of retail prices to 1987-88. The percentage changes should be treated only as an approximate guide. Excluded from the table are those reliefs marked with an asterisk in table 6·5 of Cm 288-1 or in the corresponding 1986-87 table because the estimates were subject to a wide margin of error, and those reliefs whose costs were £5 million or less in either year.

Estimated change in cost in real terms between 1986-87 and 1987-88

	Per cent.
Income Tax	
Married man's allowance	−3
Single person's allowance	−5
Wife's earned income allowance	−1
Husband and wife; election for separate taxation of wife's earnings	50
Age allowance	1
Additional personal allowance for one parent family	−4
Widow's bereavement allowance	−4
Dependent relative allowance	−4
Relief for:	
Employees' contributions to occupational pension schemes	−2
Investment income of occupational pension schemes	−3
Lump sum payments to pensioners	−7
Retirement annuity premiums	4
Life assurance premiums (where insurance contract made before 14 March 1984)	−14
Qualifying interest on loans for purchase or improvement of owner-occupied etc property	−2
Schedule E work expenses allowed as a deduction	−7
Half of Class 4 National Insurance Contributions	5
Exemption of:	
Income of charities	8

	Per cent.
British government securities where owner not ordinarily resident in United Kingdom	6
Foreign service allowance paid to Crown Servants abroad	−4
Petroleum Revenue Tax	
Uplift on qualifying expenditure	13
Relief for exploration and appraisal expenditure	−22
Oil allowance—Petroleum Revenue Tax	49
Safeguard: restricting petroleum revenue tax to not more than 80 per cent. of the excess over a 30 per cent. return on historic capital cost	72
Tariff receipt allowance	0
Capital Gains Tax	
Exemption of:	
First £6,600 of gains of individuals and first £3,300 of gains of trustees	13
Inheritance Tax/Capital Transfer Tax	
Exemption of:	
Transfers to charities on death	−4
Relief for:	
Agricultural property	−4
Business property	−4
Stamp Duty	
Exemption of:	
Transfers of government stocks and loan stocks	11
Transfers of houses or other property (not stocks and shares) where the consideration does not exceed £30,000	−4

TRANSPORT

Electric Multiple Unit Trains (Brake Failures)

Mr. Spearing: To ask the Secretary of State for Transport what reports he has received, or requested, from his Inspectorate of Railways concerning failures in braking systems on electric multiple unit trains; what representations have been made to him or his inspectors on this topic; when he expects to publish any reports; and if he will make a statement.

Mr. David Mitchell: There is no evidence that failures are occurring in the braking systems of electric multiple-unit trains. The British Railways Board is currently studying the braking performance of trains generally. This is in response to some evidence that the number of signals passed at danger is increasing and the claims by some drivers that under certain conditions the braking performance of their trains is less than fully adequate. The inspectorate's report on the September 1986 accident at Colwich junction, to be published shortly, will, I understand, include comments on current train braking systems, and the report on the August 1987 accident at Walton-on-Naze will comment specifically on the braking of electric multiple-units. No formal representations have been made to the Department on this subject.

Motorway Safety Fences

Mr. Simon Coombs: To ask the Secretary of State for Transport what progress he has made introducing requirements for firms manufacturing, supplying and erecting safety fences on motorways to have management systems certificated by independent certification bodies accredited by the National Accreditation Council for Certification Bodies.

Mr. Peter Bottomley: Publication of the specification for highway works in October 1986 announced the Department's intention to introduce these new quality assurance requirements in safety fence contracts from January 1988. The NACCB has accredited two certification bodies which have certificated a number of companies. The first contracts requiring the suppliers to have a certificated quality management system have now been let and we expect this method of achieving quality assurance for safety fencing to be applied increasingly from now on. As yet, not as many firms as we had hoped have achieved certificated quality assurance status. In view of this, where there are insufficient firms with certificated status to maintain competition and progress with the Department's safety fence programme some contracts may be placed with other firms. In those cases, we shall ensure that the qualtiy control checks carried out under existing contractural arrangements are applied rigorously and thoroughly.

The Department will continue to encourage firms to obtain certification for their quality management schemes and seek to make this a requirement in all contracts. Grants available from the Department of Trade and Industry under its enterprise initiative should be of particular benefit in enabling this sector of industry to introduce quality management systems meeting our requirements.

ATTORNEY-GENERAL

Land Registry

Mr. Nicholas Winterton: To ask the Attorney-General how many staff are currently employed by the Land Registry; and what are their grades.

The Attorney-General: The staff employed and their grades as at 1 March 1988 are set out in the following table:

Grade	*Permanent*	*Casual*	*Total*
Open structure			
Grade 2	1·0	—	1·0
Grade 3	1·0	—	1·0
Grade 5	18·0	—	18·0
Grade 6	32·0	—	32·0
Grade7	92·0	—	92·0
Total	144·0	—	144·0
Legal Officer	8·0	0·5	8·5
Executive			
SEO	246·0	—	246·0
HEO	468·5	—	468·5
EO	1,515·0	—	1,515·0
Total	2,229·5	—	2,229·5
Clerical			
AO	2,928·5	3·0	2,931·5
AA	1,181·0	444·5	1,625·5
Total	4,109·5	447·5	4,557·0
Secretarial			
Total	703·5	75·0	778·5
Support			
Total	1,008	214·5	1,222·5
Grand Total	8,202·5	737·5	8,940·0

Mr. Nicholas Winterton: To ask the Attorney-General what has been the ratio of staff to total registrations dealt with per year by the Land Registry in each of the last seven years for which figures are available.

The Attorney-General: The ratio of staff to registrations dealt with in each of the last seven years expressed in terms of registrations completed per post is as follows:

	Registrations
1981-82	355
1982-83	359
1983-84	352
1984-85	358
1985-86	364
1986-87	388
1987-88	394

Mr. Nicholas Winterton: To ask the Attorney-General what recent representations he has received concerning delays at the Land Registry.

The Attorney-General: In the three months to 29 February 1988 the Lord Chancellor received some 35 letters concerning delays at the Land Registry.

Mr. Nicholas Winterton: To ask the Attorney-General when he expects the application for registration about which the hon. Member for Macclesfield recently wrote to the Lord Chancellor to be processed by the Land Registry.

The Attorney-General: The Land Registry is awaiting a reply to requisitions sent to the applicant's solicitors on 14 October 1987. The application cannot proceed further until the requisitions are complied with, but will be completed as quickly as possible thereafter.

TRADE AND INDUSTRY

Research and Development

103. **Mr. Ernie Ross:** To ask the Chancellor of the Duchy of Lancaster what estimate he has made of research and development expenditure in the United Kingdom as a percentage of gross domestic product in the light of the finding by the Society of British Aerospace Companies that the Government have over-estimated their research and development expenditure.

Mr. Atkins: I have no reason to revise the estimate of total United Kingdom expenditure on research and development (R and D) in the light of the study carried out by the Society of British Aerospace Companies. This relates to the funding by Ministry of Defence of development contract work carried out by some aerospace defence manufacturers. In common with other members of the Organisation for Economic Co-operation and Development the United Kingdom compiles statistics of total expenditure on R and D by aggregating expenditure on R and D by the sectors performing the R and D not by sectors funding the R and D.

Company Registrations

Mr. Allen: To ask the Chancellor of the Duchy of Lancaster what information he has as to the numbers of companies registering at Companies House; and if he will make a statement.

Mr. Maude: A total of 121,125 new companies were registered in England and Wales in 1987, and 5,926 in Scotland. At the end of January 1988 the total number of live companies, including those registered in Scotland, was 925,321

Economic League

Mr. Allen: To ask the Chancellor of the Duchy of Lancaster when the Economic League registered its accounts at Companies House for the last financial year.

Mr. Maude: The last accounts registered at Companies House were delivered on 24 September 1986 for the financial year ending 31 December 1985.

Accounts for the year ending 31 December 1986 are overdue and the Registrar of Companies is taking action to secure compliance with the filing requirements of the Companies Act 1985.

Automotive Industry

Mr. Boyes: To ask the Chancellor of the Duchy of Lancaster what percentage of the United Kingdom automotive industry was Japanese-owned; and what market share this represents, for each year from 1979.

Mr. Atkins: Nissan Motor Manufacturing (UK) Ltd. is the sole wholly-owned Japanese vehicle manufacturer in the United Kingdom. Production of cars began at Sunderland in 1986 and so far makes up only a small, though increasing, proportion of total sales by Nissan here. Nissan's overall share of the United Kingdom market since 1979 — supplied solely by imports from Japan until 1985, and by a mixture of imports and United Kingdom-produced vehicles since then — has been as follows:

	per cent.
1979	5·9
1980	6·07
1981	5·94
1982	5·99
1983	5·84
1984	6·08
1985	5·76
1986	5·84
1987	5·67

Regional Aid

Mr. Frank Cook: To ask the Chancellor of the Duchy of Lancaster what has been the spending, and the number of cases helped in the county of Cleveland, through *(a)* regional selective assistance and *(b)* regional development grant in 1984, 1985, 1986 and 1987, broken down into manufacturing and service industries, and within that category (i) firms employing up to 200 employees and 201 or more and within that category (ii) regional development grant awards made on a capital grants basis, as opposed to grants given per job created.

Mr. Atkins *[holding answer 14 March 1988]:* The information requested in respect of the number of projects receiving payments and the value of expenditure under regional selective assistance (RSA) and regional development grant (RDG) in the County of Cleveland in each year is as follows:

RSA[1]

	Manufacture	*Service*
1984		
Small		
Number of projects	28	5
Payments (£ million)	1·0	0·2
Medium/Large		
Number of projects	8	1
Payments (£ million)	3·2	0·7
1985		
Small		
Number of projects	26	5
Payments (£ million)	2·7	0·1
Medium/Large		
Number of projects	9	1
Payments (£ million)	1·8	0·9
1986		
Small		
Number of projects	32	4
Payments (£ million)	1·7	0·1
Medium/Large		
Number of projects	5	—
Payments (£ million)	1·8	—
1987		
Small		
Number of projects	21	5
Payments (£ million)	1·2	Neg
Medium/Large		
Number of projects	13	1
Payments (£ million)	2·6	Neg

RDG[2]

	Manufacture		*Service*	
	(a) Capital grant	*(b) Job grant*	*(a) Capital grant*	*(b) Job grant*
1984[3]				
Small				
Number of projects	—	—	—	—
Payments (£ million)	—	—	—	—
Medium/large				
Number of projects	—	—	—	—
Payments (£ million)	—	—	—	—
1985				
Small				
Number of projects	—	36	3	17
Payments (£ million)	—	1·4	Neg	0·2
Medium/large				
Number of projects	—	—	—	—
Payments (£ million)	—	—	—	—
1986				
Small				
Number of projects	30	243	5	75
Payments (£ million)	0·2	2·8	Neg	0·8
Medium/large				
Number of projects	2	1	—	1
Payments (£ million)	0·1	0·1	—	Neg
1987				
Small				
Number of projects	59	365	5	87
Payments (£ million)	0·7	4·5	Neg	0·9
Medium/large				
Number of projects	5	5	1	2
Payments (£ million)	0·6	0·7	Neg	Neg

Note—small firms are those with up to 200 employees; medium/large firms are those with 201 employees or more. Negligible means payments below £50,000.

[1] Project and training grants only.

[2] Figures are given for the revised RDG scheme only. Records for the original scheme are insufficiently detailed to provide the information requested.

[3] No data for 1984 as the revised RDG scheme was only introduced in November that year.

Mr. McLeish: To ask the Chancellor of the Duchy of Lancaster if he will set out in the *Official Report* estimates of expenditure in 1987-88 in England, Scotland and Wales, respectively, on *(a)* regional development grants, *(b)* regional selective assistance and *(c)* regional and general industrial support in cash and real terms, together with the amounts of planned expenditure for the years 1988-89, 1989-90 and 1990-91.

Mr. Atkins *[holding answer 10 March 1988]:* The information requested in cash and constant (1986-87) price terms is as follows:

£ million[1]

	1987-88[2]		1988-89[3]		1989-90[3]		1990-91[3]	
	Cash	Constant	Cash	Constant	Cash	Constant	Cash	Constant
			(a) Regional Development Grant					
England	132	127	156	143	116	103	66	57
Scotland	67	64	58	53	51	45	32	28
Wales	54	51	64	58	42	37	28	24
			(b) Regional Selective Assistance[4]					
England	122	117	161	148	148	131	148	127
Scotland[5]	53	51	60	55	60	53	80	69
Wales	41	39	46	42	52	46	61	53
			(c) Regional and General Industrial Support[6]					
England[7]	294	282	463	425	448	397	423	364
Scotland[8]	257	246	266	244	261	231	261	225
Wales[9]	169	162	194	178	180	160	180	155

[1] All figures are net of recoveries and other domestic receipts, but gross of receipts from the European regional development fund.
[2] Supply Estimate figures.
[3] Figures underlying the 1988 public expenditure White Paper.
[4] Incorporating industrial and training grants and expenditure under the business improvement services and exchange risk guarantee schemes.
[5] Including (for 1988-89 onwards) expenditure provision for the regional investment grant element of the enterprise initiative package.
[6] Including expenditure on regional development grant and regional selective assistance.
[7] Including (in addition to RDG and RSA) expenditure provision in Great Britain for selective assistance towards individual companies and industries, as well as (for 1988-89 onwards) GB provision for the consultancy services and regional innovation grant elements of the enterprise initiative package. Also incorporating expenditure in England only under the regional investment grant element of the package, and expenditure on task forces and city action teams.
[8] Including (in addition to RDG and RSA) expenditure under the Industry, Energy, Trade and Employment (excluding tourism) Vote on support for nationalised industries (except transport), general labour market services, support for the Scottish Development Agency and the Highlands and Islands Development Board, and other central and miscellaneous services.
[9] Including (in addition to RDG and RSA) expenditure under the regional investment grant element of the enterprise initiative package, and support for the Welsh Development Agency and Mid-Wales Development.

EMPLOYMENT

London Docklands (Construction Sites)

Ms. Gordon: To ask the Secretary of State for Employment (1) how many successful prosecutions have been made against companies on construction sites in London docklands for breaches of health and safety legislation; and if he will enumerate these on an annual basis since 1981, with an annual total of fines imposed;

(2) how many accidents and deaths have been recorded by the Health and Safety Executive on construction sites in London docklands since 1981 on an annual basis.

Mr. Nicholls: The information is not available in the detail requested and could be obtained only at disproportionate cost.

HOME DEPARTMENT

Police Stations

Mr. John M. Taylor: To ask the Secretary of State for the Home Department if he will make a statement about the design of police stations in relation to the accessibility to the public of a general reception and injury desk.

Mr. Douglas Hogg: Guidance issued by the Home Office on the design of new police stations recommends that the public entrance to the station should have a suitable ramp, and that all parts of the entrance hall should be visible from the inquiry counter.

Prison Statistics

Mr. Cox: To ask the Secretary of State for the Home Department if he will list the number of inmates in each of the prisons in England and Wales who on 1 March were in single cells and who were *(a)* sharing two to a cell and *(b)* sharing three to a cell.

Mr. Douglas Hogg: The information tabulated as follows relates to 10 January this year, the latest date for which figures are available.

Distribution of inmates in cells designed for single occupation

Prison	Numbers held singly	Numbers sharing 2 to a cell	Numbers sharing 3 to a cell
Acklington	315	—	—
Albany	210	—	—
Ashford	90	236	—
Aylesbury	271	—	—
Bedford	30	92	204
Birmingham	41	160	861
Blundeston	277	—	—
Bristol	184	220	6
Brixton	179	532	219
Brockhill	2	198	21
Bullwood Hall	82	60	—
Camp Hill	180	156	—
Canterbury	39	130	162
Cardiff	52	312	183
Channings Wood	466	—	—
Castington	227	—	—
Chelmsford	24	288	—
Coldingley	236	—	—
Cookham Wood	114	—	—
Dartmoor	582	—	—
Deerbolt	202	—	—
Dorchester	30	144	24
Durham (male)	140	526	306
Durham (female)	36	—	—
Everthorpe	235	126	—
Exeter	57	306	84
Featherstone	454	—	—
Feltham	214	—	—
Frankland	393	—	—

Prison	Numbers held singly	Numbers sharing 2 to a cell	Numbers sharing 3 to a cell
Full Sutton	194	—	—
Gartree	276	—	—
Glen Parva	301	346	—
Gloucester	99	110	69
Grendon	201	2	—
Highpoint	229	—	—
Hindley	158	54	—
Hollesley Bay	169	—	—
Holloway	170	—	—
Hull	13	324	126
Huntercombe	139	12	—
Lancaster	18	120	—
Latchmere House	48	118	—
Leeds	78	190	966
Leicester	30	72	312
Lewes	140	386	—
Lincoln	75	172	423
Liverpool	120	570	345
Long Lartin	392	—	—
Low Newton (male)	14	242	—
Low Newton (female)	8	24	—
Maidstone	407	2	—
Manchester	105	958	432
New Hall	64	—	—
Northallerton	16	138	—
Norwich	80	134	135
Nottingham	74	182	—
Onley	389	—	—
Oxford	19	102	78
Parkhurst	176	—	—
Pentonville	135	856	—
Portland	369	82	9
Portsmouth (Kingston)	136	—	—
Preston	240	294	—
Pucklechurch (male)	42	64	—
Pucklechurch (female)	11	52	—
Reading	39	156	102
Risley (male)	98	638	—
Risley (female)	12	36	—
Rochester	198	58	—
Shepton Mallet	67	20	45
Shrewsbury	28	262	12
Stafford	57	700	—
Stocken	285	—	—
Stoke Heath	127	184	—
Styal	2	—	—
Swansea	19	206	18
Swinfen Hall	166	—	—
Thorp Arch	151	—	—
Usk	56	16	—
Wakefield	575	10	—
Wandsworth	617	712	—
Wellingborough	204	—	—
Winchester	111	484	—
Wormwood Scrubs	386	690	—
Wayland	434	—	—
TOTAL	13,929	13,264	5,142

Police Cells (Remanded Persons)

Mr. Cummings: To ask the Secretary of State for the Home Department how many unconvicted prisoners were remanded in police cells in Peterlee and Seaham on 1 March; and if he will make a statement.

Mr. Douglas Hogg: No unconvicted prisoners were held in police cells at either Peterlee or Seaham police stations on 1 March 1988.

Mr. Cox: To ask the Secretary of State for the Home Department what has been the number of complaints made following official visits to either police or magistrates court cells in the London area to see people being held on remand during the last 12 months.

Mr. Douglas Hogg: This information is not held centrally and could be obtained only at disproportionate cost.

Mr. Cox: To ask the Secretary of State for the Home Department what was the number of juvenile remand prisoners being held in police cells on 1 March; and if he will list the police stations and the age of the remand prisoners.

Mr. Douglas Hogg: On 1 March 1988, a total of eight juvenile remand prisoners were held in cells at Croydon, Wimbledon, Coalville and Cowley police stations. A record of their ages is not available.

Mr. Cox: To ask the Secretary of State for the Home Department if he will give a breakdown of the charges facing remand prisoners being held in either police or magistrates' court cells on 7 March.

Mr. Douglas Hogg: This information is not collated centrally and could be obtained only at disproportionate cost.

Mr. Cox: To ask the Secretary of State for the Home Department what was the number of *(a)* men and *(b)* women being held on remand in police cells in England and Wales on 7 March.

Mr. Douglas Hogg: On Monday 7 March, 1,510 male and eight female prisoners, most of whom would have been on remand, were held in police cells in England and Wales.

Mr. Cox: To ask the Secretary of State for the Home Department what was the number of remand prisoners who had to sleep on the floor in either police or magistrates' court cells on 6 March.

Mr. Douglas Hogg: Prisoners held in police and magistrates' courts cells are all provided with mattresses and most sleep on beds. Further information is not available and could be obtained only at disproportionate cost.

Mr. Cox: To ask the Secretary of State for the Home Department what was the number of pregnant women being held on remand in either police or magistrates' court cells on 7 March.

Mr. Douglas Hogg: This information is not available.

Mr. Cox: To ask the Secretary of State for the Home Department if he will list the visits, and their dates, that he, or other Ministers in his Department, have made to police or magistrates' court cells to see the conditions under which remand prisoners are being held; and if he will make a statement.

Mr. Douglas Hogg: My right hon. Friend the Home Secretary visited prisoners in the Liverpool main bridewell on 2 October 1987 and my noble Friend the Earl Ferrers visited prisoners in police cells at Bradford police station on 23 February, Ealing police station on 1 March and Newcastle bridewell on 8 March this year. I visited the prisoners in police cells at Croydon police station on 23 November last year and the Metropolitan police holding cells at Lambeth on 18 February this year. My hon. Friend

the Member for Oxford West and Abingdon (Mr. Patten) plans to visit the cell area at Horseferry road magistrates' court shortly. In addition to these particular visits, Ministers in the Department undertake frequent visits to police stations during which we often take the opportunity to visit the cells.

Mr. Cox: To ask the Secretary of State for the Home Department when the following places of detention were *last visited for the purposes of inspection*, and by whom: Bow road police station, Camberwell road magistrates' court, Horseferry road magistrates' court and South Western magistrates' court; and if he will place in the Library a copy of any resultant reports on conditions.

Mr. Douglas Hogg: I am informed by the Metropolitan police that the local chief superintendent has responsibility for ensuring that conditions in places of detention at police cells and magistrates' courts are maintained at the highest possible level. So far as access to individual prisoners is concerned, lay visitors already have access to persons detained by the police in police cells; these arrangements will be extended to include detainees who would normally be held in prison service establishments.

Mr. Cox: To ask the Secretary of State for the Home Department what action he intends to take to monitor the number of days persons are being held in either police or magistrates' court cells while on remand; and if he will make a statement.

Mr. Douglas Hogg: We have no plans to do so.

Remanded Persons (Complaints)

Mr. Cox: To ask the Secretary of State for the Home Department what provision is made for prisoners held on remand to complain as to the conditions under which they are kept; and if he will make a statement.

Mr. Douglas Hogg: Remand prisoners in prison custody may make complaints about conditions in the following ways:

- by speaking to supervising prison staff;
- by applying to see the governor, chaplain, medical officer, education officer or welfare officer;
- by applying to see the board of visitors or a visiting member of the board;
- by applying to see a visiting officer of the Secretary of State;
- by petition to the Secretary of State, to Parliament or to Her Majesty The Queen;
- by writing to a Member of Parliament;
- by writing to the Parliamentary Commissioner for Administration, directly or through a Member of Parliament;
- by petition to the European Commission of Human Rights.

Remand prisoners held in police custody may raise any complaints about conditions with the supervising police officers or by writing to the chief officer of the force concerned. It has also been decided that prisoners held in police custody should have access to an independent body concerned with the supervision of their custodial conditions and treatment. Lay visitors have been asked to take on this task as we are discussing with the Metropolitan police what guidance needs to be given to assist them in carrying out these duties.

Police Cells

Mr. Cox: To ask the Secretary of State for the Home Department what was the number of people held in police or magistrates' court cells in each of the last five years in England and Wales.

Mr. Douglas Hogg: Annual averages are given in the table. Further details are published annually in "Prison Statistics England and Wales" at table 1.9 of the latest volume, for 1986 (Cm. 210), a copy of which is in the Library.

Average population of prisoners held in police cells, 1983 to 1987

	Number
1983	310
1984	54
1985	45
1986	119
[1]1987	537

[1] Provisional.

Wandsworth Prison

Mr. Cox: To ask the Secretary of State for the Home Department when each member of staff at Wandsworth prison is to be allocated an individual locker; and if he will make a statement.

Mr. Douglas Hogg: Where space is available, policy is to provide each prison officer with an individual locker. At Wandsworth, because of space constraints, it has only been possible to provide two thirds of the staff with individual lockers. We are presently looking at ways in which extra space might be secured to provide for additional lockers.

Mr. Cox: To ask the Secretary of State for the Home Department what is the number of showers for the use of prison officers in each of the wings or relaxation areas in Wandsworth prison; and if he will make a statement.

Mr. Douglas Hogg: Staff showers are provided at Wandsworth prison in the hospital, the gymnasium, the reception area and the works department. There are no staff showers elsewhere.

Crime Statistics

Mr. Nicholas Bennett: To ask the Secretary of State for the Home Department if he will list the annual number of homicides reported by the police in England and Wales in each year since 1958; and if he will express these figures per million of population in England and Wales.

Mr. John Patten: The number of offences initially recorded as homicide per million population is given in the following table. In each year since 1967, some 10 to 15 per cent. of such offences were not finally recorded as homicide. Figures for homicides recorded by the police are published annually in chapter 4 of "Criminal Statistics, England and Wales", (figures for offences currently recorded as homicide related to population are in table 4.1), copies of which are in the Library. Corresponding information for 1987 is not yet available.

Offences initially recorded by the police as homicide[1] and offences per million population. England and Wales

Year initially recorded	*Offences initially recorded as homicide[1]*	*Offences initially recorded as homicide[1] per million population*
1958	261	5·8
1959	266	5·9
1960	282	6·2
1961	265	5·7
1962	299	6·4
1963	307	6·5
1964	296	6·3
1965	325	6·8
1966	364	7·6
1967	414	8·6
1968	420	8·6
1969	395	8·1
1970	396	8·1
1971	459	9·4
1972	480	9·8
1973	465	9·5
1974	599	12·2
1975	508	10·3
1976	565	11·5
1977	484	9·8
1978	535	10·9
1979	629	12·8
1980	621	12·6
1981	556	11·2
1982	618	12·5
1983	552	11·1
1984	619	12·4
1985	625	12·5
1986	662	13·3

[1] Murder, manslaughter and infanticide.

Mr. Thurnham: To ask the Secretary of State for the Home Department if he will make a statement about the current level of burglaries and violent attacks on members of the public.

Mr. John Patten: In the first nine months of 1987 recorded offences of burglary fell by 2·5 per cent. compared to the same period in 1986. Burglaries in dwellings fell by nearly 4 per cent.

Recorded offences of violence against the person rose by 11 per cent. Some of this increase is likely to be attributable to increased recording and the greater willingness of victims to come forward, especially to report racial attacks, rapes and domestic violence which have been receiving special police attention in the last year.

The handbook "Practical Ways to Crack Crime", published last week, provides valuable guidance for members of the public about how to prevent burglaries and reduce the risk of becoming a victim of violent crime.

Mr. Nicholas Bennett: To ask the Secretary of State for the Home Department if he will list the annual number of armed robberies in England and Wales in each year since 1958.

Mr. John Patten: The number of offences recorded by the police in which firearms were reported to have been used, by offence type, is published annually in table 3.1 of "Criminal Statistics, England and Wales", copies of which are in the Library. Comparable figures are not available before 1969.

ENVIRONMENT

Inner City Partnership Authorities

Mr. Fraser: To ask the Secretary of State for the Environment which inner city partnership authorities underspent their allocations in 1986-87; and by what percentage.

Mr. Trippier: The information is provided in the table:

Authority	*Estimated 1986-87 Outturn £ million*	*Allocation £ million*	*Percentage Underspend*
Lambeth	11·323	13·1	13·6
Hackney	10·973	11·6	5·4
Islington	9·267	10·0	7·3
Manchester/Salford	21·987	23·8	7·6
Liverpool	22·986	23·5	2·2
Birmingham	25·943	26·5	2·1

My Department impresses on local authorities the importance of reporting projected underspends during the course of the financial year, so that resources can be reallocated to local authorities which can make effective use of them.

Housing Act 1985

Mr. Cox: To ask the Secretary of State for the Environment what information he has as to how many local authorities are *(a)* imposing and *(b)* not imposing the availability and fair rent conditions, as contained in sections 503 and 504 of the Housing Act 1985, in (i) housing action and general improvement areas and (ii) in all other areas.

Mr. Waldegrave: The information is not collected centrally, but it is a requirement of section 503 of the Housing Act 1985 that, with certain specified exceptions, local authorities must impose the further letting conditions listed in section 504 in relation to any grant-aided property situated in a housing action area or general improvement area.

Rural Economy

Mr. Hunter: To ask the Secretary of State for the Environment if he will make a statement on his plans to revise the removal of agricultural occupancy conditions in the light of his policies for the diversification of the rural economy.

Mr. Waldegrave: The revised guidance on the removal of agricultural occupancy conditions in our circular on development involving agricultural land (DOE circular 16/87, Welsh Office 25/87, May 1987) took full account of Government policies for the rural economy.

Urban Development

Mr. Boyes: To ask the Secretary of State for the Environment what percentage of the land allocated for urban development corporation development is owned by international financial companies; and what is the investment total, as a percentage of overall capital expenditure in real terms, they have provided to date in *(a)* the Merseyside Development Corporation, *(b)* the London Docklands Development Corporation and *(c)* the Tyne and Wear Development Corporation.

Mr. Trippier: The information requested is not available.

Circular 26/85

Mr. Cox: To ask the Secretary of State for the Environment what action he proposes to take in the light of the judgments given in the Queen's Bench Division on 9 June 1987 that the guidance given to local authorities in circular 26/85 should be clarified.

Mr. Waldegrave: We are currently considering whether it would be appropriate, in the light of the judgment in respect of R. v. Camden London Borough Council ex parte Christey, to issue further guidance to local authorities about the imposition of further letting conditions in relation to mandatory home improvement grants.

Committee Room 12 (Tapestries)

Mr. Pawsey: To ask the Secretary of State for the Environment what action he will take to restore the tapestries in Committee Room 12 of the House to their original condition.

Mr. Chope: Following examination by experts during the last summer recess these tapestries have been included in the forward programme of conservation work. But this work is unlikely to be done for about three years.

Rating Reform

Mr. Boyes: To ask the Secretary of State for the Environment if he will make a statement on the conclusions of the report from the Institute for Fiscal Studies on the proposed poll tax.

Mr. Howard: I know of no such report.

Radioactive Waste

Mr. Cran: To ask the Secretary of State for the Environment whether he will publish in the *Official Report* the advice he was given by the International Commission for Radiological Protection and the National Radiological Protection Board when determining what weekly level of megabecquerels should be specified in the certificate of authorisation for the disposal of radioactive waste.

Mr. Moynihan: The International Commission for Radiological Protection and the National Radiological Protection Board periodically publish formal recommendations to Governments on the criteria to be adopted when setting discharge limits. The Government's objectives for radioactive waste management based on this advice are given at paragraphs 13 and 14 of the Government's response to the Environment Committee's report on radioactive waste (Cmnd. 9852, 1986).

Mr. Cran: To ask the Secretary of State for the Environment if any study has been carried out by his Department as to the environmental implications of the release into the atmosphere of polonium 210; and at what rate polonium 210 decays when discharged.

Mr. Moynihan: Her Majesty's Inspectorate of Pollution required an environmental assessment of the radiological implications of the polonium 210 discharge. The National Radiological Protection Board undertook this for Capper Pass Limited. The report concluded that radiation exposures from discharges are insignificant. Her Majesty's inspectorate of pollution has checked and confirmed this assessment. Half of the polonium decays every 138 days due to natural processes.

Mr. Cran: To ask the Secretary of State for the Environment if he will publish in the *Official Report* the National Radiological Protection Board's evaluation of the official radiological consequences of the work undertaken by the north *Humberside firm, Capper Pass*, prior to the granting of the certificate of authorisation for the disposal of radioactive waste.

Mr. Moynihan: The evaluation was undertaken by the National Radiological Protection Board at the request of the company and I have asked the company if a copy can be placed in the Library of the House.

Mr. Cran: To ask the Secretary of State for the Environment if he will outline the system of monitoring for emissions of polonium 210 from the chimney stack at the North Humberside Smelting and Refining Company, Capper Pass, distinguishing between the differing responsibilities of the company, the National Radiological Protection Board and Her Majesty's inspectorate of pollution; and if he has any plans to change the current arrangements.

Mr. Moynihan: Samples of stack discharges are collected by the company. Stack samples are routinely analysed by the company and check samples have been analysed independently for Her Majesty's inspectorate of pollution. The National Radiological Protection Board analyses air samples taken from sites near the plant. I am satisfied with these arrangements.

Mr. Cran: To ask the Secretary of State for the Environment whether he will consider introducing a more frequent system of monitoring by Her Majesty's inspectorate of pollution of smelting and refining installations such as that at Capper Pass in north Humberside.

Mr. Moynihan: The onus is on operators to demonstrate compliance with the conditions of a discharge authorisation. I am satisfied that the check monitoring undertaken by Her Majesty's inspectorate of pollution is adequate.

Mr. Cran: To ask the Secretary of State for the Environment if he will outline the findings of Her Majesty's inspectorate of pollution's 1986 assessment of samples taken from the main chimney stack and the environmental monitoring stations at the North Humberside Smelting and Refining Company, Capper Pass; and what information he has as to the level of naturally occurring radiation.

Mr. Moynihan: The results indicated that the most exposed member of the public would receive less than 1 per cent. of the dose received from natural radiation.

Mr. Cran: To ask the Secretary of State for the Environment whether he will instruct Her Majesty's inspectorate of pollution to conduct an immediate investigation into emissions of polonium 210 from the chimney stack of the North Humberside Smelting and Refining Company, Capper Pass.

Mr. Moynihan: As part of the investigation I have asked Her Majesty's inspectorate of pollution to review

the discharge authorisation issued to Capper Pass Limited before the end of this year. A part of that review will be a study of current and planned emissions, together with an assessment of any health effects which could result.

Mr. Cran: To ask the Secretary of State for the Environment what information he has as to how many tests for polonium 210 have been carried out at the North Humberside Smelting and Refining Company, Capper Pass; by whom the tests were conducted; and if he will publish the results.

Mr. Moynihan: Tests are made weekly. Subject to the agreement of the company, results will be published in the report to be prepared by Her Majesty's inspectorate of pollution.

Housing (Bolton)

Mr. Thurnham: To ask the Secretary of State for the Environment how many acres are designated for housing in the Bolton council area; and what is his estimate of how many new homes could be constructed on this land.

Mr. Waldegrave: This is one of the disputed issues currently before the Secretary of State in connection with the application to remove a covenant preventing development at Birtenshaw farm, Bolton. I therefore cannot prejudge the decision to be made on that application by expressing an opinion on this issue.

The borough council is required by the Greater Manchester county structure plan to provide sufficient land for 11,800 dwellings in the period from mid-1981 to mid-1991. Government policy requires that they should at all times ensure that a five years supply of land is available.

Historic Covenants

Mr. Thurnham: To ask the Secretary of State for the Environment (1) how many decisions he has made about historic covenants in respect of planning appeals during the last 12 months;

(2) if he will make a statement about his current policy on historic covenants, with particular reference to their relevance in planning appeals.

Mr. Waldegrave: I assume that my hon. Friend's questions relate to agreements which were made under section 34 of the Town and Country Planning Act 1932 and restrict the planning, development or use of land. Applications may be made to my right hon. Friend the Secretary of State under paragraph 88(3) of schedule 24 to the Town and Country Planning Act 1971 for the discharge or modification of restrictions imposed by an agreement under section 34 of the 1932 Act. Such an application may sometimes be required before development which has been granted planning permission on appeal or otherwise can be started. Applications are considered on their individual merits. Only one application under the paragraph has been determined during the last 12 months.

Planning Appeals

Mr. Thurnham: To ask the Secretary of State for the Environment on how many occasions during the latest 12 months for which figures are available he overruled his inspector's advice on planning appeals; and if he will make a statement.

Mr. Waldegrave: In 1987 the Secretary of State made 26 decisions on planning appeals contrary to the inspectors' recommendation, following a public inquiry.

Green Belt and Housing Restraint Areas

Mr. Thurnham: To ask the Secretary of State for the Environment what recent representations he has received about establishing protected green belt areas and designating housing restraint areas; and if he will make a statement.

Mr. Waldegrave *[holding answer 14 March 1988]:* We receive frequent representations on various aspects of green belt and housing policies. Green belt policies already provide adequate and necessary restraint on inappropriate development in such areas.

Building Regulations (Disabled Persons)

Mr. Wareing: To ask the Secretary of State for the Environment what plans he has to alter the building regulations as they affect disabled people in order to broaden their scope and assist those disabled people who are not confined to a wheelchair.

Mr. Trippier *[holding answer 14 March 1988]:* The building regulations were amended last December so as to require reasonable provision to be made to enable disabled people to gain access to offices, shops, and the principal entry storey of factories, schools and other public buildings. These requirements benefit people with a physical impairment which limits their ability to walk as well as people who need to use a wheelchair for mobility. We now intend to develop proposals for widening the scope of these requirements, and I am asking the Building Regulations Advisory Committee to consider how we might best proceed.

Palace of Westminster (Carpets)

Mr. Macdonald: To ask the Secretary of State for the Environment what is the composition of the carpeting in the Norman Shaw, North and South buildings, St. Stephen's House and the Old Palace Yard, respectively; whether these carpets are regularly treated with anti-static fluid; and what is the most recent date of treatment in each of these buildings and in the Palace of Westminster.

Mr. Chope: The carpet in all the buildings listed is predominantly 80% wool, 20% nylon Wilton, with some specialised areas in 100% polyamide heavy duty low loop pile carpet with static control, or polyamide/polypropylene blended fibre bonded carpet.

The carpets are spray treated with anti-static fluid only on request and no record is kept of when the treatment is applied.

Mr. Macdonald: To ask the Secretary of State for the Environment if he has any measure of the levels of static electricity in carpets in the Palace of Westminster; what percentage of carpets in the Palace have been treated with anti-static fluid; and if he will make a statement.

Mr. Chope: No measurements are taken of the levels of static electricity. Nor is the percentage of carpets treated known, as this is carried out only when requested and its effects are relatively short-lived.

WALES

Rating Reform

Mr. Nicholas Bennett: To ask the Secretary of State for Wales what representations he has received concerning the replacement of rates by the community charge in respect of self-catering accommodation; and if he will make a statement.

Mr. Grist: After considering representations about the position of self catering accommodation under the new local government finance system we have decided that holiday-let self catering accommodation, which includes services and facilities similar to those provided in a hotel, should remain in rating and be subject to the non-domestic rate. Further consideration is being given to the precise boundary between the domestic and non-domestic sectors.

Withybush Hospital

Mr. Nicholas Bennett: To ask the Secretary of State for Wales what representations he has received from the Pembrokeshire health authority in respect of defective roofs at the Withybush hospital, Haverfordwest; and if he will make a statement.

Mr. Grist: Discussions have taken place between the Department and Pembrokeshire health authority, and the Department has agreed to make a contribution of £500,000 towards the total estimated cost of £750,000 needed to remedy roofing defects at Withybush hospital. This offer is subject to the availability of funds.

Welsh Water Authority

Mr. Win Griffiths: To ask the Secretary of State for Wales if he has received proposals from the Welsh water authority on the implementation of the EEC drinking water directive including a time scale for full implementation, along with the estimated extra cost.

Mr. Grist: As a consequence of the change in guidance issued by the Government in respect of directive 80/778/EEC, officials are now seeking the relevant information from Welsh water authority.

Mr. Win Griffiths: To ask the Secretary of State for Wales if the Welsh water authority will be eligible for grants from the European regional development fund in the run-up to and after plc status.

Mr. Grist: Water authorities will be eligible to apply for grant both before and after privatisation. It is, however, for the European Commission to consider individual applications on their merits.

Mr. Win Griffiths: To ask the Secretary of State for Wales what aid the Welsh water authority has received from the European regional development fund in each year since 1980; and what projects it currently has under consideration for grant application to the European regional development fund up to 1988.

Mr. Grist: Gross European regional development fund commitments to the Welsh water authority since 1980 are as follows:

	£
1980	2,268,059
1981	1,596,468
1982	3,117,044
1983	2,776,064
1984	2,362,322
1985	570,649
1986	2,366,863
1987	7,638,029
1988	4,194,500

Five further applications for European regional development fund aid have been submitted to the European Commission and are awaiting decisions; the Department is also currently considering nine applications. A number of projects are also likely to be brought forward for consideration under the terms of integrated operations programmes which are either under negotiation with the Commission, or in preparation with the local and public authorities concerned.

Mr. Win Griffiths: To ask the Secretary of State for Wales what bonus on salary was paid to the chairman of the Welsh water authority, board members and senior officers in 1987-88; and if he will make a statement.

Mr. Grist: No decision on the payment of bonuses for 1987-88 has yet been made. In 1987 both the chairman and chief executive of the Welsh water authority received a bonus based on the authority's performance during the 1986-87 financial year, of 5 per cent. of their actual salaries.

Fair Rents

Mr. Win Griffiths: To ask the Secretary of State for Wales if he has issued any recent guidelines to rent officers for assessing fair rents.

Mr. Grist: No. The requirements are laid down in the Rent Act 1977.

Mr. Win Griffiths: To ask the Secretary of State for Wales what information he has on the level of fair rents being set by the rent officer in Mid Glamorgan.

Mr. Grist: Levels of rent on individual dwellings are not held centrally, but the mean registered rents for the private sector and housing associations are published in "Welsh Housing Statistics." The latest figures for Mid Glamorgan based on cases dealt with by rent officers are as follows:

	Mean registered rent (£ per year)	*Number of cases*
1986		
Private Sector[1]	685	895
Housing Associations[2]	1,098	1,122

[1] Figures relate to unfurnished premises re-registered, excluding housing associations, where re-registration has taken place within 1·75 to 2·75 years of previous registration.

[2] Figures relate to housing association, unfurnished tenancies where re-registration has taken place within 1·75 to 2·75 years of the previous registration.

Ward Closures (Mid Glamorgan)

Mr. Robin Cook: To ask the Secretary of State for Wales if he has received any application from Mid Glamorgan district health authority for the permanent closure of high dependency wards at St. Tydfil's hospital; if he has received any representations about the closure of high dependency wards in Mid Glamorgan; and if he will make a statement.

Mr. Grist: I have received no application from Mid Glamorgan district health authority for permanent closure of the 5-bed high dependency unit at St. Tydfil's hospital. I have received three representations about the unit's temporary closure. I understand that Mid Glamorgan health authority is committed to the unit's longer-term future.

SCOTLAND

Private Nursing Homes

Mr. McTaggart: To ask the Secretary of State for Scotland what plans he has to monitor the growth of private nursing homes for the elderly and to inspect these homes at regular intervals.

Mr. Michael Forsyth: Information is collected annually by the information and statistics division of the Common Services Agency for the Scottish Health Service on the number of private nursing home places in Scotland. The Nursing Homes Registration (Scotland) Act 1938 requires health boards to undertake regular inspections of private nursing homes.

Unemployed Disabled People

Mr. McTaggart: To ask the Secretary of State for Scotland what facilities are available for retraining for the disabled unemployed in Scotland.

Mr. Lang: The full range of Manpower Services Commission training programmes is available to the disabled in Scotland. In addition, there are four employment rehabilitation centres located at Bellshill, Dundee, Edinburgh and Glasgow geared to helping the disabled and disadvantaged into employment. The range of training programmes and special help for the disabled is outlined in the Government's publication "Action for Jobs".

National Health Service Hospitals (Medical Equipment and Facilities)

Mr. McTaggart: To ask the Secretary of State for Scotland how many major pieces of medical equipment and facilities were funded by public donation to Health Service hospitals for each of the last five years; and what is the total value of these donations.

Mr. Michael Forsyth: This information is not held centrally.

Non-Domestic Rate

Mr. Doran: To ask the Secretary of State for Scotland what is the non-domestic rate for each regional, district and islands council in Scotland for the financial year 1988-89.

Mr. Lang: The figures, which have been provided to my Department by the local authorities, are set out in the table.

Non-domestic rate poundage 1988-89

	Pence
Borders	53
Central	58·5
Dumfries and Galloway	54
Fife	62
Grampian	50·2
Highland	59
Lothian	69·3
Strathclyde	64
Tayside	59
Orkney	55
Shetland	108
Western Isles	79
Berwickshire	9·5
Ettrick and Lauderdale	10·9
Roxburgh	12
Tweeddale	9·2
Clackmannan	19
Falkirk	15·5
Stirling	23
Annandale and Eskdale	11·5
Nithsdale	11·5
Stewartry	10
Wigtown	9·4
Dunfermline	12·75
Kirkcaldy	16
North East Fife	14·35
Aberdeen City	14
Banff and Buchan	12·5
Gordon	10
Kincardine and Deeside	8·2
Moray	10·5
Badenoch and Strathspey	8
Caithness	12·5
Inverness	9·5
Lochaber	14·5
Nairn	8
Ross and Cromarty	12·5
Skye and Lochalsh	12
Sutherland	9·5
East Lothian	17
Edinburgh City	16·7
Midlothian	17
West Lothian	15
Argyll and Bute	19
Bearsden and Milngavie	13
Clydebank	19·5
Clydesdale	16·75
Cumbernauld and Kilsyth	16·5
Cumnock and Doon Valley	17
Cunninghame	20·5
Dumbarton	19
East Kilbride	14·3
Eastwood	10
Glasgow City	26·5
Hamilton	18
Inverclyde	16
Kilmarnock and Loudoun	18·5
Kyle and Carrick	17
Monklands	18
Motherwell	16·25
Renfrew	18
Strathkelvin	16
Angus	13·5
Dundee City	21·5
Perth and Kinross	14

Surgical Operations (Fife)

Mr. Menzies Campbell: To ask the Secretary of State for Scotland if he will list by specialty the numbers of people presently awaiting operations within Fife health board's area.

Mr. Michael Forsyth: Information is not collected in precisely the form requested. The number of persons waiting for in-patient hospital treatment (including

operations) in each specialty is published in table 6.5 of "Scottish Health Service Statistics 1986/87", copies of which are held in the Library.

Mr. Menzies Campbell: To ask the Secretary of State for Scotland how many operations were performed in National Health Service hospitals in Fife in the last five years for which information is available.

Mr. Michael Forsyth: The numbers of inpatient cases operated on in National Health Service hospitals in Fife for the years 1981-1985 are as follows:

Year	*Number*
1981	13,131
1982	10,552
1983	13,583
1984	14,086
1985	14,063

Nurses (Fife)

Mr. Menzies Campbell: To ask the Secretary of State for Scotland how many nurses have resigned or retired from the service of Fife health board in the last five years for which information is available.

Mr. Michael Forsyth: The information requested is not available except at disproportionate cost.

Hospital Consultants (Fife)

Mr. Menzies Campbell: To ask the Secretary of State for Scotland if he will list by specialty the number of consultants employed by Fife health board in the last five years for which information is available; and the number of vacancies currently in such posts.

Mr. Michael Forsyth: The number of consultants employed by Fife health board for 1983-87 is shown in the table. Information on consultant vacancies is not available centrally.

Consultants by specialty in Fife health board at September 1983 to 87[1]

	1983	*1984*	*1985*	*1986*	[1]*1987*
Total All Specialties	78	81	81	81	82
Surgical Specialties					
ENT surgery	2	2	2	2	2
General surgery	6	6	6	6	6
Ophthalmology	3	3	3	3	2
Orthopaedic surgery	4	4	4	4	4
Urology	1	2	2	2	2
Accident and Emergency	1	1	1	1	1
Anaesthetics	11	13	12	12	12
Communicable diseases	1	1	1	1	2
Dermatology	1	1	1	1	1
General medicine	6	6	6	6	6
Geriatric medicine	3	3	3	4	4
Medical paediatrics	3	3	3	3	3
Respiratory medicine	2	2	2	2	2
Dental Specialties					
Orthodontics and paediatric dentistry	—	1	1	1	1
Obstetrics and Gynaecology	6	6	6	6	6
Psychiatric Specialties					
Child and adolescent psychiatry	2	1	1	2	2
Mental handicap	1	1	1	2	2
Mental illness	12	12	12	10	11
Laboratory and Support Specialties					
Haematology	1	1	2	2	2
Microbiology	2	2	2	1	1
Pathology	3	3	3	3	3
Radiodiagnosis	7	7	7	7	7

[1] Provisional data.

Scottish Islands (Agricultural Development)

Mr. Wallace: To ask the Secretary of State for Scotland what progress has been made in finalising the details of the agricultural development programme for the Scottish islands; and if he will make a statement.

Mr. Michael Forsyth: The Government's proposals for an agricultural development programme for the Scottish islands were formally approved by the European Commission on 8 March. The regulations to bring the programme into effect from 5 April have been laid today.

Recidivism

56. **Dr. Godman:** To ask the Secretary of State for Scotland how many persons in Scotland who were granted parole in 1985 and 1986 whose original offence involved

violence, sexual assault or robbery were sentenced again *(a)* during the period of their parole licence or *(b)* within 12 months of the expiration of that licence.

Lord James Douglas-Hamilton *[pursuant to his reply, 8 March 1988, c. 146]*: Information on the numbers of persons convicted within 12 months of their parole licence expiring are not collected centrally; the other information requested could be compiled only at disproportionate cost.

However, figures for the number of persons released on parole or life licence reported for breaches of licence conditions and issued with recall orders are given in the annual reports of the Parole Board for Scotland (copies of which are available in the Library). Persons reported for breach of parole or life licence conditions and persons issued with a recall order were not necessarily released on parole or life licence in the same year.

PRIME MINISTER

War Widows

Q72. **Mr. Bendall:** To ask the Prime Minister whether Her Majesty's Government are now in a position to remove the differences which currently exist between the pension entitlements of pre-1973 and post-1973 war widows.

Q99. **Mr. Michael Brown:** To ask the Prime Minister when Her Majesty's Government expect to remove the differences which currently exist between the pension entitlements of pre-1973 and post-1973 war widows.

Q139. **Mr. Michael Morris:** To ask the Prime Minister when Her Majesty's Government expect to remove the differences which currently exist between the pension entitlements of pre-1973 and post-1973 war widows.

Q152. **Rev. Martin Smyth:** To ask the Prime Minister whether Her Majesty's Government will undertake a review of provision for pre-1973 war widows.

The Prime Minister: I refer the hon. Members to the reply that I gave to the hon. Member for Wallsend (Mr. Garrett) on 7 March 1988, at column *19*, and to my hon. Friend the Member for Macclesfield (Mr. Winterton) on 10 March, at column *518*.

Q130. **Mrs. Ann Winterton:** To ask the Prime Minister if she has any estimate of the number of pre-1973 war widows.

The Prime Minister: I refer my hon. Friend to the reply given by my hon. Friend the Parliamentary Under-Secretary of State for Health and Social Security to my hon. Friend the Member for Macclesfield (Mr. Winterton) on 1 March 1988, at column *550*.

Q131. **Mr. Ken Hargreaves:** To ask the Prime Minister what representations Her Majesty's Government have received on the differences which currently exist between the pension entitlements of pre-1973 war widows.

Q132. **Mr. Walden:** To ask the Prime Minister what representations Her Majesty's Government have received on the differences which currently exist between the pension entitlements of pre-1973 and post-1973 war widows.

Q135. **Mr. Neil Hamilton:** To ask the Prime Minister what representations Her Majesty's Government have received on the differences which currently exist between the pension entitlements of pre-1973 and post-1973 war widows.

Q138. **Mr. Cummings:** To ask the Prime Minister what representations Her Majesty's Government have received on the differences which currently exist between the pension entitlements of pre-1973 and post-1973 war widows.

The Prime Minister: Numerous representations have been received in recent years about the comparative positions of pre-1973 and post-1973 war widows.

Q157. **Mr. Churchill:** To ask the Prime Minister what recent representations she has received concerning the situation of pre-1973 war widows.

The Prime Minister: I have received a number of letters in the past year.

Q158. **Mr. Jessel:** To ask the Prime Minister if she has any plans for a meeting with representatives of the British War Widows and Associates.

Q160. **Mr. Nicholas Winterton:** To ask the Prime Minister when she last had a meeting with representatives of the British War Widows and Associates.

The Prime Minister: I have not held such a meeting and I have no plans to do so.

Weymouth and Portland

Q113. **Mr. Ian Bruce:** To ask the Prime Minister whether she has any plans to visit Weymouth and Portland.

The Prime Minister: I have at present no plans to do so.

Engagements

Rev. Martin Smyth: To ask the Prime Minister if she will list her official engagements for Tuesday 15 March.

Mr. Harry Greenway: To ask the Prime Minister if she will list her official engagements for Tuesday 15 March.

Mr. Pike: To ask the Prime Minister if she will list her official engagements for Tuesday 15 March.

Mr. Wigley: To ask the Prime Minister if she will list her official engagements for Tuesday 15 March.

Mr. Andrew Smith: To ask the Prime Minister if she will list her official engagements for Tuesday 15 March.

Mr. Stern: To ask the Prime Minister if she will list her official engagements for Tuesday 15 March.

Mr. Ieuan Wyn Jones: To ask the Prime Minister if she will list her official engagements for Tuesday 15 March.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today.

NORTHERN IRELAND

Waste Disposal

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he will commission a report on the present disposal method for domestic refuse in East Antrim, future land fill operations and alternatives to present procedures, including the possible use of waste-derived fuels.

Mr. Needham: No. I refer the hon. Gentleman to the reply I gave him on 17 November 1987 at columns *531-32*.

Mr. Beggs: To ask the Secretary of State for Northern Ireland what financial assistance is available to district councils in East Antrim for carrying out a research and feasibility study into alternative methods of waste disposal in conjunction with a local university department.

Mr. Needham: None. I refer the hon. Gentleman to the reply I gave him on 17 November 1987, at columns *531-32*.

Heavy Industry

Mr. Beggs: To ask the Secretary of State for Northern Ireland which constituency outside Belfast has the highest concentration of heavy industry in Northern Ireland.

Mr. Viggers: Results from the 1984 census of employment show that, outside Belfast, the parliamentary constituency of Antrim, East had the highest total number of employees in the following industries:

Energy and water supply industries.
Extraction of minerals and ores (other than fuels); manufacture of metals, mineral products and chemicals.
Metal goods, engineering and vehicle industries
Construction industries.

Larne and Carrickfergus

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he will publish details of the number of ships which entered *(a)* Larne and *(b)* Carrickfergus ports during 1987.

Mr. Viggers: During 1987 there were 5,107 ship visits to Larne and some 250 to Carrickfergus.

Mr. Beggs: To ask the Secretary of State for Northern Ireland (1) how many passengers travelled through Larne port in 1987;

(2) how many *(a)* commercial vehicles and *(b)* cars and caravans passed through Larne harbour in 1987;

(3) what is the estimated number of vehicles entering and leaving Larne harbour annually;

(4) how many persons are estimated to have been at Larne harbour meeting or leaving passengers during 1987.

Mr. Viggers: The information requested is as follows:

Shipping traffic through Larne harbour in 1987

	Numbers		
	Inwards	*Outwards*	*Total*
Passengers	737,665	722,072	1,459,737
Vehicles	326,944	287,562	614,506
(a) Commercial vehicles	160,942	147,804	308,746
(b) Cars and caravans	166,002	139,758	305,760

1. The table gives the numbers of vehicles carried on ships. No figures are available for the numbers of vehicles which enter and leave the Larne harbour area.

2. There are no estimates available of the numbers of persons meeting or leaving passengers at Larne harbour.

Mr. Beggs: To ask the Secretary of State for Northern Ireland what tonnage of cargo passed through *(a)* Larne harbour and *(b)* Carrickfergus harbour in 1987; and what tonnage of cargo was handled at Ballylumford, Magheramorne and Kilroot in 1987.

Mr. Viggers: The information requested is as follows:

Total tonnage of goods in 1987

	Tonnes
Larne	3,743,268
Carrickfergus	309,970
Ballylumford	785,840
Magheramorne	298,123

Figures for Kilroot are not available for publication. The figures exclude the tare weights of containers.

Labour Statistics

Mr. Beggs: To ask the Secretary of State for Northern Ireland how many people are *(a)* employed and *(b)* unemployed in east Antrim; and what percentage of the total unemployed in Northern Ireland *(b)* represents.

Mr. Viggers: On the basis of the most recent information available, there were in 1984 an estimated 22,050 employees in employment in the parliamentary constituency of Antrim, East.

At 11 February 1988 the number of unemployed claimants in the Antrim, East parliamentary constituency was 6,056. This represented 5 per cent. of the total number of unemployed in Northern Ireland at that date.

Accidents at Work

Mr. Beggs: To ask the Secretary of State for Northern Ireland how many accidents at work have been reported in each year since 1979 in east Antrim.

Mr. Viggers: The information sought is not available.

European Social Fund

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he will publish, by recipient organisation or body, allocations from the European social fund made to projects in Northern Ireland during 1987.

Mr. Viggers: In Northern Ireland the beneficiaries of European social fund aid during the calendar year 1987 were as follows:

Organisation	*Allocation* £
Department of Economic Development	49,883,189
Department of Health and Social Services	1,573,300
Department of Education	1,013,245
Northern Ireland Council for Orthopaedic Development	44,329
Short Bros plc	815,284
Harland and Wolff plc	682,828
University of Ulster	595,329
Northern Ireland Small Business Institute	74,894
Inner City Trust	80,294
Derry Film and Video Collective Co. Ltd.	27,703
Northern Ireland Association for the Care and Resettlement of Offenders (NIACRO)	131,153
Extern Organisation	61,111
Dismas House	25,484
Nante Ltd.	53,559
Churches, Voluntary Work Bureau	32,628
Industrial Therapy Organisation	416,515
Northern Ireland Electricity	915,778
Northern Ireland Training Authority	2,191,356
Sea Fish Authority	17,411
Hyster	50,550
LEDU	143,850
Bryson House	127,425
Total	58,957,215

Companies

Mr. Corbyn: To ask the Secretary of State for Northern Ireland if he will list the total number of non-British owned companies operating in Northern Ireland and the total number of *(a)* British citizens, *(b)* non-British citizens other than Irish Republic and *(c)* citizens of the Irish Republic working for them.

Mr. Viggers *[holding answer 14 March 1988]:* There is no requirement on shareholders or EC nationals who are employees of companies operating in the United Kingdom to disclose their nationality and so the information requested is not available.

Farmland

Mr. William Ross: To ask the Secretary of State for Northern Ireland (1) what has been the average price paid per acre in Northern Ireland for hill farmland and for hill grazing land in the last year for which figures are available; and what were the sums paid five and 10 years ago;

(2) what has been the average price paid per acre in Northern Ireland for arable farmland without buildings in the last year for which figures are available; and what were the sums paid five and 10 years ago.

Mr. Viggers *[holding answer 14 March 1988]:* Statistical information on sales of agricultural land in Northern Ireland is not available in the detail requested. The average price paid for all farmland sold in Northern Ireland in the year ending June 1987 was £1,310 per acre. The average prices paid in 1981 and 1976 were £1,172 and £563 per acre, respectively.

Training Schemes

Mr. Michael McNair-Wilson: To ask the Secretary of State for Northern Ireland if he will list the training schemes currently available in the Province and the total number of those engaged in them in the age groups 18 to 25 years, 25 to 40 years and 40 to 65 years.

Mr. Viggers *[holding answer 8 March 1988]:* The available information is as follows:

Scheme	*18 to 24 years*	*25 to 39 years*	*40 to 65 years*
Training Centres	432	250	124
Attachment Training	476	135	37
Skill Training Scheme	850 (entrants)	—	—
Sandwich Course Grant Scheme	155	—	—
Job Training Programme (pilot)	122	14	—
Junior Management Development Scheme	43	13	—
Industrial Scholarship Scheme	65	—	—
European Export Marketing Programme	6	3	—
USA Export Marketing Programme	4	1	—
Graduate Attachment Programme	30	—	—
New Enterprise Programme	11	—	1
Management Extension Programme	—	4	5
Training Employers Premises Scheme	1,993	1,788	[1]—
Manpower Training Scheme (pilot)	—	—	[2]—

[1] The figures given represent the number of employees for whom claims have been made in the current financial year to January 1988. It is not possible to state how many are currently on the scheme. Information is available only in two categories, those aged under 25 years and 25 years and over. A further breakdown of the latter category could be obtained only at disproportionate cost.

[2] This is a discretionary scheme negotiated with individual companies. There are currently 14 companies benefiting from the scheme. Information in the form requested regarding employee participation is not presently available and could be obtained only at disproportionate cost.

Aidan McAnespie

Mr. McCusker: To ask the Secretary of State for Northern Ireland if the police officer from the Irish Republic investigating the death of Aidan McAnespie has asked the pathologist or the Royal Ulster Constabulary to be allowed to examine Mr. McAnespie's clothing or the photographs of the body.

Mr. Tom King *[holding answer 10 March 1988]:* No.

AGRICULTURE, FISHERIES AND FOOD

Maritime Dumping

Mr. Nicholas Bennett: To ask the Minister of Agriculture, Fisheries and Food what action is taken to ensure that the control of maritime dumping from vessels is strictly enforced; and if he will make a statement.

Mr. Gummer: Maritime dumping from vessels is controlled by the licensing provisions of part II of the Food and Environment Protection Act 1985 administered by my Department. Licences for disposal of industrial waste, sewage sludge and dredged spoil are not issued unless careful scientific examination shows the operation in question to be acceptable in terms of its impact on the marine environment, the living resources that it supports and human health, and unless it conforms to the relevant international conventions. The practical availability of alternative methods of dealing with the wastes is also taken into account.

Departmental scientific staff and officers of my Sea Fisheries Inspectorate carry out inspections to enforce the provisions of the 1985 Act. Checks, often unannounced, are made of licensed disposal operations from the point of production to deposit in the sea. Investigations are mounted into allegations of unauthorised disposals. The Ministry's surveillance aircraft are also used for enforcement purposes.

Responsibility for the deposit of sewage and rubbish originating on a vessel rests with my right hon. Friend the Secretary of State for Transport.

Fishing Grounds (Contamination)

Mr. Wallace: To ask the Minister of Agriculture, Fisheries and Food what environmental impact analysis has been made by his Department of a possible accident in the English channel involving the crash of an aircraft carrying plutonium to or from Sellafield; and what assessment has been made of any potential contamination of fishing grounds.

Mr. Gummer *[holding answer 14 March 1988]:* I understand that evidence submitted by British Nuclear Fuels to the European demonstration reprocessing plant (EDRP) inquiry at Dounreay showed that in the event of an air crash in the sea there would be no release of radioactivity, and therefore the question of contamination of fishing grounds would not arise.

Radioactivity (Skipton)

Dr. David Clark: To ask the Minister of Agriculture, Fisheries and Food if he will place in the Library the results of the surveys of deposition of radioactivity in the Skipton area of Yorkshire following the Chernobyl fallout.

Mr. Donald Thompson *[holding answer 14 March 1988]*: I am placing in the Library of the House copies of the report of the surveys which were carried out by the Institute of Terrestrial Ecology (ITE). This report was produced by ITE after full evaluation of the project had been completed; the detailed deposition information was available to my officials at the time the individual surveys were undertaken. The results of our own monitoring in north Yorkshire has already been placed in the Library. The ITE is engaged on my behalf in a further study of radio-caesium deposition in north Yorkshire; when it is completed, I will place that report in the Library.

Irradiated Food

Mr. O'Brien: To ask the Minister of Agriculture, Fisheries and Food (1) what representations he has received concerning the effects on the nutritional value of food of the use of irradiation; and if he will make a statement;

(2) what action he intends to take to ensure that the nutritutional value of food is not reduced because of the use of irradiation; and if he will make a statement.

Mr. Donald Thompson *[holding answer 14 March 1988]*: Both international expert committees and the United Kingdom Advisory Committee on Irradiated and Novel Foods have advised that the irradiation of food up to an overall dose of 10 kilo gray presents no toxological hazard and introduces no special nutritional or microbiological problems. This view was reaffirmed by ACINF in its further advice to Ministers given after considering the technical representations made during consultation. As part of its ACINF has recommended that the pattern and extent of use of food irradiation should be monitored, and new nutritional data on irradiated foods kept under review.

The need to monitor the effects of irradiated food is one of the factors that will be taken into account as part of the further work, referred to in the reply given by the Parliamentary Under-Secretary of State for Health and Social Security, my hon. Friend the Member for Derbyshire, South (Mrs. Currie), to the hon. Member for Caerphilly (Mr. Davies) on 4 March at column *762*, now being carried out to examine the scope and format of controls necessary to enable the phased introduction of food irradiation in this country.

DEFENCE

War Widows

Mr. Ron Davies: To ask the Secretary of State for Defence what benefits are paid by his Department to widows of service men killed in world war 2.

Mr. Freeman: All widows who lost their husbands in action in world war 2 receive a war widow's pension from the Department of Health and Social Security. Additional pensions are paid by the Ministry of Defence to the widows of warrant officers class I and equivalents and to the widows of commissioned officers, where certain qualifications were met, including the completion by the husband of the appropriate minimum period of qualifying service.

Carrasco International Airport (Emergency Landing)

Mr. Cohen: To ask the Secretary of State for Defence if he will make a statement about the emergency landing of a Hercules C-130 at Carrasco international airport and the subsequent discussions and decision about where it would be allowed to fly.

Mr. Dalyell: To ask the Secretary of State for Defence if he will make a statement on the circumstances in which a Hercules aircraft carrying materials for Exercise Fire Focus in the Falklands was forced to land in Montevideo, Uruguay, on 9 March; when he expects the aircraft to resume its journey; and if he will make a statement on his discussions with the Government of Uruguay.

Mr. Stewart: On 8 March a Hercules C-130 was on a routine flight from Ascension Island to the Falklands. It was only 85 nautical miles north of Mount Pleasant airport (MPA) when the latest report of rapidly changing weather conditions at MPA indicated a very powerful cross-wind, well beyond the aircraft's limit for landing. At this stage the aircraft had insufficient fuel to return to Ascension Island or to rendezvous with a tanker aircraft from Ascension, whilst tankers at MPA were unable to take off because of the wind. An emergency diversion to the South American mainland was therefore essential and landing clearance was given by Carrasco (Montevideo's international airport) where the aircraft landed early on 9 March (British time). It landed on three engines because of a propellor malfunction, which was rectified by the crew in situ. Clearance for the aircraft to depart was sought and given by the Uruguayan authorities on 9 March. The aircraft left Carrasco the following day, after the crew had rested and the aircraft had been refuelled. At Uruguayan request the aircraft returned to Ascension Island.

We are most grateful to the Uruguayan authorities for their humanitarian assistance in this matter.

EDUCATION AND SCIENCE

Education Reform

15. **Dr. Twinn:** To ask the Secretary of State for Education and Science what representations he has received on financial delegation to schools.

Mr. Dunn: We have received a range of representations on our proposals for financial delegation to schools.

17. **Mr. Speller:** To ask the Secretary of State for Education and Science upon what dates *(a)* the consultative documents on the Education Reform Bill were despatched to Devon county council and *(b)* replies were required; and what is his practice regarding the minimum time for a local authority to distribute, consider, discuss and provide reasoned comment on such papers during the months of school holidays and council recesses.

Mrs. Rumbold: Devon county council was sent copies of the consultation papers at the same time as all other local education authorities which had an interest. My right hon. Friend made it clear that comments received right up

to the introduction of legislation on 20 November 1987 would be carefully considered. I will arrange for a table showing the timing of this distribution and the dates by which replies were requested to be published in the *Official Report*.

Document	*Dispatched*	*Replies requested*
Changes in Higher Education: Polytechnics and colleges sector	10 April	30 June
Changes in Higher Education: Contracts	8 May	30 June
Collective Worship	7 July	11 September
More open enrolment	9 July	16 September
Financial delegation to schools	20 July	16 September
Grant Maintained Schools	24 July	30 September
National Curriculum 5-16	24 July	30 September
Maintained Further Education: Financing, Governance and Law	7 August	9 October
Charges for school activities	2 October	30 November
Accounting and auditing in Higher Education	20 October	30 November

21. **Mr. Greg Knight:** To ask the Secretary of State for Education and Science what representations he has received about his proposals to encourage parental involvement in education; and if he will make a statement.

45. **Mr. Mullin:** To ask the Secretary of State for Education and Science what research his Department has carried out into the willingness of parent-governors to accept their increased responsibilities under the Education Reform Bill.

94. **Mr. Andrew MacKay:** To ask the Secretary of State for Education and Science what plans he has for making parents aware of the role they will have in the running of schools under the Education Reform Bill.

95. **Mr. Haselhurst:** To ask the Secretary of State for Education and Science what initiatives he intends to take to encourage further parental involvement within education, following the extended role given to them in the Education Reform Bill.

Mr. Dunn: A number of responses to the consultation documents issued last year included comments upon parents' increased involvement in and influence upon their children's education. We intend to give greater publicity to the changing role of parents and of school governors, so that they will be able to make full use of the new opportunities offered to them. A free booklet was issued by the Department last December to explain to parents, governors and others the changes proposed in the Education Reform Bill. Last week, the Department published two further leaflets. The first encourages parents and others to become school governors. The second leaflet outlines the changes in school governors' responsibilities already introduced as a result of the Education (No. 2) Act 1986, and now proposed in the Education Reform Bill.

23. **Mr. Moss:** To ask the Secretary of State for Education and Science what representations he has received on the opting-out of schools from county education authorities.

43. **Mr. Roger King:** To ask the Secretary of State for Education and Science how many representations he has now received on his proposals for schools to opt out of local education authority control.

Mr. Dunn: My right hon. Friend has received approximately 950 responses to his consultation paper on grant-maintained schools, of which 27 came from local education authorities in county areas.

29. **Mr. Hanley:** To ask the Secretary of State for Education and Science what further representations he has received on the Education Reform Bill; and if he will make a statement.

Mrs. Rumbold: Since the beginning of the year my Department has received about 2,750 representations concerning the Education Reform Bill.

44. **Mr. Marland:** To ask the Secretary of State for Education and Science what recent representations he has received concerning assessment testing of children aged seven, 11 and 14 years.

Mrs. Rumbold: More than 100 representations have been received since the publication of the report of the task group on assessment and testing on 12 January. As with the large number of responses to the Government's consultation document on the national curriculum last year, many of the representations have expressed a variety of views about the place of assessment and testing.

87. **Mr. McAllion:** To ask the Secretary of State for Education and Science how many representations he has received from Scottish universities concerning the Education Reform Bill.

90. **Mr. Nigel Griffiths:** To ask the Secretary of State for Education and Science what representations he has received from the Association of University Teachers in Scotland and university principals and governing bodies concerning the Education Reform Bill; and what was his response.

Mr. Jackson: We have received many representations from universities about the provisions of the Education Reform Bill, including some from Scotland. My right hon. and noble Friend the Lord Chancellor and my noble Friend the Parliamentary Under-Secretary of State met representatives of the AUT (Scotland) on 1 March to discuss the Bill's academic tenure provisions. The Government have taken appropriate account of all representations in carrying the Bill forward.

88. **Mr. Key:** To ask the Secretary of State for Education and Science what representations he has received seeking further details on the proposed foundation subjects in secondary schools in the Education Reform Bill.

Mrs. Rumbold: I refer my hon. Friend to the reply which I gave to my hon. Friend the Member for Chipping Barnet (Mr. Chapman) on 19 January at columns *616-7*.

Teachers (Shortage)

19. **Mr. McLeish:** To ask the Secretary of State for Education and Science whether he has any plans to discuss with the Universities Council for the Education of Teachers problems caused by teacher shortages; and if he will make a statement.

Mrs. Rumbold: My officials have regular meetings with the Universities Council for the Education of Teachers at which they discuss teacher shortages and recruitment to initial teacher training. The most recent such meeting took

place last Thursday. The latest figures for overall applications for initial teacher training this year are up almost 3 per cent. over the same period in 1987.

36. **Mr. Wall:** To ask the Secretary of State for Education and Science if he has any plans to meet the Universities Council for the Education of Teachers to discuss teacher shortages; and if he will make a statement.

Mrs. Rumbold: I refer the hon. Member to the reply I gave earlier to the hon. Member for Fife, Central (Mr. McLeish).

School of Physiotherapy, Coventry

20. **Mr. Nellist:** To ask the Secretary of State for Education and Science what representations his Department has received about the educational effects of the proposed closure of the School of Physiotherapy, Coventry, and its relations with Coventry polytechnic; and if he will make a statement.

Mr. Jackson: None. The working group which envisaged the discontinuation of physiotherapy training at Coventry polytechnic was established by the West Midlands regional health authority. I understand that the authority has yet to consider the working group's report.

Scottish Universities (Vice-Chancellors)

22. **Mr. Wilson:** To ask the Secretary of State for Education and Science when he last met the vice-chancellors of the Scottish universities.

56. **Mr. Salmond:** To ask the Secretary of State for Education and Science when he last met the vice-chancellors of the Scottish universities; and what matters were discussed.

60. **Mr Andrew Welsh:** To ask the Secretary of State for Education and Science when he last met the vice-chancellors of the Scottish universities; and what matters were discussed.

Mr. Robert Jackson: My right hon. Friend meets the Committee of Vice-Chancellors and Principals from time to time and addressed its conference on 30 October. He has not met the Scottish vice-chancellors as a group, though my right hon. Friend, the Secretary of State for Scotland did so on 4 March. I visited Edinburgh, Heriot-Watt and Stirling universities last October and will be visiting Aberdeen, Glasgow and Strathclyde shortly. A wide range of higher education matters is discussed during these meetings and visits.

City Technology Colleges

24. **Mr. Soames:** To ask the Secretary of State for Education and Science how many places he expects to be available at city technology colleges; and if he will make a statement.

Mrs. Rumbold: It is envisaged that each city technology college will provide between 750 and 1,200 places depending on the local circumstances. It is not possible to give a precise figure for the overall number of places which will be available but the target is to establish 20 such colleges.

26. **Mr. Andrew Mitchell:** To ask the Secretary of State for Education and Science if he will make a statement on the progress to date in the setting up of city technology colleges.

Mrs. Rumbold: I refer my hon. Friend to the reply I gave to the hon. Member for Leeds, Central (Mr. Fatchett) on 1 February at column *442*. Since then my right hon. Friend has announced plans for a C T C in Middlesbrough.

50. **Mr. Wood:** To ask the Secretary of State for Education and Science how many local education authorities have now shown an interest in the establishment of city technology colleges.

Mrs. Rumbold: I refer my hon. Friend to the reply I gave to my hon. Friend the Member for Rugby and Kenilworth (Mr. Pawsey) on 19 January at column 619.

72. **Mr. Brandon-Bravo:** To ask the Secretary of State for Education and Science what further plans he has for introducing additional city technology colleges in parts of the United Kingdom not yet earmarked for such a college.

Mrs. Rumbold: The list of possible locations for city technology colleges in the booklet, "A New Choice of School" was not definitive and my right hon. Friend will consider proposals to establish CTCs in other locations. The Government's first objective is to establish CTCs in England. It is for my right hon. Friends to decide if and when the programme should be extended elsewhere to other parts of the United Kingdom.

Church Schools

25. **Mr. Roy Hughes:** To ask the Secretary of State for Education and Science what representations he has received concerning the future management of Church schools.

Mr. Dunn: I refer the hon. Member to the answer I gave earlier today to my hon. Friend the Member for Suffolk, South (Mr. Yeo).

Further and Higher Education

27. **Mr. Kirkhope:** To ask the Secretary of State for Education and Science what further steps he intends to take to encourage further business sponsorship in further and higher education.

Mr. Jackson: The Government welcome the growing involvement of industry in all levels of education, and continue to support initiatives to maintain and enhance the various education-industry partnerships which are vital for the country's economic well-being. Notable examples of specific initiatives jointly supported by my Department and industry include the engineering and technology programme and the manufacturing systems engineering programme, which are designed to provide an additional 6,500 graduate and postgraduate places in engineering and technology disciplines by the end of the decade; and an education support grant initiative to provide modern computer-aided engineering equipment for senior technician courses in colleges of FE. The ETP was launched in 1985 and will continue to perform a vital function for the foreseeable future. The MSE and ESG initiatives will be launched in the 1988-89 academic year. These initiatives are based on partnerships between education and industrialists. Employers participate by

providing equipment on loan or as gifts, and giving access to leading edge technology which educational institutions do not always possess; sponsoring students on relevant technician, undergraduate and postgraduate courses; and providing opportunities for students to obtain industrial and commercial experience within academic programmes.

General Certificate of Secondary Education

28. **Mr. Harry Greenway:** To ask the Secretary of State for Education and Science if he will make a statement on the progress of the general certificate of secondary education; and if he will make a statement.

33. **Mr. Colin Shepherd:** To ask the Secretary of State for Education and Science what further representations he has received concerning the GCSE examination.

59. **Mr. Haynes:** To ask the Secretary of State for Education and Science whether he is satisfied with the progress of the general certificate of secondary education examination; and if he will make a statement.

76. **Mr. Steinberg:** To ask the Secretary of State for Education and Science whether he has received any representations on the funding and the organisation of the GCSE examinations; and if he will make a statement.

Mr. Andrew Smith: To ask the Secretary of State for Education and Science whether he is satisfied with the progress of the GCSE examination; and if he will make a statement.

Mrs. Rumbold: The recently published HMI interim report on the GCSE provides reassuring evidence that the new examination is being successfully introduced. It is already leading to better teaching and learning in many classrooms across a wide range of subjects. There have been some teething problems which must be addressed but HMI considers that these are not endangering the progress already made. It is important to ensure that the first pupils to sit the examination are fairly treated, and to press on to ensure that the new exam will—as the Government intend — bring higher standards in schools and give pupils a good preparation for adult and working life.

31. **Mrs. Maureen Hicks:** To ask the Secretary of State for Education and Science what percentage of school leavers in the current year will have taken a GCSE in *(a)* science and *(b)* mathematics.

Mrs. Rumbold: Information on the number of school leavers in 1987-88 who will have taken GCSE is not yet available. Of those who left school in the academic year 1985-86, 65·5 per cent. had attempted a science subject and 81·1 had attempted mathematics at either GCE O-level or CSE.

Religious Instruction

30. **Mr. Ken Hargreaves:** To ask the Secretary of State for Education and Science what discussions he has had with Church leaders and representatives of the teaching profession about improving the teaching of religious instruction.

71. **Mr. Colvin:** To ask the Secretary of State for Education and Science what steps he is taking to ensure religious education in schools, following enactment of the Education Reform Bill.

Mrs. Rumbold: My right hon. Friend and I have had a number of meetings in recent months with Church leaders and representatives about the place of religious education in the national curriculum and the quality of religious education provision. The Education Reform Bill clarifies the duty on local education authorities, governing bodies and head teachers to comply with the 1944 Act provisions relating to religious education. It also proposes a procedure under which parents and others will have a right of complaint to their local education authority or to aided school governors in cases where they believe schools are failing to provide religious education in accordance with the law.

61. **Mr. John M. Taylor:** To ask the Secretary of State for Education and Science what representations he has received regarding the possible inclusion of religious education as a foundation subject within the core curriculum; and if he will make a statement.

96. **Sir John Biggs-Davison:** To ask the Secretary of State for Education and Science what reconsideration he has given, in the light of representations from Christian leaders and bodies, to the absence of religious education from the national curriculum; and if he will make a statement.

Mrs. Rumbold: My right hon. Friend has received a number of representations from Christian leaders and bodies about the possible inclusion of religious education as a foundation subject in the national curriculum. In response to these, my right hon. Friend and I have stressed the importance we attach to maintaining the current statutory arrangements for local determination of religious education syllabuses.

The position of religious education in the curriculum of maintained schools is secured by the relevant provisions of the 1944 Act and the Education Reform Bill strengthens these in certain respects.

Nursery Education

32. **Mr. Boateng:** To ask the Secretary of State for Education and Science what action he intends to take to ensure that nursery classes in primary schools are staffed as nursery and not as reception classes.

Mr. Dunn: None. Levels of staffing in schools are for determination by local education authorities and schools.

37. **Mr. Boyes:** To ask the Secretary of State for Education and Science if he will introduce legislation to impose upon local education authorities a statutory duty to provide some form of nursery education to all children of three and four years of age whose parents wish them to benefit from it; and if he will make a statement.

82. **Mr. Fearn:** To ask the Secretary of State for Education and Science when he expects to publish proposals to improve pre-school provision for children.

Mr. Dunn: I refer the hon. Members to my reply to the hon. Member for City of Durham (Mr. Steinberg) on 19 January at column *805*.

101. **Mr. Burns:** To ask the Secretary of State for Education and Science how spending on nursery education has varied since 1979 with the number of children participating.

Mr. Dunn: Relevant current spending on under fives pupils in maintained nursery and primary schools in

England rose by 22 per cent. in real terms between 1979-80 and 1985-86 while the number of pupils rose by 20 per cent..

Education Expenditure

34. **Mr. Stevens:** To ask the Secretary of State for Education and Science what increase has been made in education spending in the last two years; and if he will make a statement.

Mrs. Rumbold: The table below shows the total spending on education in cash over the last three years and the related percentage increases.

	1985-86 outturn	*1986-87 outturn*	*1987-88 estimated outturn*	*Per cent. increase 1985-86 to 1986-87*	*increase 1986-87 to 1987-88*
	£ million	*£ million*	*£ million*		
Schools	8,596	9,597	10,633	11·6	10·8
Higher and Further Education	4,418	4,594	4,904	4·0	6·7
Miscellaneous education services, research and administration	826	892	975	8·0	9·3
	13,840	15,083	16,512	9·0	9·5

These figures exclude expenditure by the research councils and related bodies.

A-level Statistics

35. **Mr. Battle:** To ask the Secretary of State for Education and Science if he will give the proportion of both girls and boys taking A-level mathematics, craft design and technology and physics, who have obtained grades A and B since 1979; and if he will make a statement.

80. **Mr. Morley:** To ask the Secretary of State for Education and Science if he will give the proportions of both girls and boys who took A-level mathematics, craft, design and technology and physics since 1979; and if he will make a statement.

Mrs. Rumbold: Information on the proportion of girls and boys leaving school since 1979 attempting and passing A level mathematics, craft design and technology, and physics is given in the table. Information on grades is not readily available.

School Leavers, England
Leavers attempting or passing GCE A-level as a percentage of the 17 year old population

	Mathematics		*Physics*		*Craft, design, technology and other science*	
Academic year	*Percentage who had attempted subject*	*Percentage who had passed subject*	*Percentage who had attempted subject*	*Percentage who had passed subject*	*Percentage who had attempted subject*	*Percentage who had passed subject*
Boys						
1978-79	8·8	6·4	7·5	5·9	1·4	1·1
1979-80	8·9	6·5	7·4	5·9	1·4	1·1
1980-81	8·9	6·7	7·7	6·0	1·3	1·0
1981-82	9·5	7·0	8·1	6·2	1·5	1·1
1982-83	9·4	7·1	7·8	6·0	1·5	1·1
1983-84	9·6	7·1	8·0	6·2	1·6	1·2
1984-85	9·7	7·5	7·8	6·2	1·5	1·2
1985-86	9·7	7·4	7·6	5·9	1·5	1·1
Girls						
1978-79	3·3	2·4	2·0	1·5	0·3	0·2
1979-80	3·7	2·8	1·9	1·5	0·4	0·3
1980-81	3·9	3·0	2·1	1·6	0·3	0·2
1981-82	4·3	3·3	2·3	1·7	0·3	0·2
1982-83	4·6	3·5	2·3	1·8	0·3	0·3
1983-84	4·7	3·6	2·3	1·8	0·4	0·3
1984-85	4·8	3·6	2·3	1·7	0·4	0·3
1985-86	4·9	3·6	2·1	1·7	0·4	0·3

Source School Leavers Sample Survey Data subject to sampling error

Coal Mining Subsidence

38. **Mr. Skinner:** To ask the Secretary of State for Education and Science what information he has as to how many schools have been subject to coal mining subsidence in the last five years; and if he will make a statement.

Mr. Dunn: This information is not collected centrally

School Leavers (Illiteracy)

39. **Mr. Andy Stewart:** To ask the Secretary of State for Education and Science if he proposes any further steps to reduce the level of illiteracy among school leavers; and if he will make a statement.

Mrs. Rumbold: English is one of the core subjects in our proposed national curriculum. The introduction of attainment targets in English will raise standards of literacy by identifying pupils needing further help. A national curriculum working group on English will be established after Easter, building on the work of the Kingman committee on what children should know about language, to advise on attainment targets and the associated programmes of study for all aspects of English.

Universities (Funding)

40. **Mr. Darling:** To ask the Secretary of State for Education and Science what representations he has received in connection with the funding of research in universities since June 1987.

Mr. Jackson: About 260 in response to the discussion document "A Strategy for the Science Base", issued by the Advisory Board for the Research Councils. Representations concerning the funding of individual universities frequently also make reference to research.

48. **Mr. Strang:** To ask the Secretary of State for Education and Science what recent representations he has received about the level of funding for the universities; and if he will make a statement.

Mr. Jackson: My right hon. Friend receives many representations bearing on university funding. As shown in table 12.1 of "The Government's Expenditure Plans 1988-89 to 1990-91" volume II (Cm 288) current provision for the universities is planned to increase by 7·9 per cent. between 1987-88 and 1988-89.

Schools (Spare Places)

41. **Mr. Patrick Thompson:** To ask the Secretary of State for Education and Science what estimate he has made of the scope for local education authorities to make greater use of existing spare places in schools.

Mr. Dunn: My right hon. Friend encourages local education authorities to make the maximum use of the school accommodation available to them and, where places are surplus to requirements, to take them out of use. The Government's proposals for more open enrolment are designed to ensure that no child is refused admission to a school which has places available.

Student Grants

42. **Mr. Hayes:** To ask the Secretary of State for Education and Science what information he has about the financial position of students in higher education in other countries in the European Economic Community.

Mr. Jackson: Students in higher education in Great Britain are more dependent on maintenance grants than those in other European Community countries. But a precise comparison of financial circumstances is very difficult because of the variety of forms that student support may take. The student support review group under my chairmanship is examining the available evidence.

Task Groups on Assessment and Testing

46. **Ms. Short:** To ask the Secretary of State for Education and Science whether he will include, within the objectives of the subject working groups and the task group on assessment and testing, the elimination of sex bias; and if he will make a statement.

Mrs. Rumbold: The Government are clear that there is no room for sex bias in the curriculum. The remit letters to the subject working groups on science and mathematics emphasise that the curriculum should provide equal opportunities for boys and girls. In framing its advice the group has been asked specifically to consider the expectations and attitudes of girls. Other subject working groups will be similarly guided. The task group on assessment and testing has recommended ways of dealing with gender bias in the proposed assessment arrangements within the national curriculum.

Swimming Instruction

47. **Mr. Simon Coombs:** To ask the Secretary of State for Education and Science if he has any proposals to increase the level of availability of swimming instruction within education authorities.

Mrs. Rumbold: Any increase in the level of availability of swimming instruction would be a matter for local education authorities to determine. The Government's proposals for a national curriculum include physical education as one of the foundation subjects and it is envisaged that guidelines for the study would cover swimming instruction.

Funding Councils

49. **Ms. Walley:** To ask the Secretary of State for Education and Science if he will take steps to ensure that women are represented on *(a)* the Universities Funding Council and *(b)* the Polytechnics and Colleges Funding Council.

Mrs. Rumbold: I refer the hon. Lady to the answer I gave earlier today to the hon. Member for Gateshead, East (Ms. Quin).

School Buildings

51. **Mr. Bradley:** To ask the Secretary of State for Education and Science what representations he has received concerning the state of primary school buildings.

Mr. Dunn: The state of repair of primary school buildings is raised from time to time in correspondence from or in meetings with hon. Members and others.

Teachers

52. **Mr. Amos:** To ask the Secretary of State for Education and Science what plans he has to improve the professional effectiveness of teachers and the management of the teaching force.

Mrs. Rumbold: The main instrument for this purpose is the local education in-service training grant scheme which was introduced in 1987. The coverage and structure of the scheme is reviewed annually. As to initial teacher training, the Council for the Accreditation of Teacher Education was established in 1984 to review all courses against new specific criteria. The council is expected to complete its scrutiny of existing courses by the end of 1989. My right hon. Friend will be considering what arrangements should thereafter be made for the approval of initial teacher training courses.

84. **Mr. Marlow:** To ask the Secretary of State for Education and Science in what way he will seek to secure the conditions of employment of teachers in grant-maintained schools which are established as a result of the Education Reform Bill.

Mrs. Rumbold: The Government intend that grant maintained schools shall be subject to statutory provisions on school teachers' pay and conditions under the Teachers' Pay and Conditions Act 1987 or succeeding legislation. When teachers transfer to grant maintained schools which are being set up they will retain the provisions of their previous contract of employment and the school must honour those provisions so far as is practicable.

Research Funding

53. **Mr. Terry Davis:** To ask the Secretary of State for Education and Science what information he has on Government funding of academic and academically related research in France, Germany and the United Kingdom as a percentage of gross domestic product at the latest available common date.

Mr. Jackson: The information for 1982, the latest available common date, is contained in the following table:

	Percentage
United Kingdom	0·38
Germany	0·49
France	0·44
Netherlands	0·63
United States of America	0·31
Japan	0·25

Source: ABRC Science Policy Study No. 2—An International Comparison of Government Funding of Academic and Academically Related Research October 1986.

Village Schools

54. **Mr. Harris:** To ask the Secretary of State for Education and Science what plans he has for continuing the service provided by village schools.

Mr. Dunn: It is the responsibility of local education authorities to provide a proper service to villages and rural areas as well as to other areas. My right hon. Friend is currently supporting a number of projects, including one in Cornwall, designed to identify ways of enriching the curriculum of rural primary schools. Any proposal for the closure of a village school which comes before my right hon. Friend is considered very carefully in the light of the criteria set out in the Department's circular 3/87, which makes it clear that size alone is not a criterion for closure.

Science Budget

55. **Mr. Millan:** To ask the Secretary of State for Education and Science what was the science budget, defined as research council and associated funding, as a percentage of gross domestic product in 1964-65, 1970-71, 1974-75, 1979-80 and 1986-87, respectively.

Mr. Jackson: The figures are as follows:

	Percentage
1964-65	0·13
1970-71	0·20
1974-75	0·17
1979-80	0·15
1986-87	0·16

The elements that make up the science budget have changed considerably since 1964-65. The above figures should be read in the light of the following notes:

(1) The 1964-65 science budget has been assessed as Government funding for the Department of Scientific and Industrial Research (dissolved by the Science and Technology Act 1965), the Agricultural Research Council (later the Agricultural and Food Research Council), the Medical Research Council, the Nature Conservancy (absorbed the following year by the newly established Natural Environment Research Council) and Grants for Science (which included grants-in-aid for both The Royal Society and the Royal Society of Edinburgh). The Economic and Social Research Council (formerly the Social Science Research Council), the Natural Environment Research Council and the Science and Engineering Research Council (formerly the Science Research Council) first received Government funding in 1965-66.

(2) Under arrangements described in Cmnd. 5046 of July 1972, £11·6 million, £20·7 million and £34·6 million were transferred in 1973-74, 1974-75 and 1975-76 respectively from the science budget to customer Departments. On 1 April 1981, £14 million was transferred back to the science budget from the health Departments.

(3) The Royal Society of Edinburgh continued to receive a grant-in-aid from the science budget until 1972-73. Since 1984-85, the Fellowship of Engineering has received a small grant-in-aid from the science budget.

(4) For all years shown in the table, the science budget has been deemed to exclude provision for the British Museum (Natural History) which was transferred to the Office of Arts and Libraries on 1 August 1987.

AIDS

57. **Dr. Moonie:** To ask the Secretary of State for Education and Science what support he is giving to the Medical Research Council for research into the epidemiology of AIDS in Africa.

Mr. Jackson: It is for the Medical Research Council to decide its scientific priorities. I understand that the council is at present funding three projects on epidemiological research in Africa. A total of some £250K has been awarded for these studies.

Sports Facilities

58. **Mr. Favell:** To ask the Secretary of State for Education and Science what representations he has received on the dual use of sports facilities in schools.

Mr. Dunn: Comments were sought from a number of organisations on the findings of our recent study into the economics of the dual use of school sports facilities. My hon. Friend the Parliamentary Under-Secretary of State with responsibility for sport and I will take account of these comments in the preparation of the practical guidance to which I referred in my reply to my hon. Friend the Member for Sheffield, Hallam (Mr. Irvine) on 16 February at column 579.

Teachers (Pay)

62. **Mr. Cousins:** To ask the Secretary of State for Education and Science what recent representations he has received about teachers' pay; and if he will make a statement.

74. **Mr. Madden:** To ask the Secretary of State for Education and Science what recent representations he has received about teachers' pay; and if he will make a statement.

Mrs. Rumbold: My right hon. Friend continues to receive some representations from teachers about their pay, both directly and through hon. Members.

Medical Research Council (Grants)

Mr. Galbraith: To ask the Secretary of State for Education and Science if he will give for each year in 1980 the number of Medical Research Council project grants approved but not funded.

Mr. Jackson: My right hon. Friend understands from the Medical Research Council that the number of alpha graded research project grants awarded but unfunded since 1980 are as follows:

Award year	*Number*
1980-81	60
1981-82	66
1982-83	25
1983-84	199
1984-85	87
1985-86	90
1986-87	235

"A Strategy for the Science Base"

64. **Dr. Bray:** To ask the Secretary of State for Education and Science when he expects to reply to the Advisory Board for the Research Councils' discussion document on "A Strategy for the Science Base".

Mr. Jackson: I refer the hon. Member to my reply to the hon. Member for Kirkcaldy (Dr. Moonie) on 16 February 1988 at column *586*.

Dyslexia

65. **Mr. Amess:** To ask the Secretary of State for Education and Science what recent representations he has received about the assessment of children for dyslexia.

Mr. Dunn: The assessment of children with special educational needs, including dyslexia, is a matter for local education authorities. No records are kept which would show the number of letters my right hon. Friend has received on this subject.

University Dental Schools

66. **Mr. Cohen:** To ask the Secretary of State for Education and Science if he will make a statement about the Government's plans for funding of university dental schools.

Mr. Jackson: A working party set up to review dental education reported to the University Grants Committee on 25 February. The report, copies of which are available in the Library, has been sent to universities, relevant Government Departments and professional bodies for comment. A reduction of 10 per cent. in the intake to dental schools will be effected in October 1989, but no final decisions have been taken on the funding of individual schools.

Core Curriculum

67. **Mr. Fallon:** To ask the Secretary of State for Education and Science what recent representations he has received on the core curriculum for schools.

Mrs. Rumbold: I refer my hon. Friend to the reply which I gave him on Monday 7 March 1988. Many of the letters commenting on our national curriculum proposals have welcomed the inclusion of English, mathematics and science as core subjects.

School Governors

68. **Mr. Jack:** To ask the Secretary of State for Education and Science what representations he has received on the giving of increased powers to governors; and if he will make a statement.

Mr. Dunn: My right hon. Friend has received a range of representations about the allocation of functions to school governing bodies under the Education (No. 2) Act 1986 and about the proposals in the Education Reform Bill which would further increase their powers. He believes that these enhanced responsibilities will attract many parents and others in the community who would not previously have considered becoming governors.

70. **Mr. Baldry:** To ask the Secretary of State for Education and Science what initiatives he is taking to encourage the training of school governors.

Mr. Dunn: For the last two years, the Government have been supporting the development of suitable training strategies in 10 local education authorities by means of education support grants. My right hon. Friend also announced his intention recently to give grant support to the National Association of Governors and Managers. We are discussing with the education authorities, voluntary bodies and business interests what further steps might usefully be taken at national level, drawing on the findings of a research study into existing training methods and materials, which we commissioned late in 1987.

85. **Mr. Bellingham:** To ask the Secretary of State for Education and Science what plans he has to give parents the right to elect parent governors to temporary school governing bodies.

Mr. Dunn: I refer my hon. Friend to the reply I gave on 16 February last to my hon. Friend the Member for Amber Valley (Mr. Oppenheim) at column *581*.

Workers' Education Association

69. **Mr. Win Griffiths:** To ask the Secretary of State for Education and Science if he will publish the Government's funding plans for the Workers' Education Association for 1988-89, 1989-90 and 1990-91; and if he will make a statement.

Mr. Pike: To ask the Secretary of State for Education and Science what representations he has received concerning the future funding of the Workers' Education Association; and if he will make a statement.

Mr. Dunn: We are not yet in a position to announce future grants to the Workers' Educational Association districts. These will be determined in the light of the resources available and the Government's priorities.

In the current Session, three letters about the association have been received from hon. Members. Additionally, my noble Friend the Parliamentary Under-Secretary of State, received a request for a meeting from the association's national executive to discuss the work of the WEA and the funding arrangements.

Officials from the Department are currently discussing the future of the association with its representatives.

Student Finance

73. **Ms. Armstrong:** To ask the Secretary of State for Education and Science when he expects to complete his review of student finance; and if he will make a statement.

Ms. Primarolo: To ask the Secretary of State for Education and Science when he expects to complete his review of student finance; and if he will make a statement.

Mr. Jackson: I refer the hon. Members to the answer my right hon. Friend gave earlier today to my hon. Friends the Members for Stamford and Spalding (Mr. Davies) and for Bristol, North-West (Mr. Stern).

School Closures

75. **Sir Trevor Skeet:** To ask the Secretary of State for Education and Science what weight he attaches to parental choice in deciding upon school closures; how he applied this criterion specifically in the case of the closure of the Pilgrim school, Bedford; and if he will make a statement.

Mr. Dunn: The Secretary of State's policy in respect of parental choice in the context of school reorganisation proposals is set out in DES circular 3/87. There was a substantial volume of representations both in objection to and support of the LEAs proposals in respect of Pilgrim school, and my right hon. Friend took account of this with other relevant facts and arguments in reaching his decision.

Japanese Language

77. **Mr. Cran:** To ask the Secretary of State for Education and Science how many students graduate each year from United Kingdom institutions of higher education with degrees in Japanese; what priority he attaches to developing the study of Japanese language and society; and what plans he has to encourage such study.

Mr. Jackson: Twenty students with degrees in Japanese as a single subject graduated from universities in Great Britain in 1986. The Government recognise the importance of Japanese studies. These fell within the scope of the review of Asian and African languages and area studies conducted by Sir Peter Parker in 1985-86. The University Grants Committee has accepted, and is now implementing, the recommendations of the Parker report.

Inner London Education

78. **Mr. Corbyn:** To ask the Secretary of State for Education and Science whether he has any plans for taking into consideration the wishes of London parents regarding the existence of a single education authority in inner London; whether he intends to review his decision not to grant financial assistance for the ballot to be conducted by the Electoral Reform Society; and whether he will make a statement about the means available to London parents to influence the Government's proposals for education in London.

Mr. Dunn: It would not be appropriate for the Government to fund a ballot on a constitutional matter such as this, affecting the organisation of local government. The decision on the Government's proposals must be for Parliament, taking account not only of the views of parents but also those of other ratepayers who share the bill for education. Local people, including parents, will have an opportunity to influence and comment on boroughs' development plans for their education service from 1990.

Education Resources

79. **Mr. Forth:** To ask the Secretary of State for Education and Science what plans he has to make sure existing resources in education are used more effectively.

Mrs. Rumbold: Our policies for education, incuding the measures set out in the Education Reform Bill, are designed to ensure that we secure the best possible return from the very substantial resources invested in the education service. The implementation of those policies will lead to an improvement in standards and to the more effective use of resources.

Capital Expenditure (Inner Cities)

81. **Mr. Ashdown:** To ask the Secretary of State for Education and Science what percentage of the total amount of capital expenditure bids made by inner city local education authorities was given in capital allocations in 1987.

Mr. Dunn: There is no precise definition of inner city to enable local education authorities to be described in this way. For all authorities I refer the hon. Member to the answer I gave on 11 January to the hon. Member for Burnley (Mr. Pike) at columns *50-52*.

Academic Year

83. **Mr. Holt:** To ask the Secretary of State for Education and Science what proposals there are to alter the present academic year.

Mr. Dunn: The Government have no such plans.

Inner London Education Authority (Abolition)

86. **Mr. Evennett:** To ask the Secretary of State for Education and Science what representations he has received concerning the abolition of the Inner London education authority.

91. **Ms. Ruddock:** To ask the Secretary of State for education and Science how many representations he has received on the abolition of the Inner London education authority.

102. **Mr. Arbuthnot:** To ask the Secretary of State for Education and Science what representations he has received since he announced his decision to abolish the Inner London education authority; and if he will make a statement.

Mr. Dunn: We have received some 800 letters from hon. Members, organisations and individual members of the public about the proposals announced by my right hon. Friend on 4 February. Many of these are concerned with the future arrangements for particular aspects of the education service in inner London.

Local Education Authorities

89. **Mr. Robert B. Jones:** To ask the Secretary of State for Education and Science what plans he has for intervening where a local education authority is acting improperly in its role of providing the best education service possible for the people who live within the area of that local education authority.

Mr. Dunn: Local education authorities have the responsibility of providing efficient education for the areas they serve. Under sections 68 and 99 of the Education Act 1944 my right hon. Friend may intervene where he is satisfied that an authority has acted or is proposing to act unreasonably in respect of any duty under the Education Acts or where he is satisfied that it is in default of such a duty, and may then make such directions as appear to him to be expedient.

Headmasters

92. **Mr. Michael Brown:** To ask the Secretary of State for Education and Science what plans he has for increasing the training and administrative support of headmasters, in the light of their enhanced role under the Education Reform Bill.

Mrs. Rumbold: The Government support training in management for head teachers and other senior staff in schools with specific grant under the LEA training grant scheme. Grant at 70 per cent. will be payable in 1988-89 on £4·3 million of LEA expenditure. The Government are also providing grant in support of the production of various training materials and are consulting a range of organisations on the possibility of further measures to enhance management training for heads.

Universities (Central Funding)

93. **Mr. Patnick:** To ask the Secretary of State for Education and Science what increases he has made in the central funding of universities in the last two years; and if he will make a statement.

Mr. Jackson: The information is provided in table 12.1 of "The Government's Expenditure Plans 1988-89 to 1990-91" Volumn II (Cm. 288). Current provision for the universities increased by 10·5 per cent. from 1986-87 to 1987-88 and by 7·9 per cent. from 1987-88 to 1988-89.

Students (Rates Compensation)

97. **Mr. Blunkett:** To ask the Secretary of State for Education and Science if he will take steps to compensate students who from April will have to pay 20 per cent. of their rates for the first time.

Mr. Jackson: There will be no addition to student grants in respect of liability for rates in the current academic year. Changes in the housing benefit system, which will apply to all categories of claimant from April this year, were among the factors taken into account in determining grant levels for 1988-89 and will be considered in coming to decisions about future levels of student support.

Polytechnics

98. **Mr. Devlin:** To ask the Secretary of State for Education and Science what further plans he has for increasing the role of the polytechnics in higher education.

Mr. Jackson: The Education Reform Bill, now before Parliament, provides for the 29 English polytechnics to be re-established as free-standing corporate bodies outside local authority control and under contract to a new Polytechnic and Colleges Funding Council. This reform will enable the polytechnics to develop further their role as national providers of high quality vocational courses of higher education and promote better management and closer ties with industry.

Science and Technology

99. **Mr. Gill:** To ask the Secretary of State for Education and Science how he intends to increase further the emphasis on science and technology in schools and the relevance of education to the job market.

Mrs. Rumbold: The Education Reform Bill proposes that science should be a core subject, and technology a foundation subject, in the national curriculum. My Department supports the many organisations which aim to increase the links between school and industry, and it is actively promoting the development of a coherent programme of careers education and guidance in schools.

Education Budgets

100. **Mr. David Shaw:** To ask the Secretary of State for Education and Science what plans he has for ensuring that local authorities maximise the percentage of their education budgets which are devoted directly to pupils and equipment; and if he will make a statement.

Mrs. Rumbold: Provision for local authority spending on education is mainly channelled through block grant which is unhypothecated. The Government's plans identify particular levels of expenditure on areas of education provision and it is for the individual local authorities to decide on their own priorities to be met from within the resources available to them. However, education support grants are allocated for specific purposes, including the provision of books and equipment for the GCSE, and must be used for the prescribed purpose.

Geffrye Museum

Ms. Gordon: To ask the Secretary of State for Education and Science what arrangements are being made to secure the future of the Geffrye museum.

Mr. Dunn: As my right hon. Friend the Member for Mitcham and Morden (Mrs. Rumbold) assured the House on 17 February at column *1069*, the Government are considering the most appropriate arrangements for securing the future of the Geffrye museum.

SOCIAL SERVICES

NHS Facilities (Usage Rate)

Mr. Butler: To ask the Secretary of State for Social Services what information he has regarding the relative usage of National Health Service facilities amongst different age groups of the United Kingdom population.

Mrs. Currie: The following information is for England. Information about the rest of the United Kingdom is the responsibility of my right hon. and learned Friend the Secretary of State for Scotland and my right hon. Friends the Secretaries of State for Wales and for Northern Ireland.

The following is a list of the NHS facilities in England for which statistics are collected centrally and which show some age breakdown of the patients:

NHS hospital in-patient or day-patient treatment;
Residents of NHS mental handicap hospitals and units;
Residents of NHS mental illness hospitals and units;
Treatment at genito-urinary medicine clinics;
Smear tests for cervical cancer;
Chiropody services;*
Home Nursing Services;*
Family Planning Services;
School health services;
Vaccinations and immunisation;
General and community dental services*.

In addition, the results of the general household survey provide information with an age breakdown on GP consultations, visits to a dentist, and NHS and private hospital treatment.

Information on items marked with an asterisk is published annually in "Health and Personal Social Services Statistics for England": other information is provided in the annual report of the chief medical officer of the DHSS, and a number of statistical booklets and bulletins. Copies of all these documents are available in the Library.

Special Hospital Patients

Mr. Kirkwood: To ask the Secretary of State for Social Services if, pursuant to his answer of 16 February to the hon. Member for Roxburgh and Berwickshire, *Official Report*, columns *555-56*, he will provide the same information as to how many patients were residing in each special hospital who no longer required a secure environment, due to an inability to relocate them in National Health Service or local authority accommodation, at 4 January of each year since 1979.

Mr. Newton: The information provided in my reply to the hon. Member on 16 February at columns *555-56* was derived from current records. I regret that information for earlier periods is not held.

Health Authorities (Expenditure)

Mr. Pawsey: To ask the Secretary of State for Social Services if he will publish a table showing in rank order the absolute and percentage increase in spending for each district health authority since 1983.

Mr. Newton: I have placed in the Library tables giving the information requested derived from the annual accounts of district health authorities for 1982-83 and 1986-87 (the latest year available).

Health Expenditure

Dr. Owen: To ask the Secretary of State for Social Services if he will publish a table showing expenditure per head in *(a)* London and *(b)* the rest of England on (i) general hospital expenditure, (ii) community health services and (iii) psychiatric hospitals.

Mr. Newton: Per capita figures based on total populations of the district health authorities covering the area of the former Greater London council and in England as a whole are shown in the table.

Revenue expenditure—Per capita 1986-87

	Total hospital[1] *services* £	*Psychiatric*[2] *hospitals* £	*Community health services* £
London	236	27	27
Rest of England	160	17	21
England total[3]	175	19	22

[1] The figures for expenditure on total hospital services cover spending on all categories of hospital including "Mental Illness".

[2] The figures for expenditure on psychiatric hospitals comprise those classified as "Mental Illness". These figures neither include expenditure on the growing volume of activity in psychiatric units in general hospitals and within community health services etc. nor expenditure on hospitals classified as "Mental Handicap".

[3] Relevant expenditure recorded in the accounts of the special health authorities for the London postgraduate teaching hospitals is recorded in the England total figures only. Such expenditure cannot strictly be attributed to London or to particular health regions.

Note: The population figures used make no allowance for people resident in particular districts who receive treatment in others or for differences in morbidity and age/sex structure of particular populations.

Sources:

(a) Annual accounts of regional and district health authorities in England.
(b) Costing returns for hospitals categorised "Mental Illness".
(c) Mid-year estimates of population 1986 (Office of Population Censuses and Surveys).

Dr. Owen: To ask the Secretary of State for Social Services (1) if he will list for each year since 1979 expenditure per head on the hospital service in England, by regional health authority;

(2) if he will list for each year since 1979 expenditure per head on the hospital service in England, Scotland and Wales.

Mr. Newton: Per capita figures based on total population of the health regions are shown in the table.

Information about hospital services in Wales and Scotland are matters for my right hon. Friend the Secretary of State for Wales and my right hon. and learned Friend the Secretary of State for Scotland.

Revenue expenditure on hospital services—per capita

Region	1979-80 £	1980-81 £	1981-82 £	1982-83 £	1983-84 £	1984-85 £	1985-86 £	1986-87 £
Northern	88	114	125	136	144	153	162	173
Yorkshire	87	112	125	132	140	148	157	167
Trent	80	104	114	124	132	139	147	158
East Anglian	81	105	115	123	131	139	146	156
North-West Thames	108	139	153	150	157	163	169	178
North-East Thames	109	142	154	179	187	195	202	214
South-East Thames	109	139	150	159	168	173	180	187
South-West Thames	102	132	141	146	153	159	164	174
Wessex	82	104	114	122	129	138	143	152
Oxford	77	98	107	113	117	126	131	137
South-Western	84	107	125	133	140	146	153	162
West Midlands	84	107	117	127	134	142	150	161
Mersey	96	124	136	147	153	162	170	180
North-Western	92	120	135	145	153	161	170	181
All Regions	91	118	129	138	146	153	160	170
England	93	121	133	142	150	157	165	175

Sources:

(a) Annual accounts of regional and district health authorities (Predecessor authorities for the years prior to 1982-83).

(b) Mid-year estimates of population 1979 to 1986 inclusive (Office of Population Censuses and Surveys).

Notes:

1. The figures exclude capital expenditure and all expenditure on other health services (for example, community health, ambulance and blood transfusion services).

2. The population figures used make no allowance for people resident in one region who receive treatment in another or for differences in morbidity and age/sex structure of particular populations.

3. The figures for England include relevant expenditure recorded in the annual accounts of the special health authorities for the London postgraduate teaching hospitals (Predecessor authorities for the years prior to 1982-83). Such expenditure cannot strictly be attributed to particular regions.

Doctors (Budgets)

Dr. Owen: To ask the Secretary of State for Social Services if he will estimate the budget controlled each year on average by *(a)* general practitioners including their own time and the drugs they prescribe, and *(b)* hospital doctors, including their own time and the drugs they prescribe.

Mr. Newton: I regret that the information is not available to answer the question in the terms asked.

General medical practitioners are independent contractors and do not have budgets to control. Gross payments made to them in England in 1986-87 for the provision of general medical services were £1,131 million. The gross cost to the family practitioner services of the drugs prescribed in 1986-87 was £1,378 million.

Determination of individual budgets within hospitals is a matter for each health authority. While medical staff are involved and clinical budgets are being developed, staff of a number of other disciplines (particularly general managers) also share responsibility for budgetary control.

The summarised accounts of health authorities in England for 1986-87 show total revenue expenditure on hospital services as £8,255 million. This figure includes most of the total hospital and community health services expenditure on medical staff pay (£1,094 million) and on drugs (£318 million).

Community Care

Mr. Steel: To ask the Secretary of State for Social Services if he will make it his policy to ensure that the findings of Sir Roy Griffiths' review of the future development of community care are made available for public debate; if he is able to name the date for publication; and if he will make a statement.

Mr. Newton: I refer the right hon. Member to my right hon. Friend's reply to the right hon. Member for Manchester, Wythenshawe (Mr. Morris) and the hon. Members for Caernarfon (Mr. Wigley) and for Ynys Môn (Mr. Jones) on 8 March 1988, at column *171*.

Family Planning

Mr. Steel: To ask the Secretary of State for Social Services what information he has as to what health authorities in England have cut back their provision for family planning clinics.

Mr. Newton: Tables giving the number of health authority family planning outlets and sessions provided in the last five years for which figures are available have been placed in the Library.

Rampton Hospital

Mr. Alexander: To ask the Secretary of State for Social Services what was the *(a)* revenue and *(b)* capital allocation for Rampton hospital in each year from 1982.

Mrs. Currie: The information is as follows:

	Revenue allocation £	Capital allocation £
1982-83	13,067,000	401,000
1983-84	15,199,000	664,000
1984-85	16,218,000	1,731,000
1985-86	17,336,000	387,000
1986-87	18,078,000	542,000
1987-88	19,498,000	1,250,000

AIDS

Mr. Butler: To ask the Secretary of State for Social Services if he will make it his policy to encourage the use of the Karpas test for simultaneous testing for both HIV-1 and HIV-2; and if he will make a statement.

Mr. Newton: Our policy is to have all available tests for HIV antibody evaluated so that the users can determine if they are appropriate to their needs. Officials are in contact with the supplier of this test and with suppliers of other tests with similar potential.

Medical Practitioners

Mr. Spearing: To ask the Secretary of State for Social Services what was the number of medical practitioners reported to him in 1987 from family practitioner committees as being in breach of their terms of service and the numbers consequently having remuneration withheld.

Mrs. Currie: Information is not available centrally in the form requested. Of cases concluded in 1987, 220 general medical practitioners were found in breach of the terms of service and withholdings were directed against 75 of them.

Dental Caries

Mr. Butler: To ask the Secretary of State for Social Services what information he has on the potential effectiveness of a vaccine against dental caries, and if he has any plans to promote the development of such a vaccine.

Mrs. Currie: In 1984 the Department sought advice from the Medical Research Council on the desirability of conducting clinical trials of a dental caries vaccine following research which had been funded by the Department. The Medical Research Council advised in 1986 that there was considerable concern about the prospect of a trial in children of a vaccine of which the mode of action was incompletely understood and about which there were doubts relating to both safety and efficacy. The MRC concluded that more laboratory, field and clinical work would be necessary preliminary to any trial. The council advised that a clinical trial of dental caries vaccine in children in the United Kingdom was not appropriate at that time, nor was this situation likely to change rapidly, and that as the incidence of caries in the United Kingdom is falling the value of a vaccine in the future may be reduced.

In the light of this advice the Department ceased to fund research into the vaccine on 31 July 1987.

Single Payments

Mr. Robin Cook: To ask the Secretary of State for Social Services what proportion of claimants received a single payment in 1986-87, 1985-86 and 1984-85; and what was the average value of those payments.

Mr. Portillo: I regret the information is not available in the precise form requested. Data are available from annual statistical inquiries only as follows:

	Percentage of claimants receiving single payments	*Average payment (£)*
December 1984	20	173
February 1986	24	187

Source: Annual Statistical Enquiries.
Note: The information relates to single payments made in the 12 months preceding the annual statistical inquiry to claimants in receipt of benefit at the time of the inquiry. As a result, it does not record all the single payments made in the year.

Mersey RHA

Mr. Nicholas Winterton: To ask the Secretary of State for Social Services what is the purpose of the recent video commissioned by the Mersey regional health authority; what it cost to produce; and if he will make a statement.

Mrs. Currie: I understand that the Mersey regional health authority has commissioned five videos in the last three years, as follows:

Title	*Approximate Cost £*	*Purpose*
"New People at No. 10"	24,000	To help make the public more aware of the development of community care.
"Getting Better"	20,000	To explain Mersey region's 10-year strategy to 42,000 health service staff.
"Person to Person"	25,000	To be used with a training package designed to improve customer relations.
"Healthy Cities"	8,000	To introduce politicians, local authorities, educationists, industrialists, members of the public and health professionals to the healthy cities project, Liverpool being a WHO pilot city.
"Needle Exchange"	5,000	To provide information to NHS managers, other health professionals and agencies worldwide which are interested in establishing needle exchange schemes.

We welcome the authority's commitment to explaining its policies to staff and the public. The region has recouped more than £80,000 so far from video sales to other health authorities, social services departments and other organisations.

If my hon. Friend requires further details he may care to contact the chairman of the Mersey regional health authority.

NHS (RCN Representations)

Mr. David Porter: To ask the Secretary of State for Social Services what recent representations he has had from the Royal College of Nursing on the National Health Service; and if he will make a statement.

Mr. Newton: My right hon. Friend the Secretary of State for Social Services has received no representations since he met representatives of the Royal College of Nursing on 1 February.

Elderly People

Mr. Tom Clarke: To ask the Secretary of State for Social Services if he will show, for each local authority in England, and the aggregate for the country, for each year from 1978-79 to 1986-87 *(a)* the number of whole-time equivalent home helps and the number per 1,000 population aged 75 years and over, and per 1,000 population aged 85 years and over, *(b)* the number of meals provided and the number per 1,000 population aged 75 years and over and per 1,000 population aged 85 years and over, *(c)* the number of home help hours provided per 1,000 population aged 75 years and over and per 1,000 population aged 85 years and over, *(d)* the number of whole-time equivalent social workers employed by social services departments per 1,000 population and *(e)* the number of day centre places per 1,000 population aged 75 years and over and per 1,000 population aged 85 years and over.

Mr. Newton: The table gives the information requested for the total provision in England of social workers, and the ratio per 1,000 population. It is not possible to give meaningful figures for home helps, home help hours, and meals per 1,000 population in particular age groups, since the proportion of the service provided which goes to these age groups is unknown.

Information collected centrally on staff of social services departments and personal social services activities for each local authority is published on an annual basis in:

i. Staff of Local Authority Social Services Departments (S/F 1)
ii. Domiciliary Services — Meals, Aids and Adaptations (A/F 18)
iii. Adult training centres for Mentally Handicapped People and Day Centres for Mentally Ill, Elderly and Younger Physically Handicapped People (A/F 8).

Information collected by the Chartered Institute of Public Finance and Accountancy for each local authority is published annually in "Personal Social Services Statistics, Actuals".

Copies of all these publications are available in the Library.

Number of field social work staff (expressed as whole-time equivalent) and rate per thousand population, 1978-1986.

As at 30 September	*Whole time equivalent (thousands)*	*Number (wte) per thousand population (all ages)*
1987	22·2	0·48
1979	22·7	0·49
1980	23·0	0·49
1981	23·0	0·49
1982	23·0	0·49
1983	23·7	0·51
1984	24·3	0·52
1985	24·8	0·53
[1]1986	25·9	0·55

[1] provisional

Mr. Tom Clarke: To ask the Secretary of State for Social Services if he will show, for each district health authority in England, and the aggregate for the country, for each year from 1978-79 to 1986-87 (i) the number of whole-time equivalent district nurses per 1,000 population aged 75 years and over and per 1,000 population aged 85 years and over, and (ii) the number of whole-time equivalent chiropodists employed per 1,000 population aged 75 years and over and per 1,000 population aged 85 years and over.

Mr. Newton: It is not meaningful to provide the ratios of staff to population in specific age groups as the staff provide care to patients of all ages.

Mr. Tom Clarke: To ask the Secretary of State for Social Services what is the most recent information available to him on what proportion of elderly persons resident in the community are *(a)* housebound, *(b)* bedfast, *(c)* unable to negotiate stairs independently, *(d)* unable to bath or shower or wash all over alone, or *(e)* unable to go to the toilet unaided.

Mrs. Currie: The most recent information available is from the 1985 general household survey.

Among those aged 65 and over included in the sample interviewed for the survey:

(a) 8·0 per cent. were not able to go out of doors.

(b) 1·9 per cent. needed help to get in and out of bed and 0·2 per cent. could not get in and out of bed at all.

(c) 3·6 per cent. needed help to negotiate stairs and 5·4 per cent. could not negotiate stairs at all.

(d) 7·3 per cent. needed help to bath, shower or wash all over and 1·3 per cent. could do none of these tasks at all.

(e) 1·2 per cent. needed help to get to the toilet and 0·5 per cent. could not get to the toilet at all.

The 1985 general household survey interviewed nearly 20,000 people aged 16 and over living in private households in Great Britain.

Mr. Tom Clarke: To ask the Secretary of State for Social Services how many elderly people received respite care in each local authority social service department during 1986-87.

Mrs. Currie: Information is not available in the form requested. The number of short-stay admissions to local authority homes during 1985-86, the latest year for which information is available, is given in table 11 of "Residential Accommodation for Elderly and for Younger Physically Handicapped People: All Residents in Local Authority, Voluntary and Private Homes Year ending 31 March 1986 England"; a copy of which is in the Library.

Mentally Handicapped People

Mr. Tom Clarke: To ask the Secretary of State for Social Services how many persons have been discharged from long-stay mental illness and mental handicap institutions since 1978-79; and into what forms of care and in what numbers these persons have been discharged.

Mrs. Currie: I regret that I am unable to give the hon. Member the exact information requested. Information on discharges of people from mental illness and mental handicap hospitals since 1978 is given in statistical bulletins 2/2/88 ("Mental Illness Hospitals and Units in England: Results of the Mental Health Enquiry 1986") and 2/3/88 (for mental handicap hospitals and units). These bulletins are in the Library.

Table 1 of both publications gives the total numbers of discharges, and figure 6 of bulletin 2/2/88 and figure 4 of bulletin 2/3/88 show an indication of the number of people discharged after, in effect, living in the hospital. Some people may require to be readmitted depending on their circumstances.

Central information cannot trace people out into the community after discharge from hospital, but I am placing in the Library a research register prepared by "Good Practices in Mental Health" which includes a number of studies of particular areas with relevant information.

Mr. Tom Clarke: To ask the Secretary of State for Social Services if he will provide figures for each year from 1978-79 to 1986-87 showing *(a)* the numbers of mentally handicapped children leaving education, and the numbers of mentally handicapped people discharged from residential care, and *(b)* the corresponding trends in provision of day care services for mentally handicapped persons over the same period.

Mrs. Currie: Information requested at *(a)* is not available centrally. The following tables give information on *(b)*.

Table 1
Adult training centres for mentally handicapped people
England 1979 to 1987

	Centres	Units	Places
1979	445		42,061
1980	451		42,337
1981	461		43,627
1982	474		45,152
1983	484		46,558
1984	496		47,464
1985	505		48,824
1986	527		50,374
1987	533		51,198

Notes
1. The above includes adult training centres plus independent special needs units.
2. All figures as at 31 March

Table 2
NHS day care for mentally handicapped people
England 1978 to 1986

Year	Attendances
1978	295,033
1979	333,735
1980	372,678
1981	379,962
1982	379,639
1983	369,459
1984	348,719
1985	404,176
1986	453,667

Further information on adult training centres and special needs units is published in "Adult Training Centres for Mentally Handicapped People and Day Centres for Mentally Ill, Elderly and Younger Physically Handicapped People at 31 March 1986", copies of which have been placed in the Library.

Carers (Support)

Mr. Tom Clarke: To ask the Secretary of State for Social Services (1) what proportion of local authority social services departments provide 24-hour, seven days a week availability of relief services to carers;

(2) what is the most recent estimate available to him of the number of carers in Britain; and what proportion of these are known to service agencies and supported in their efforts.

Mr. Newton: We have no reliable information at present about the number of carers. A series of questions was included in the 1985 general household survey to identify people looking after a sick, handicapped or elderly person, with the aim of providing national estimates of the number of people who are providing care of this kind. The results of the survey will be available later this year. Information about the numbers of local authorities and other agencies which provide service for carers is not held centrally and could be obtained only at disproportionate cost.

Mr. Tom Clarke: To ask the Secretary of State for Social Services what information he has on the proportion of households caring for a dependent member who are in receipt of *(a)* home help support, *(b)* district nursing services, *(c)* social work support or *(d)* other services.

Mr. Newton: The information requested is not centrally available. The Office of Population, Censuses and Surveys hopes to publish later this year a report on carers based on data collected as part of the 1985 general household survey.

Mr. Tom Clarke: To ask the Secretary of State for Social Services what information he has on the numbers of households with a mentally handicapped member who receives *(a)* sitting services, *(b)* respite care or *(c)* holiday relief schemes.

Mrs. Currie: I regret that this information is not held centrally.

Private Residential Homes

Mr. Tom Clarke: To ask the Secretary of State for Social Services what evidence is collected by his Department on the adequacy of the inspection of private residential homes by local authorities; and if he will publish a summary of this information.

Mrs. Currie: The Department's Social Services Inspectorate has carried out a study of the implementation of the Registered Homes Act 1984 by local authorities. The report was published on 14 March 1988 and a copy has been placed in the Library.

Mr. Tom Clarke: To ask the Secretary of State for Social Services if he will list the local authorities which make further inspection visits to private residential rest homes in addition to the statutory annual visit.

Mrs. Currie: I regret that this information is not collected centrally.

Personal Social Services

Mr. Tom Clarke: To ask the Secretary of State for Social Services if he will rank all local authorities by net real expenditure, as indicated by personal social services pay and prices, on personal social services for 1978-79 and 1986-87 per 1,000 population, all ages.

Mr. Newton: The requested information for social services departments is given in the tables. 1978-79 expenditure has been revalued to 1986-87 prices by a

national personal social services current expenditure revaluation factor. Non-metropolitan district councils, which incur only minimal expenditure on the personal social services, are excluded from the tables.

PSS net current expenditure per 1,000 population at 1986-87 prices in ranking order

Authority	*1978-89 spend (£000)*
Islington	152
Camden	148
City of London	146
Hackney	142
Lambeth	141
Tower Hamlets	140
Hammersmith and Fulham	138
Wandsworth	136
Southwark	132
Westminster	125
Lewisham	114
Kensington and Chelsea	113
Haringey	103
Manchester	91
Greenwich	86
Brent	83
Newcastle upon Tyne	81
Newham	77
Waltham Forest	73
Merton	67
Liverpool	63
Ealing	63
Birmingham	61
Bradford	59
Hounslow	57
Coventry	57
Salford	57
Sheffield	57
Rochdale	57
Sunderland	56
Barnet	55
Kingston upon Thames	54
Hillington	54
South Tyneside	54
Barking and Dagenham	53
Oldham	53
North Tyneside	53
Doncaster	52
Knowsley	52
Croydon	52
Wakefield	51
Sutton	51
East Sussex	51
Gateshead	51
Tameside	51
Wirral	51
Avon	49
Calderdale	49
Redbridge	48
Harrow	47
Cleveland	46
Bolton	46
Barnsley	45
Enfield	45
Nottinghamshire	45
Rotherham	44
Kirklees	44
Havering	44
Sefton	44
Lancashire	43
Bromley	43
Richmond upon Thames	43
Bury	42
Leeds	42
Bexley	41
St. Helens	41
Durham	41
Stockport	41
Bedfordshire	41
Sandwell	41
Wolverhampton	41
Oxfordshire	40
Trafford	40
Northumberland	40
Walsall	39
Wigan	39
Dorset	39
Humberside	38
Leicestershire	38
Cheshire	38
Lincolnshire	37
Norfolk	37
Derbyshire	37
Northamptonshire	35
Cumbria	35
Somerset	35
Kent	35
Berkshire	35
West Sussex	34
Gloucestershire	34
Cambridgeshire	34
Hereford and Worcester	34
Hampshire	34
Devon	33
Wiltshire	32
Staffordshire	32
Hertfordshire	32
Isle of Wight	32
North Yorkshire	31
Warwickshire	31
Essex	31
Isles of Scilly	31
Suffolk	30
Cornwall	29
Buckinghamshire	29
Dudley	29
Surrey	29
Shropshire	27
Solihull	26

PSS net expenditure per 1,000 population at 1986-87 prices in ranking order

Authority	*1986-87 spend (£000)*
City of London	313
Camden	204
Lambeth	192
Islington	191
Southwark	176
Westminster	170
Hackney	161
Hammersmith and Fulham	157
Lewisham	151
Haringey	146
Wandsworth	135
Brent	133
Greenwich	129
Kensington and Chelsea	128
Tower Hamlets	121
Manchester	117
Waltham Forest	99
Newham	98
Newcastle upon Tyne	88
Hounslow	81
Coventry	78
Sheffield	77
North Tyneside	76
Rochdale	76
Liverpool	75
Bradford	74
Merton	71
Hillingdon	70

Authority	1986-87 spend (£000)
Ealing	70
Birmingham	70
Wolverhampton	69
Tameside	67
Kingston upon Thames	67
Barking and Dagenham	63
Knowsley	63
Salford	63
Gateshead	62
Harrow	60
Richmond upon Thames	60
Croydon	60
Leeds	59
South Tyneside	59
Sunderland	59
Kirklees	59
Enfield	58
Oldham	58
Nottinghamshire	58
Redbridge	57
Cleveland	57
Calderdale	57
Sutton	56
Barnet	56
Wirral	55
Derbyshire	54
Sandwell	54
St Helens	54
Lancashire	52
Avon	51
Humberside	51
Havering	51
Wakefield	51
Bury	50
Bolton	50
Bexley	49
Bromley	49
Rotherham	49
Walsall	49
Wigan	48
Sefton	47
Stockport	47
Northamptonshire	46
Cheshire	45
East Sussex	45
Cumbria	45
Northumberland	45
Barnsley	44
Leicestershire	44
Isle of Wight	44
Doncaster	44
Trafford	43
Bedfordshire	43
Berkshire	43
Buckinghamshire	42
Solihull	41
Dudley	41
Cambridgeshire	41
Durham	41
Warwickshire	40
Somerset	39
Norfolk	39
Devon	39
Lincolnshire	38
Wiltshire	38
Essex	38
Kent	38
Oxfordshire	38
Cornwall	37
Hereford and Worcester	37
Hertfordshire	37
North Yorkshire	37
Staffordshire	36
Dorset	36
Isles of Scilly	36
Gloucestershire	35
West Sussex	35
Hampshire	34
Suffolk	32
Shropshire	31
Surrey	29

Mr. Tom Clarke: To ask the Secretary of State for Social Services if he will list those local authorities which did, and those which did not, experience real expenditure increases on the personal social services of 3½ per cent. or more during 1987-88.

Mr. Newton: Following are the requested lists, showing relevant authorities in alphabetical order. The lists are based on a comparison of each authority's 1987-88 budgeted expenditure with actual expenditure, or estimated expenditure where actual is not available, for 1986-87. The 1986-87 figures have been revalued to 1987-88 prices by use of the gross domestic product deflator. Non-metropolitan district councils, which incur only minimal expenditure on the personal social services, are excluded from the lists.

Authorities with PSS net current expenditure for 1987-88 more than 3·5 per cent. in real terms above 1986-87

Barking and Dagenham
Barnet
Barnsley
Bedfordshire
Berkshire
Bexley
Birmingham
Bolton
Bradford
Buckinghamshire
Bury
Calderdale
Cambridgeshire
Cheshire
City of London
Cleveland
Cornwall
Croydon
Cumbria
Derbyshire
Devon
Doncaster
Dorset
Dudley
Durham
Ealing
East Sussex
Enfield
Essex
Gloucestershire
Hackney
Hampshire
Haringey
Havering
Hertfordshire
Hillingdon
Hounslow
Humberside
Isle of Wight
Islington
Kensington and Chelsea
Kent
Kingston upon Thames
Kirklees
Lancashire
Leeds
Leicestershire
Lewisham
Liverpool

Manchester
Merton
Newcastle upon Tyne
Newham
North Tyneside
North Yorkshire
Northamptonshire
Northumberland
Oldham
Oxfordshire
Rochdale
Rotherham
Salford
Sandwell
Sefton
Shropshire
Solihull
Somerset
South Tyneside
Staffordshire
Suffolk
Sunderland
Surrey
Sutton
Tameside
Tower Hamlets
Trafford
Wakefield
Walsall
Waltham Forest
Warwickshire
West Sussex
Wigan
Wiltshire
Wirral
Wolverhampton

Authorities with PSS net current expenditure for 1987-88 less than 3·5 per cent. in real terms above 1986-87

Avon
Brent
Bromley
Camden
Coventry
Gateshead
Greenwich
Hammersmith and Fulham
Harrow
Hereford and Worcester
Isles of Scilly
Knowsley
Lambeth
Lincolnshire
Norfolk
Nottinghamshire
Redbridge
Richmond upon Thames
Sheffield
Southwark
St. Helens
Stockport
Wandsworth
Westminster

Camberwell Resettlement Unit

Mr. Win Griffiths: To ask the Secretary of State for Social Services (1) how many direct access beds have been provided to replace the provision previously made at the Camberwell resettlement unit;

(2) if all the replacement units funded under the Camberwell replacement scheme are still in existence and providing the original number of beds;

(3) if he will itemise the type and extent of alternative provision funded under the Camberwell replacement scheme.

Mr. Portillo: The Camberwell replacement scheme will provide a total of 929 beds, of which 108 will be situated in three hostels designed to cater for emergency admissions off the street (direct access). A further 221 second stage beds will provide a high level of care and the remaining 600 beds will cater for those needing lower levels of care.

The 108 direct access beds to be provided by three London boroughs are not yet open. When the Camberwell resettlement unit closed in 1985, 184 beds in the Department's resettlement units were designated "direct access" to serve as an immediate replacement.

Up to 31 December 1987, 622 beds had been provided under the Camberwell replacement scheme and all of them are still open.

Mr. Win Griffiths: To ask the Secretary of State for Social Services what was the cost of running the Camberwell resettlement unit in the last three years of its existence; and what has been the cost of the replacement provision in each financial year so far.

Mr. Portillo: The cost of running the Camberwell resettlement unit in the last three years of its existence was:

	£ million
1983-84	2·0
1984-85	1·9
1985-86	1·1

The cost of the replacement provision in each financial year so far has been:

	DHSS £ million	*DOE £ million*
Capital		
1981-82	0·1	0·8
1982-83	0·3	2·2
1983-84	0·5	5·6
1984-85	0·5	4·9
1985-86	0·2	1·9
1986-87	0·1	Nil
Total	1·7	15·4

	DHSS £	*DOE £*
Revenue		
1981-82	Nil	Nil
1982-83	4,000	Nil
1983-84	32,000	10,000
1984-85	114,000	39,000
1985-86	210,000	107,000
1986-87	359,000	298,000

Resettlement Units

Mr. Win Griffiths: To ask the Secretary of State for Social Services if he will make a statement about the future administration and management of resettlement units.

Mr. Portillo: All 22 DHSS resettlement units are to be closed and replaced by groups of smaller hostels, run by voluntary bodies and local authorities, but funded by the Department. That process will take some years, during which the units will continue to be run by the Department. The Department has under consideration the establishment of the units and their associated headquarters branch as a departmental agency under the initiative announced by my right hon. Friend the Prime Minister on 18 February.

Mr. Win Griffiths: To ask the Secretary of State for Social Services how much has been spent, and under what headings, on the process of replacing the existing resettlement units.

Mr. Portillo: Capital and revenue expenditure of £229,424 and £35,218 respectively has been incurred in respect of facilities to replace the existing units. In addition, £64,452 has been spent in the review process itself, mainly on development workers but also on the review teams and the advisory steering group.

Patients (Spending)

Mr. Conway: To ask the Secretary of State for Social Services if he will give the average annual expenditure per patient in each regional health authority in 1986-87.

Mr. Newton *[holding answer 23 February 1988]:* Regional tables showing this information by type of hospital and type of patient, with comparative figures for England, have been placed in the Library.

NHS Staff

Mr. Walden: To ask the Secretary of State for Social Services how many National Health Service staff fall into each of the following categories: *(a)* medical, including doctors, dentists, nurses and technicians, *(b)* non-medical but providers of services, including hospital administrators, clerks, receptionists, cleaners, and *(c)* other.

Mr. Newton *[holding answer 9 March 1988]:* Information in the exact format requested is not readily available. The total number of employed staff in the National Health Service at 30 September 1986 was 801,600. A breakdown of these staff is shown in the table. Ambulance staff have been counted in the "direct care" staff category.

NHS directly employed staff at 30 September 1986: England

	Whole time equivalent[1]
(a) "Direct care staff"[2]	541,000
(b) Total non-medical "support staff"[3]	260,600

Source: DHSS Annual censuses of NHS medical and non-medical manpower.

[1] Figures are independently rounded to the nearest 100 whole-time equivalents.

[2] Includes medical-dental including locums, nursing-midwifery including agency and professional-technical staff and ambulance staff.

[3] Includes works, maintenance, administrative-clerical, and ancillary staff.

Great Ormond Street Hospital

Mr. Dobson: To ask the Secretary of State for Social Services when the first admission to the cardiac block at Great Ormond street hospital took place; and when the block will achieve full occupation.

Mrs. Currie *[holding answer 14 March 1988]:* Twenty four patients were admitted to the new block, which currently houses 38 children, on 29 December. Provided the current rate of nurse recruitment can be sustained, the authority expects the total capacity of 52 patients to be reached by the end of July.

Written Answers to Questions

Wednesday 16 March 1988

WALES

North Wales Newspapers Ltd.

Mr. Leighton: To ask the Secretary of State for Wales if he will list the amount and type of each grant made available to North Wales Newspapers Limited to assist in the relocation and re-equipping of the company's premises from Oswestry in Shropshire to Mold, Clwyd; what information he has as to the proportion of the company's costs for *(a)* rebuilding, *(b)* relocating and *(c)* new plant and equipment which were met by such aid; if the company gave any information or undertakings on the creation of new jobs as a result of the move or about the continued employment of existing staff after the company's relocation; and if any assurances or undertakings were given on the maintenance of terms and conditions of employment, including trade union recognition, for existing staff after the company's relocation.

Mr. Peter Walker: Details of regional selective assistance offers (exceeding £5,000 and regional development grant payments cumulatively exceeding £25,000 in any quarter) to individual companies are published in *British Business* following a payment under the grant concerned. No information has been published about grants payable to North Wales Newspapers Ltd. in respect of this project. Both the RSA and RDG schemes are linked to the provision of employment opportunities but aspects relating to the terms and conditions of employment and trade union recognition are not subject to the formal criteria of the schemes.

Wales Tourist Board

Mr. Nicholas Bennett: To ask the Secretary of State for Wales what was the total grant to the Wales Tourist Board in cash terms and expressed at constant 1988 prices in each of the past 10 years.

Mr. Wyn Roberts: The information is as follows:

Net expenditure for Wales tourist board

(£ thousand)

Year	*Current prices*	[1]*Constant 1987-88 prices*
1978-79	3,200	6,507
1979-80	3,400	5,916
1980-81	4,000	5,870
1981-82	4,887	6,530
1982-83	5,362	6,682
1983-84	4,827	5,746
1984-85	6,177	7,039
1985-86	7,579	8,151
1986-87	7,746	8,075
1987-88[2]	8,707	8,707

[1] The figures have been converted to 1987-88 prices using the gross domestic product (market price) deflator.
[2] Estimate of likely outturn.

Wales Tourist Board—Welsh Development Agency

Mr. Nicholas Bennett: To ask the Secretary of State for Wales what arrangements are in place for liaison and co-operation between the Wales Tourist Board and the Welsh Development Agency; and if he will make a statement.

Mr. Wyn Roberts: The Wales Tourist Board and the Welsh Development Agency work closely on a wide range of issues.

Community Nursing

Mr. Nicholas Bennett: To ask the Secretary of State for Wales what is the total annual expenditure and the number of staff employed in the community nursing service in each Welsh health district.

Mr. Grist: The information requested is set out in the following table:

District Health Authority	*Community Nursing Expenditure 1986-87 £ Thousand*	*Community Nursing Staff Whole-Time Equivalents*
Clwyd	5,309	375
East Dyfed	3,574	244
Pembrokeshire	1,467	111
Gwent	6,407	415
Gwynedd	3,478	235
Mid Glamorgan	7,160	489
Powys	1,617	112
South Glamorgan	5,348	425
West Glamorgan	5,076	366
Total Wales	39,436	2,772

Notes:
1. Community nursing expenditure includes both salary expenditure and other associated non-staff expenditure such as travel and subsistence expenditure.
2. Community nursing staff whole-time equivalents as at 30 September 1986 including school health nurses.

Integrated Operations Programmes

Mr. Wigley: To ask the Secretary of State for Wales, pursuant to his reply to the hon. Member for Caernarfon of 10 December 1987, *Official Report*, column *216*, what progress has been made in securing an early and favourable decision by the European Community Commissioner on the integrated operations programme for Dyfed, Gwynedd and Powys.

Mr. Peter Walker: I went to Brussels on 3 February to discuss integrated operations programmes with Commissioner Varfis and I understand that he intends to consult the other Commissioners about the Dyfed, Gwynedd and Powys programme before the end of this month.

PICKUP

Mr. Nicholas Bennett: To ask the Secretary of State for Wales if he will make a statement on the progress of PICKUP in Wales.

Mr. Wyn Roberts: The Welsh Office joined the PICKUP programme in 1984 with the appointment of the PICKUP agent for Wales. I am pleased to be able to report that progress to date has been steady and continuous. A second full-time officer was appointed in September 1987

who is primarily engaged in the development of in-service training for college lecturers involved with running PICKUP courses.

The eight local education authorities in Wales have appointed PICKUP co-ordinators with funding from education support grant arrangements and six of the colleges of the University of Wales have received Welsh Office funding to promote and develop PICKUP provision through the appointment of co-ordinators.

Major advances have been achieved through the local collaborative project programme, funded jointly with the MSC, with a total of 30 projects being commissioned during 1986-87 involving some 140 firms and 24 colleges. An important feature of the LCP programme was the launch in 1987 of the Technology Centre for Wales, located with WINTECH, the first of its kind in the United Kingdom, and the Language Exports Centre for Wales based at University College, Swansea.

The Wales Advisory Body has also been actively concerned with the development of PICKUP activities, allocating funds to the Polytechnic of Wales and five higher education institutions to fund the appointment of PICKUP co-ordinators. Also, three of the colleges of the University of Wales have successfully bid for PICKUP funding from the University Grants Committee.

The response from participants has also been encouraging. A survey of PICKUP activities in colleges undertaken in November 1986 indicated that some 6,800 individuals were receiving updating/re-training during that month. The last two years have seen increases of about 40 per cent. in the number of PICKUP courses provided and 100 per cent. in the number of students benefiting from those courses.

THE ARTS

Arts Council (Equal Opportunities Policy)

Mr. Fisher: To ask the Minister for the Arts by what means and at what annual cost the implementation of the Arts Council's equal opportunities policy is monitored.

Mr. Luce *[holding answer 4 March 1988]:* As regards council staff, an equal opportunities policy is part of the council's personnel work, and monitored by its senior management. In respect of its clients the council looks at their equal opportunities policies as part of its evaluation procedures.

No separate account is kept of the cost in either case.

National Theatres and Opera Houses (Ethnic Minorities)

Mr. Fisher: To ask the Minister for the Arts how many *(a)* black, *(b)* Asian and *(c)* other ethnic minority people are employed (i) full-time and (ii) part-time in the Royal Shakespeare Company, the National Theatre, the Royal Opera House and the English National Opera as (1) artists, (2) administrators, (3) secretaries and (4) cleaners, caretakers and caterers.

Mr. Luce *[holding answer 4 March 1988]:* This information is not held centrally.

Arts Council (Ethnic Minority Employees)

Mr. Fisher: To ask the Minister for the Arts how many *(a)* black, *(b)* Asian and *(c)* other ethnic minority people are employed (i) full-time and (ii) part-time at the Arts Council in (1) executive, (2) clerical and secretarial and (3) ancillary, cleaning, caretaking and catering grades.

Mr. Luce *[holding answer 4 March 1988]:* The reply is based on ethnic monitoring questionnaires voluntarily completed by staff; not all questionnaires were returned. Answers relate only to full-timers; no part-timers were identified in any ethnic minority group.

	Blacks	*Asians*	*Other ethnic minorities*
Executive	5	1	1
Clerical	5	3	3

The Arts Council employs no ancillary grades directly.

Office of Arts and Libraries (Ethnic Minority Employees)

Mr. Fisher: To ask the Minister for the Arts how many *(a)* black, *(b)* Asian and *(c)* other ethnic minorities people are employed (i) full-time and (ii) part-time at the Office of Arts and Libraries in (1) executive, (2) clerical and secretarial and (3) ancillary, cleaning, caretaking and catering grades.

Mr. Luce *[holding answer 4 March 1988]:* The reply is based on ethnic monitoring questionnaires voluntarily completed by staff in post on 1 October 1987; not all questionnaires were returned.

	Black	*Asian*	*Other ethnic minorities*
Executive	0	0	0
Clerical	[1]	[2]	0

[1] Full-time.
[2] Part-time.

The Office of Arts and Libraries has only a small staff and employs no ancillary grades directly.

NATIONAL FINANCE

Income Tax

Mr. Greg Knight: To ask the Chancellor of the Exchequer what information he has about the starting rates and top rates of income tax and the level of gross income at which those rates become payable in *(a)* Canada, *(b)* France, *(c)* Germany, *(d)* Italy, *(e)* Japan and *(f)* the United States of America, for a married couple with no children.

Mr. Norman Lamont: The information requested is given in the table:

Country	Starting rate Per cent.	Starting rate threshold (£)	Top rate Per cent.	Top rate threshold (£)
Canada	25·5	5,003	43·5	25,000
France	12·8	6,698	56·8	53,463
Germany	22	3,439	56	65,670
Italy	22	3,358	62	253,924
Japan	17·5	4,286	78	152,607
United States of America	15	5,086	34·7	22,086
United Kingdom	25	4,096	40	19,301

Notes

1. The figures relate to 1988 (1988-89 in the case of the United Kingdom).
2. It is assumed that the income of the married couple is wholly employment income of the husband.
3. Conversions to sterling were made at the purchasing power equivalent of sterling in July 1987 (the latest date for which we have figures). The purchasing power equivalents are calculated on the basis of updating OECD figures. Purchasing power parities give a better indication of real values than exchange rates as they are calculated by reference to prices of the same basket of commodities.
4. In determining gross income levels, personal reliefs, employment income reliefs and other standard reliefs have been taken into account. Where social security contributions are deductible in computing taxable income they have also been taken into account (France, Germany, Italy, Japan).
5. The figures in the tables reflect national taxes and, where applicable (Canada, Japan and the United States), local income taxes at typical rates.

Share Ownership

Mr. Tredinnick: To ask the Chancellor of the Exchequer if he will make a further statement on the level of share ownership in Great Britain.

Mr. Norman Lamont: A joint Treasury/stock exchange survey carried out in January and February this year shows that:

- Nine million people, or 20 per cent. of the adult population, now own shares, compared to 19·5 per cent. one year ago, and seven per cent. in 1979.
- 13 per cent. hold shares in privatised companies, and six per cent. own only privatised shares.
- Three per cent. hold shares in the company for which they work.
- The increase in share ownership is widely spread; two thirds of British shareholders come from outside the ranks of managers and the professions; similarly, two thirds come from outside the south-east.

I am placing copies of the survey report in the Libraries of both Houses.

Independent Taxation

Miss Widdecombe: To ask the Chancellor of the Exchequer what is his estimate of the total reduction in income tax liability from introducing independent taxation in 1990-91; and how that reduction will be distributed amongst taxpayers at different levels of income.

Mr. Norman Lamont: The proposals for independent taxation of personal income outlined in the Budget are estimated to reduce income tax liability by about £670 million in a full year at 1990-91 levels of income and reduce income tax receipts by £500 million in 1990-91. The distribution of the full year cost by income of the individual taxpayers who benefit is as follows:

Income £000s	Cost £ million
0 to 5	260
5 to 10	100
10 to 15	60
15 to 20	50
20 to 25	50
25 to 30	50
30+	100
All	670

The costs are estimated by comparing tax liabilities on husbands' and wives' incomes separately before and after independent taxation. Liability on the wife's income before independent taxation is estimated by treating her income as the top slice of the couple's income. The calculations assume that the 1988-89 income tax regime is indexed to 1990-91 by the statutory formula, and the composite rate of tax on bank and building society interest does not change between 1989-90 and 1990-91. Estimates are based on a projection of the distribution of the incomes of husbands and wives in the 1985-86 survey of personal income and are therefore provisional.

Public Service Pensions

Mr. Cartwright: To ask the Chancellor of the Exchequer if he will list the charities which are to receive donations from the Government in respect of the underpayment of public service pensions, indicating the sums likely to be received by each.

Mr. Brooke: Pursuant to my answer to my hon. Friend the Member for Croydon, South (Sir W. Clark) on 18 December at columns *845-6*, the arrangements have yet to be settled, but I hope to make a statement in the near future.

Credit Union Act 1979

Mr. Allan Stewart: To ask the Chancellor of the Exchequer what representations he has received concerning possible amendment of the Credit Union Act 1979; and what response he has given.

Mr. Lilley: I have recently received four letters enclosing a copy of the same letter from the acting secretary of Glasgow Licensed Taxi Trade Credit Union, who seeks increases in the limits in the Act on the amount of shares in which a member of a credit union may have or claim an interest and in the total amount on loan to a member of a credit union at any time. I will be replying to the representations in due course and I will also write to my hon. Friend.

ATTORNEY-GENERAL

Land Ownership

75. **Mr. Wray:** To ask the Attorney-General what steps Her Majesty's Government will take to make information about land ownership more publicly accessible; and if he will make a statement.

The Attorney-General: The Land Registration Act 1988, which implements the Law Commission's recommendation in the report Law Com. No. 148 that the register of title at the Land Registry should be made open to public inspection, received Royal Assent on 15 March. The Act will be brought into force by commencement order made by the Lord Chancellor.

PRIME MINISTER

Nuclear Warheads

Dr. Thomas: To ask the Prime Minister, pursuant to her oral reply to the hon. Member for Blaenau Gwent (Mr. Foot), *Official Report*, 4 March, column 1284, if she will set out the basis for her statement that the Soviet Union probably has more nuclear warheads than any other country.

The Prime Minister: My reply to the right hon. Member for Blaenau Gwent (Mr. Foot) reflected the fact that, while there is broad parity in the number of strategic systems held by the Soviet Union and the United States, in the intermediate and short-range category the Soviet Union has many more nuclear capable forces deployed than NATO, as indicated in figures 15 and 16 in annex A to the Statement on the Defence Estimates 1987, a copy of which is in the Library.

No estimate of warhead numbers can be precise, particularly because we cannot assess the number of nuclear warheads held in reserve by the Soviet Union, but on the basis of the number of deployed launchers the Soviet Union retains a considerable advantage over all NATO countries.

Lease-back Transactions

Mr. Heffer: To ask the Prime Minister whether she will provide particulars of all lease-back transactions entered into by Government Departments or agencies since 1 June 1979 showing *(a)* capital sums received from leases in respect of the assets comprised in the transaction, *(b)* the time terms of the leases concerned *(c)* the annual lease rental payable to the leasors by lease-back agreements and *(d)* the date of the respective transactions.

The Prime Minister: Guidance to Departments emphasises the importance of avoiding unconventional financing which does not provide benefits sufficient to offset any extra costs. Records of departmental assets are not held centrally.

Broadcasting Standards Council

Mr. Dalyell: To ask the Prime Minister what criteria Her Majesty's Government proposes to use in making appointments to the Broadcasting Standards Council; and if she will make a statement.

The Prime Minister: These appointments, as in other such cases, will be made on the basis of personal distinction, experience and ability.

Mr. Dalyell: To ask the Prime Minister what factors are delaying an announcement of the membership of the Broadcasting Standards Council; and if she will make a statement.

The Prime Minister: My right hon. Friend the Home Secretary hopes to make an announcement before long.

TRADE AND INDUSTRY

Infantry Radars (Export to Sudan)

Ms. Armstrong: To ask the Chancellor of the Duchy of Lancaster whether the implications for development will be taken into account when consideration is given to granting a licence for the export of infantry radars to the Sudan.

Mr. Alan Clark: It has been the practice of successive Governments not to discuss their consideration of export licence applications for individual export orders. However, each application is judged on its merits taking into account all relevant factors including the nature of the equipment, its destination and end use.

Westminster Property Group

Mr. David Shaw: To ask the Chancellor of the Duchy of Lancaster if, in the light of the statement by Sir Nicholas Browne-Wilkinson in the High Court on 9 March in connection with the Westminster Property Group, he will again refer the papers relating to the group's activities to the Crown Prosecution Service.

Mr. Maude: Sir Nicholas Browne-Wilkinson has directed that a copy of his judgment be sent to the Director of Public Prosecutions for him to reconsider whether any criminal charges can properly be formulated against Mr. Raper. The Director of Public Prosecutions will contact my Department on this matter if necessary.

Cosmetics (Labelling)

Mr. Galbraith: To ask the Secretary of State for Trade and Industry if he will introduce legislation to require labelling of cosmetics to indicate whether or not they have been tested on animals.

Mr. Butcher: I have no plans to do so.

"Action for Cities"

Mr. Spearing: To ask the Chancellor of the Duchy of lancaster what steps were taken to ensure delivery to the House of Her Majesty's Government's brochure entitled "Action for Cities"; what requests were made to his Department in this respect; when copies first were supplied to the Vote Office of the House; and if he will make a statement.

Mr. Kenneth Clarke: Copies of the Government's "Action for Cities" document were placed in the Library of the House by 11 am on 7 March. One hundred copies of the document were delivered to the Vote Office before 3 pm that day, a further 200 copies were delivered at 3.30

pm, and 200 more on 8 March. In addition, on 7 March I sent personal copies with a letter to 200 hon. Members with urban constituencies.

Mr. Boyes: To ask the Chancellor of the Duchy of Lancaster what has been the estimated cost to the Government of producing the booklet and accompanying materials of "Action for Cities".

Mr. Kenneth Clarke: The total estimated cost of producing the 37,000 copies to date of the "Action for Cities" document and the associated press notices issued by Government Departments on 7 March is £72,900. This expenditure is designed to attract further involvement and financial commitment to the inner cities from the private sector, and is a small part of the approximately £3,000 million each year already committed by the Government to a wide range of policies to help regenerate our inner cities.

Mr. Tony Banks: To ask the Chancellor of the Duchy of Lancaster what was the total print of the documents associated with the Government's campaign "Action for Cities"; and what was the final cost.

Mr. Kenneth Clarke: The print to date is 37,000 copies of the document "Action for Cities", 2,000 press notices on each of the 12 announcements about new action by Government Departments and 2,000 press notices summarising these announcements. The total cost is about £72,900. This expenditure is designed to attract further involvement and financial commitment to the inner cities from the private sector, and is a small part of the approximately £3,000 million each year already committed by the Government to a wide range of policies to help regenerate our inner cities.

EDUCATION AND SCIENCE

Pupils (Enrolment)

Mr. Nicholas Bennett: To ask the Secretary of State for Education and Science whether, in view of the fact that Easter is a movable feast, he will take steps to fix 1 May each year as the eligibility date for pupils where entitlement to start school depends on the start of the summer term.

Mr. Dunn: No. The Government have no plans to alter the requirement for schools to admit children at the beginning of the term following their fifth birthday. It is open to local education authorities and schools to admit children earlier than this and it is clear that most are doing so.

Church School Authorities (Finance)

Mr. Sheerman: To ask the Secretary of State for Education and Science what plans he has to speed up the payment of section 2 moneys due to church school authorities.

Mr. Dunn: My right hon. Friend is aware that there have been delays in the making of orders under section 2 of the Education Act 1973. Officials are considering a number of measures to improve the present regrettable situation.

HOME DEPARTMENT

Mentally Disordered Offenders

Mr. Cummings: To ask the Secretary of State for the Home Department what representations he has received from local authorities and other bodies in Durham concerning the release into the community of mentally disordered offenders; and if he will make a statement.

Mr. Douglas Hogg: We have received no such representations. If, however, the hon. Member has a particular case in mind I would be ready to consider his views about it.

Political Asylum

Mr. David Evans: To ask the Secretary of State for the Home Department if he will make a statement on Amnesty International's call for a major review of current Home Office procedures for dealing with applications for political asylum in the United Kingdom.

Mr. Renton: I met representatives of Amnesty International on 11 February to discuss their proposals. I stressed at that meeting that the United Kingdom will continue to carry out its obligations under the 1951 refugee convention and that since 1979 we have granted refugee status to over 8,000 applicants and admitted 20,000 Vietnamese refugees as well as allowing over 7,000 applicants who did not qualify for refugee status to remain here on an exceptional basis. Moreover, much of what Amnesty proposes represents current Home Office practice. There does, however, have to be an effective procedure for distinguishing between applications which meet the requirements of the UN convention and those which do not and, in this context, I cannot accept Amnesty's main recommendation that those who are refused asylum on arrival at a port should have a right of appeal exercisable before removal. The experience of other European countries reinforces our view that such a system would be likely to encourage abuse of our asylum procedures.

Local Government Finance

Mr. Harry Greenway: To ask the Secretary of State for the Home Department if he has any plans to review the use by local authorities of moneys granted under section 11 of the Local Government Act 1966; and if he will make a statement.

Mr. John Patten: Improved arrangements for monitoring the use made by local authorities of posts funded under section 11, introduced in the Home Office circular of 1 October 1986, now apply to all posts approved or reviewed since that date and are being extended to all other funded posts. We shall be considering whether any further changes are needed.

AIDS

Mr. Butler: To ask the Secretary of State for the Home Department if he will make it his policy to screen all prisoners at the reception stage for HIV-1 and HIV-2.

Mr. Douglas Hogg: Screening of all prisoners at the reception stage is already undertaken in the form of medical inquiry and investigation. Routine blood testing is not practised and there are no plans to introduce it.

Polyester Security Glazing Film

Sir Eldon Griffiths: To ask the Secretary of State for the Home Department what studies he has made of recent developments in polyester security glazing film; and if he intends to encourage the use of this form of window protection for police cars and police stations.

Mr. Douglas Hogg: Two studies of the resistance of various types of glazing, with and without the addition of polyester film, were conducted in 1986 and their findings were made available to chief constables. Further related work is now in progress.

Since 1977 the Home Office has recommended that wherever necessary windows in new police stations should be shatter-proof or protected by film.

Police (Firearms)

Sir Eldon Griffiths: To ask the Secretary of State for the Home Department if he is satisfied with the present facilities for tactical weapons training; whether he has yet established common physical standards for firearms officers in all English forces; how many forces still lack counselling facilities for officers who may suffer post-shooting traumas; and what response he has made to the recommendation at paragraph 130 of the Home Office working group on police use of firearms that a chief superintendent with knowledge of firearms be seconded to assist Her Majesty's Inspectors of Constabulary.

Mr. Douglas Hogg: The Home Office working group on the police use of firearms made 36 recommendations for the improvement of policy and procedures relating to the issue to and use by the police of firearms in England and Wales, all of which we support. The majority of recommendations have already been implemented, but there are some on which further work is still required. A working party of the Association of Chief Police Officers is giving urgent attention to identifying a suitable site for a tactical training facility. A second ACPO working group is considering how best to develop a range of physical fitness and medical standards to meet the requirements of each category of firearms specialisation. Although there are some forces where work is still in progress to build into operational contingency plans provision for counselling facilities for officers involved in shootings, most of those forces have made interim arrangements for such counselling to be provided. The suggestion that a chief superintendent with knowledge of firearms should be seconded to assist Her Majesty's Inspectors of Constabulary is being actively pursued by the inspectorate.

Gibraltar (Shooting)

Mr. Soley: To ask the Secretary of State for the Home Department whether the powers contained in the Prevention of Terrorism Act were used at any time in the events leading up to the shooting of three people in Gibraltar; and if he will make a statement.

Mr. Hurd: No.

Fire Prevention Officers

Mr. Campbell-Savours: To ask the Secretary of State for the Home Department (1) if he will list the lack of outstanding initial, re-inspection and routine fire prevention inspections in each county in the United Kingdom as an annual figure expressed in officer man years for each of the last 10 years;

(2) if he will list the lack of outstanding initial, re-inspection and routine fire prevention inspections for private residential homes in each county in the United Kingdom as an annual figure expressed in officer man years for each of the last 10 years.

Mr. John Patten: This information is not readily available and could be obtained only at disproportionate cost.

Forensic Science Service

Mr. Hunter: To ask the Secretary of State for the Home Department what steps have been taken by the Home Office forensic science service to improve the quality of scientific evidence provided by the service in criminal cases.

Mr. Hurd: Substantial improvements have been made. Since 1979, there have been formal arrangements to monitor the quality of work in the Home Office forensic science service. These are based on a regular series of open and "blind" trials, organised both within each laboratory, and centrally by the service's research establishment. They cover the problems normally found in case work in a range of disciplines. The results of such trials are thoroughly reviewed, with a view to further improvements in case work procedures; in 1986 a general review of the quality assurance arrangements concluded that they were effective and economical.

These are supplemented, first, by regular inspections of the major Departments of each laboratory by senior officers from other laboratories in the service, and, secondly, by a scientific advisory group, chaired by Sir Ronald Mason FRS, and comprising eminent scientists, which was established in 1986, to advise the service on the development of its scientific standards.

Linked to the efforts to improve the quality of the service's work is an extensive training programme at the service's training unit at Birmingham. This provides an induction course for all newly appointed scientific staff; courses on specific techniques and instruments; and a course to prepare staff to give evidence in court. In 1987, 214 staff received training at the unit, varying from a day to a week.

Parole

Mr. John Marshall: To ask the Secretary of State for the Home Department how many convicted rapists have been paroled during the past 10 years; and how many have committed subsequent offences.

Mr. John Patten *[holding answer 15 March 1988]:* The table shows the numbers of persons with a principal offence of rape who were paroled from determinate sentences (excluding life) between 1977 and 1986, together with the numbers considered. To provide information on the number of these parolees who were reconvicted subsequently, whether for rape or any other offences, would involve disproportionate cost. Since 1983, prisoners given sentences of more than five years for rape have been granted parole, other than in wholly exceptional circumstances, for only a few months towards the end of the sentence where this seems likely to reduce the long-term risk of reoffending.

Prisoners serving determinate sentences for rape who were considered for parole: by outcome, 1977-86

Number of persons

	Considered for parole	*Released on parole*[1]
1977	374	137
1978	385	170
1979	390	149
1980	445	211
1981	496	253
1982	359	146
1983	422	186
1984	489	213
1985	545	201
1986	587	177

[1] Including those deported on release.

Juvenile Boys

Mr. Wheeler: To ask the Secretary of State for the Home Department what changes he proposes to make to the arrangements for the remand in custody of juvenile boys.

Mr. John Patten *[holding answer 29 February 1988]:* It is the Government's policy, consistent with the terms of the Bail Act 1976, that remands in custody should be restricted to those cases where they are unavoidable, given all the circumstances of the case. There is a particularly strong argument for keeping untried juveniles out of custody wherever possible, especially when they might otherwise have to be held in an overcrowded local prison. The scope for remanding juveniles in custody has been progressively restricted. After careful consideration and having due regard to the need to maintain adequate safeguards for the public, the Government propose to restrict further the circumstances in which juveniles may be remanded in custody.

The only juveniles who may now be remanded in custody are 15 and 16-year-old boys certified by the courts as being too unruly to be safely remanded to local authority care. The unruliness certification procedure is available for two categories of boys; those charged with or previously convicted of an offence of violence or charged with an offence carrying a penalty of at least 14 years imprisonment; and those remanded in care who have persistently absconded or been seriously disruptive. Under the Government's proposals, the procedure will still be available for 15 and 16-year-old boys but the categories will be narrowed. The first will be limited to boys charged with or previously convicted of an offence carrying a maximum penalty of life imprisonment, the second to those remanded in care who pose a substantial risk to themselves or others. Certain other changes to the procedure are also proposed. The changes will reduce the numbers of juveniles remanded in custody, while ensuring that the courts retain all necessary powers for the protection of the public. The details of the proposals are set out in a consultation paper published today.

FOREIGN AND COMMONWEALTH AFFAIRS

Irish Republic (British Ambassador)

Mr. McCusker: To ask the Secretary of State for Foreign and Commonwealth Affairs how many times the British ambassador to the Irish Republic has been called to the Department of Foreign Affairs in Dublin during the past three months; and what matters the Government of the Irish Republic expressed concern about.

Sir Geoffrey Howe: The British ambassador to the Republic of Ireland regularly visits the Department of Foreign Affairs, at his request or at that of the Department. A variety of subjects of interest to both Governments have been raised at these meetings. He has been summoned to the Department only once in the past three months, to discuss the operation of the Prevention of Terrorism Act on 7 March.

Consultative Documents

Mr. Kirkwood: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make it his policy that responses received to consultative documents issued by his Department be made publicly available in his Department's library, except where the respondent has specifically asked that this not be done; and if he will arrange for this procedure to be made clear when future consultative documents are issued.

Mr. Eggar: Although Foreign and Commonwealth Office consultative documents are few in number we have a clear policy to make as much information available as possible while preserving the confidentiality essential to the effective working of Government.

NATO (Brussels Demonstration)

Ms. Ruddock: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he has regarding the arrest of 14 British citizens in Brussels during a demonstration outside the North Atlantic Treaty Organisation headquarters on 2 March; and if he will make representations to his counterpart in Belgium regarding the conditions of their detention.

Mr. Eggar: A group of British citizens were taken into custody by the Brussels town police on 2 March 1988 and held for between eight and 10 hours. They were detained under normal police procedures for reasons of security and public order.

We have no evidence to suggest that their conditions of detention were different from those which a Belgian citizen could expect if detained in similar circumstances.

Nuclear Materials

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he has as to the evidence given on 10 March, by the EEC Energy Commissioner to the European Parliament special inquiry committee on nuclear materials mismanagement in the EEC, on the specific current location and present safeguard arrangements for *(a)* 180 kg of United Kingdom origin civil plutonium exported to Belgium under an agreement of 3 May 1968, and *(b)* 200 kg of United Kingdom civil origin plutonium exported to NUKEM, at Hanun in the Federal Republic of Germany under an agreement dated 4 August 1969.

Mr. Mellor: As far as we are aware, no evidence was given on either of these exports.

Dr. Thomas: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he

possesses on the statement and hearing by the EEC Environment Commissioner before the European Parliament special inquiry committee into nuclear waste and nuclear materials transport in the EEC, held at Strasbourg on 10 March.

Mr. Mellor: Mr. Clinton Davies, Commissioner for the Environment, stated that the Commission had so far found no irregularities in the mode of transport or of the containers used in the transport of radioactive material between Belgium and Federal Germany and Commission experts had found that the radioactivity of discharges from Mol had remained within Community public health limits. However, there had been irregularities in the labelling and recording of nuclear waste sent from Mol and the Commission would now consider the need for Community legislation in this area.

DEFENCE

Soviet Missiles

Mr. Cohen: To ask the Secretary of State for Defence what evidence he has, and from what source, of Soviet development of tactical air-launch cruise missiles; and if he will make a statement.

Mr. Ian Stewart: The Soviet Union deploys a wide range of tactical air-launched cruise missiles and continues to develop new and more advanced weapons systems of this type. It would not be in the interests of security to comment on the source of this information.

Soviet Territorial Waters

Mr. Cohen: To ask the Secretary of State for Defence what arrangements he has made to ensure that British vessels do not sail within Soviet territorial waters without authority; and if he will make a statement.

Mr. Ian Stewart: The commanding officers of Royal Navy vessels are, of course, made fully aware of our obligations under international law and are issued with such other instructions as are considered appropriate for the areas to which they may be deployed. The details of such instructions are classified.

Mr. Cohen: To ask the Secretary of State for Defence what discussions he has had with his NATO allies to ensure that none of the member states' vessels sail within Soviet territorial waters without authority; and if he will make a statement.

Mr. Ian Stewart: My right hon. Friend regularly has discussions with his NATO colleagues on a wide range of defence matters of mutual interest. It is not our general practice to disclose the details of such discussions.

South Atlantic

Mr. John M. Taylor: To ask the Secretary of State for Defence if he will make a statement on the conduct of the recent military exercise in the South Atlantic.

Mr. Ian Stewart: Exercise Fire Focus, designed to practise the reinforcement of the Falkland Islands, is still in progress, and it would be premature to comment on its conduct.

French Defence Minister

Mr. Adley: To ask the Secretary of State for Defence if he will make a statement on his most recent discussion with his French counterpart on matters of mutual interest.

Mr. Ian Stewart: When my right hon. Friend met M. Giraud in the context of the Anglo-French summit on 29 January they discussed a range of issues including equipment collaboration and European security co-operation. The talks were a valuable continuation of the close bilateral dialogue which we enjoy with France on defence matters.

Falkland War Widows

Mr. Tony Lloyd: To ask the Secretary of State for Defence if he has any plans to review the benefits paid by his Department to Falkland war widows: and if he will make a statement.

Mr. Freeman: I have no plans to do so.

HMS Resolution

Mr. Canavan: To ask the Secretary of State for Defence whether he will place in the Library a copy of the report on the causes of the electrical malfunction affecting the cooling system of the nuclear reactor of the submarine HMS Resolution on 26 January.

Mr. Ian Stewart: No. Since it is not generally our practice to comment on matters affecting the operation of Her Majesty's submarines, the report in question will be classified.

Binary Munitions

Mr. Andrew Smith: To ask the Secretary of State for Defence what discussions he has had with his North Atlantic Treaty Organisation counterparts regarding the deployment of binary munitions in western Europe.

Mr. Ian Stewart: My right hon. Friend has regular discussions with his NATO counterparts on a full range of defence issues. I have nothing further to add to the reply of my hon. Friend the Under-Secretary of State for the Armed Forces to the hon. Member for Leyton (Mr. Cohen) on 24 July 1986 at column *490*.

Armed Forces (Shooting Inquiry)

Sir John Biggs-Davison: To ask the Secretary of State for Defence what is the normal procedure of inquiry when someone is killed or injured as a result of opening of fire by a member of the armed forces.

Mr. Freeman: Cases of death or serious injury in the United Kingdom as a result of a service man opening fire would normally be investigated by the civil police and, in the case of death, by a coroner's inquest. The services would, of course, co-operate with the civil authorities in these investigations. The procedure for the investigations of incidents overseas will depend upon the jurisdictional arrangements that apply in the country concerned.

The form of any separate service inquiry would depend on the cirumstances of the particular incident. Where one was required the service police would carry out an initial investigation which would, if necessary, be followed by a service board of inquiry.

SCOTLAND

Scottish Development Agency

Mr. Nicholas Bennett: To ask the Secretary of State for Scotland what was the total expenditure in cash terms and at constant 1988 prices of the Scottish Development Agency on the tourism industry in each year since the establishment of the Scottish Development Agency; and what percentage these figures represent of the total expenditure of the Scottish Development Agency in each of these years.

Mr. Lang: The Scottish Development Agency's activity in tourism is concerted with the Scottish Tourist Board, the Highlands and Islands Development Board and other interested bodies in Scotland. The agency has provided loan and equity finance for tourism projects which meet its normal investment criteria, and has also funded tourist projects under the local enterprise grants for urban projects scheme and the programme for rural initiatives and developments. Expenditure on tourist projects from these sources is as follows:

Expenditure on tourism by SDA

	Cash terms £ million	*Per cent. SDA expenditure*	*Real terms £ million*	*Per cent. SDA expenditure*
1983-84	0·143	0·17	0·170	0·17
1984-85	0·240	0·3	0·273	0·3
1985-86	0·235	0·3	0·253	0·3
1986-87	4·62	6·4	4·82	6·4

The above table represents 14 investments. Prior to 1983-84 separate figures were not kept. In addition, the SDA funds feasibility studies, land engineering and property development projects which may have a tourist element.

Infertility

Mr. McTaggart: To ask the Secretary of State for Scotland if he will instigate a survey by the Scottish Home and Health Department into the extent of infertility in Scotland and the case for increased staff at infertility clinics in each health board area.

Mr. Michael Forsyth: The Government have for some time recognised the importance of developments in the alleviation of infertility. We shall consider the need for a review of infertility services in Scotland when consideration has been completed of the Warnock report on human fertilisation and embryology.

Acute Surgical Beds

Mr. Galbraith: To ask the Secretary of State for Scotland if he will give the number of acute surgical beds in each hospital in each health board in Scotland.

Mr. Michael Forsyth: The information requested is given in the table.

NHS hospitals—average available staffed beds in acute surgical specialties: year ending 31 March 1987

Hospital-health board	*Average available staffed beds*
Argyll and Clyde health board	
Dunoon and district general hospital	31
Hawkhead hospital	44
Inverclyde Royal hospital	216
Paisley district general hospital	104
Royal Alexandra infirmary	81
Royal Alexandra infirmary annexe	31
Royal Victoria eye infirmary	16
Thorn hospital	21
Vale of Leven district general hospital	116
Victoria infirmary, Helensburgh	22
Victoria hospital, Rothesay	9
West Highland hospital	33
Health board total	724
Ayrshire and Arran Health Board	
Ayr County Hospital	97
Ballochmyle Hospital	158
Heathfield Hospital	31
Crosshouse Hospital, Kilmarnock	330
Seafield Sick Childrens Hospital	31
Health Board Total	647
Borders Health Board	
Peel Hospital	126
Health Board Total	126
Dumfries and Galloway Health Board	
Cresswell Maternity Hospital	8
Dumfries and Galloway Royal Infirmary	241
Carrick Hospital, Stranraer	22
Health Board Total	271
Fife Health Board	
Adamson Hospital	15
Cameron Hospital	25
Dunfermline and West Fife Hospital	131
Hunter Hospital	28
Milesmark Hospital	40
Randolph Wemyss Memorial Hospital	12
St. Andrew's Hospital	25
Victoria Hospital, Kirkcaldy	256
Health Board Total	532
Forth Valley Health Board	
Clackmannan County Hospital	41
Falkirk and District Royal Infirmary	226
Stirling Royal Infirmary	167
Health Board Total	434
Grampian Health Board	
Aberdeen Royal Infirmary	506
Chalmers Hospital, Banff	14
Dr. Gray's Hospital, Elgin	66
Glen O'dee Hospital	54
Huntly Jubilee Hospital	9
Royal Aberdeen Children's Hospital	95
Woodend General Hospital	221
Health Board Total	967
Greater Glasgow Health Board	
Belvidere Hospital	62
Canniesburn Hospital	125
David Elder Infirmary	12
Elder Cottage Hospital	29

Hospital-health board	Average available staffed beds
Gartnaval District General Hospital	291
Glasgow Royal Infirmary	521
Mearnskirk General Hospital	129
Philipshill Hospital	99
Royal Hospital for Sick Children, Drumchapel	10
Royal Hospital for Sick Children, Yorkhill	149
Royal Samaritan Hospital for Women	54
Southern General Hospital	368
Stobhill Hospital	289
Victoria Infirmary, Glasgow	267
Western Infirmary	284
Health Board Total	2,688
Highland Health Board	
Belford Hospital, Fort William	30
Bignold Hospital	15
Caithness General Hospital	11
Dunbar Hospital, Thurso	10
Lawson Memorial Hospital	15
Mackinnon Memorial Hospital, Broadford	19
Raigmore Hospital, Inverness	299
Ross Memorial Hospital, Dingwall	10
Town and County Hospital, Nairn	1
Town and County Hospital, Wick	7
Health Board Total	416
Lanarkshire Health Board	
Hairmyres Hospital	265
Law Hospital	325
Monklands District General Hospital	244
Stonehouse Hospital	181
Health Board Total	1,014
Lothian Health Board	
Astley Ainslie Hospital	85
Bangour General Hospital	225
Beechmont Hospital	29
Bruntsfield Hospital	46
Chalmers Hospital, Edinburgh	32
City Hospital, Edinburgh	130
Eastern General Hospital	90
East Fortune Hospital	18
Edenhall Hospital	9
Leith Hospital	51
Liberton Hospital	4
Longmore Hospital	17
Northern General Hospital	26
Princess Margaret Rose Orthopaedic Hospital	228
Roodlands General Hospital	40
Royal Hospital for Sick Children	68
Royal Infirmary, Including Eye Pavilion	453
Royal Victoria Hospital	7
Simpson Memorial Maternity Hospital	8
Western General Hospital	178
Health Board Total	1,743
Orkney Health Board	
Balfour Hospital	42
Health Board Total	42
Shetland Health Board	
New Gilbert Bain	38
Health Board Total	38
Tayside Health Board	
Blairgowrie and Rattray Cottage Hospital	1
Bridge of Earn Hospital, Perthshire	116
Dundee Royal Infirmary	258
Forfar Infirmary	16
Kings Cross Hospital, Dundee	10
Ninewells Hospital, Dundee	260
Perth Royal Infirmary	105
Stracathro Hospital, Brechin	162
Health Board Total	928
Western Isles Health Board	
Daliburgh Hospital[2]	10
Lewis Hospital, Stornoway	44
Health Board Total	54

Note: Components may not sum exactly to totals due to rounding.

[1] These specialties comprise: general surgery; orthopaedic surgery; ENT surgery; ophthalmology; urology; orthodontics and paediatric dentistry; oral surgery and oral medicine; restorative dentistry; paediatric surgery; gynaecology; acute mixed; neurosurgery; cardiothoracic surgery; plastic surgery and accident and emergency. Obstetric specialties are not included.

[2] Figures for year ending 30 September 1986.

Under-Sixes (Education)

Mr. Kirkwood: To ask the Secretary of State for Scotland (1) if he will make a statement on the provision of education for the under-sixes;

(2) what was the cost of producing the review of education provision for the under six-year-olds prior to its abandonment;

(3) why his Department cancelled the review of education provision for the under six-year-olds; and if he will make a statement.

Mr. Michael Forsyth: The review was discontinued to allow resources to be concentrated on more urgent matters. Work on it formed part of the overall functions undertaken by Her Majesty's inspectorate of schools and professional staff in the social work services group, and was not separately costed. I see no case at present for changing the existing arrangements under which regional and Islands councils have discretion over the extent and content of provision for pre-school children.

Fife Health Board

Mr. Menzies Campbell: To ask the Secretary of State for Scotland if he will list the number of *(a)* physiotherapists, *(b)* speech therapists, *(c)* radiographers, *(d)* chiropodists, *(e)* occupational therapists, *(f)* dieticians and *(g)* laboratory technicians employed by Fife health board in the last five years for which information is available; and what current vacancies, if any, there are.

Mr. Michael Forsyth: The information requested on numbers of staff employed by Fife health board is shown in the table. The number of vacancies is not available centrally.

Qualified staff in post in Fife Health Board at 30 September
Whole-time equivalent

Staff Group	1983	1984	1985	1986	[1]1987
Physiotherapists[2]	49·5	52·7	61·4	63·2	66·9
Speech therapists	22·0	21·5	23·7	25·3	26·0
Radiographers	36·3	35·3	36·6	37·5	38·3
Chiropodists	43·8	43·7	44·0	44·3	46·1

Staff Group	1983	1984	1985	1986	[1]1987
Occupational therapists	11·0	11·5	19·8	28·1	32·5
Dieticians	6·0	6·0	7·0	7·0	10·0
Medical laboratory scientific officers	65·0	62·0	64·4	66·5	70·6

[1]1987 data are provisional
[2]Includes one remedial gymnast in 1985

Mr. Menzies Campbell: To ask the Secretary of State for Scotland if he will list the members of Fife health board, their respective dates of appointment and their respective periods of appointment.

Mr. Michael Forsyth: I refer the hon. Member to my reply of 3 November 1987 at columns *687-8* to the hon. Member for Cumbernauld and Kilsyth (Mr. Hogg). All members of Fife health board are currently on four-year periods of appointment.

Mr. Menzies Campbell: To ask the Secretary of State for Scotland if he will list *(a)* the capital expenditure and *(b)* the revenue expenditure incurred by Fife health board in the last five years for which information is available; and what is the projected capital and revenue expenditure in the current year.

Mr. Michael Forsyth: The information is as follows:

Hospital and community health services

£ thousands

	(a) Capital expenditure	(b) Net recurrent expenditure
1982-83	7,564	49,999
1983-84	5,968	57,399
1984-85	6,171	62,250
1985-86	4,968	67,310
1986-87	2,921	73,264
1987-88	[1]4,580	[1]78,808

[1] Estimated final allocations (including supplementary allocations); actual expenditure by board is not yet known.

Mr. Menzies Campbell: To ask the Secretary of State for Scotland if he will list the numbers of *(a)* nurses, *(b)* paramedical staff, *(c)* general practitioners and *(d)* hospital doctors employed by Fife health board in the last five years for which information is available; and what current vacancies there are.

Mr. Michael Forsyth: The information requested on numbers of staff employed by Fife health board is shown in the table below. The number of vacancies is not available centrally.

Nursing staff, Doctors and Paramedical staff employed by Fife health board at 30 September

Whole-time equivalent[1]

Staff Group	1983	1984	1985	1986	[3]1987
Nursing staff	3,253·9	3,261·1	3,444·2	3,548·6	3,549·0
—qualified	1,811·9	1,848·0	1,920·8	2,025·7	2,060·7
—in training	591·0	581·0	620·5	625·0	586·0
—unqualified	851·0	832·1	902·9	897·9	902·3
Paramedical Staff[2]	204·5	212·4	237·4	249·5	271·5
General Medical Practitioners[1]	186·0	187·0	193·0	192·0	194·0
Hospital Doctors	190·9	194·1	197·6	197·3	202·4

[1]General medical practitioners are shown as head count.
[2]Includes qualified and unqualified staff.
[3]1987 data are provisional

Kidney Dialysis

Mr. Darling: To ask the Secretary of State for Scotland how many patients are currently undergoing kidney dialysis, by each health board area.

Mr. Michael Forsyth: This information is not available in the form requested. Only five health boards provide renal dialysis services. The number of patients being treated by the various forms of dialysis by each of those boards at 31 December 1986 is as follows:

	Number
Grampian	59
Greater Glasgow	384
Highland	24
Lothian	147
Tayside	74
	688

Mr. Darling: To ask the Secretary of State for Scotland how many patients are awaiting kidney dialysis, by each health board area.

Mr. Michael Forsyth: All patients who are referred to consultants for treatment for end-stage renal failure receive renal dialysis timeously provided that it is the consultant's clinical judgment that they would benefit from it.

Mr. Darling: To ask the Secretary of State for Scotland (1) what is the average number of nurses available for each kidney dialysis machine in each health board area;

(2) what is the percentage of time that kidney dialysis machines are either being used or are being prepared for use in each health board area.

Mr. Michael Forsyth: This information is not centrally available.

Mr. Darling: To ask the Secretary of State for Scotland if he intends to provide extra funding to provide for

nursing staff to allow the kidney dialysis machines at Edinburgh Western general infirmary to operate at maximum capacity.

Mr. Michael Forsyth: For 1988-89 Lothian health board has been allocated £266·427 million for net revenue expenditure on hospital and community health services, an increase of 5·3 per cent. over the equivalent figure for 1987-88. It is for individual boards, in the light of their knowledge of local needs, to decide on the provision of particular services and priorities between services. I understand that the board is preparing a report on the future provision of renal services in their area and that some neighbouring boards are also considering provision of this service.

Mr. Darling: To ask the Secretary of State for Scotland how many kidney dialysis machines there are in each health board area; and in which hospitals.

Mr. Michael Forsyth: Information on the number of kidney dialysis machines in hospital use is not available centrally. Hospitals with renal units where dialysis is carried out are listed below. Many patients are dialysed outside hospital, either on a machine in their home or using the continuous peritoneal ambulatory dialysis technique. My officials are at present considering the geographic coverage provided by the service.

Aberdeen Royal Infirmary
Dundee Royal Infirmary
Edinburgh Royal Infirmary
Glasgow Royal Infirmary
Raigmore Hospital, Inverness
Royal Hospital for Sick Children, Yorkhill, Glasgow
Stobhill Hospital, Glasgow
Western General Hospital, Edinburgh
Western Infirmary, Glasgow

Private Hospitals

Mr. Darling: To ask the Secretary of State for Scotland, further to his reply of 24 February, *Official Report*, column *237*, which health boards have met which private hospital operators.

Mr. Michael Forsyth: This information is not available centrally.

Public Appointments

Mr. Wallace: To ask the Secretary of State for Scotland if he will list in the *Official Report* all public and quasi-public body appointments for which he is responsible.

Mr. Rifkind: The bodies to which I make appointments are listed in "Public Bodies—1987" which is available in the Library of the House.

Forestry

Sir Hector Monro: To ask the Secretary of State for Scotland whether any modifications to the Government's forestry policy policy are envisaged as a result of the changes to the forestry tax and grant arrangements announced by the Chancellor of the Exchequer in his Budget Statement.

Mr. Rifkind: The changes to the tax and grant arrangements announced by my right hon. Friend are designed to provide a simpler and more widely acceptable system of support for private forestry. There has not, however, been any fundamental change in the Government's policy for encouraging forestry, in an environmentally acceptable way. This is reflected in the Forestry Commission's statutory duty to endeavour to achieve a reasonable balance between forestry and environmental considerations.

My right hon. Friends, the Minister of Agriculture, Fisheries and Food and the Secretary of State for Wales, and I remain of the view that a healthy forestry industry is in the national interest and that long term confidence in both forestry and wood processing industries in this country is fully justified. Last year in the context of new policies for alternative land use we announce an expansion of the forestry programme to 33,000 hectares of new planting a year, with particular emphasis on the private sector and with due regard to environmental considerations. The planting of a higher proportion of trees on low ground of better quality was also to be encouraged.

These policies remain unchanged, and to this end planting grants will be substantially increased. The expansion of planting in recent years has led to a significant and welcome growth in the United Kingdom of a modern wood processing industry through developments such as the Shotton Paper Company in Wales and Caledonian Paper in Scotland. The industry will in turn help to meet the growing demand for wood products and, together with the new planting programme, this will ensure that forestry contributes to employment in rural areas. Increased planting on better land will also provide an alternative to agricultural production and thereby assist in the reduction of agricultural surpluses.

4. The environmental effects of the changes will be positive for a number of reasons. First, the new arrangements for Government financial assistance for planting will strengthen the careful scrutiny and consultation procedures undertaken by the Forestry Commission, because it is very unlikely that any sizeable scheme will go ahead unless the commission has approved it for grant purposes. In considering applications the commission will continue to observe its published management guidelines relating to broadleaved woodland and will introduce similar guidelines for all types of woodland as part of the new scheme. Its procedures for dealing with applications for planting grants should thus gain in effectiveness as a means of controlling the environmental impact of forestry and ensure that the right trees are planted in the right places.

5. Second, the increased planting grants will incorporate a substantial differential in favour of broadleaved planting, so that the share of broadleaves in total planting can be expected to continue to increase. Third, there will be a new supplement for planting on arable or improved grassland. Full details of a new Forestry Commission grant scheme reflecting these new arrangements will be announced next week.

6. Finally, the increased grants will be available for replanting in existing forest areas. In considering applications for replanting grants the Forestry Commission will follow policies which are designed to convert forests of an even age into attractive and more varied landscapes with a mixture of types and ages of tree.

7. The changes that have been announced, together with the new grant scheme to be announced next week, are designed to encourage the achievement of the Government's aims for forestry in a manner which is acceptable in environmental and land use terms and which

appeals to a wider range of interests. Forestry has an important role to play in the well being of this country. The industry has the support of this Government and has an assured future.

8. My right hon. Friend, the Secretary of State for the Environment, is today making a separate announcement on behalf of my right hon. Friend the Minister of Agriculture, Fisheries and Food and himself, about environmental guidance on the approval of grant applications for afforestation in England.

Job Training Scheme (Dundee)

Mr. McAllion: To ask the Secretary of State for Scotland if he will give for the Manpower Services Commission area manpower board covering Dundee, the most recent monthly statistics for new JTS showing entrants in the latest available period, and the number of cumulative entrants since the scheme started and a breakdown of entrants which shows how many were male and female, the length of time they had been out of work, their ethnic backgrounds and whether or not they had any disabilities.

Mr. Lang *[holding answer 10 March 1988]:* The new job training scheme figures for Grampian and Tayside area manpower board are given in the table.

	Number
Number of entrants in February 1988	244
Cumulative entrants April 1987 to February 1988	1,585
of which:	
Male	1,176
Female	409
6-12 months unemployed	732
13-24 months unemployed	461
Over 2 years unemployed	392
White	1,509
Black, African or Caribbean descent	2
Indian subcontinent descent	8
Others	52
Chose not to answer the question	14
Disabled	72

Labour Statistics

Mr. McAllion: To ask the Secretary of State for Scotland if he will give, for each of the last 10 years, the total number of long-term unemployed in each travel-to-work area and jobcentre area in Tayside, indicating the resultant fall since the introduction of the restart programme.

Mr. Lang *[holding answer 10 March 1988]:* Table 1 shows the number of people unemployed for six months or more in travel-to-work areas in Tayside in January of each year since 1979.

Table 2 shows the number of people unemployed for six months or more in jobcentre areas in Tayside in January each year from 1979 to 1985. Figures by jobcentre areas are not available after 1985.

Table 1
Unemployed six months or more in January each year
Travel-to-work areas in Tayside

Previous TTWAs	*1979*	*1980*	*1981*	*1982*	*1983*
Arbroath	339	343	506	850	914
Blairgowrie	138	170	224	320	398
Dundee	4,167	4,223	6,159	8,976	8,945
Forfar	128	113	255	537	538
Montrose	226	214	436	496	513
Perth	695	769	1,024	1,654	1,811
Tayside	5,693	5,832	8,604	12,833	13,119

Current TTWAs	*1984*	*1985*	*1986*	*1987*	*1988*
Arbroath	819	757	909	965	828
Blairgowrie and Pitlochry	657	690	706	784	599
Brechin and Montrose	591	642	714	819	761
Crieff	179	218	225	235	198
Dundee	9,962	10,036	10,318	9,797	8,512
Forfar	618	550	635	684	561
Perth	1,470	1,465	1,662	1,865	1,480
Tayside	14,296	14,358	15,169	15,149	12,939

Table 2
Unemployed 6 months or more in January each year. Jobcentre areas in Tayside

	1979	*1980*	*1981*	*1982*	*1983*	*1984*	*1985*
Arbroath	339	343	506	850	914	1,085	1,050
Blairgowrie	138	170	224	320	398	451	465
Dundee	4,167	4,223	6,159	8,976	8,945	9,767	9,837
Forfar	128	113	255	537	538	610	545
Montrose	226	214	436	496	513	547	575
Perth	695	769	1,024	1,654	1,811	1,802	1,862
Tayside	5,693	5,832	8,604	12,833	13,119	14,262	14,334

Due to the various changes which have taken place in the compilation of the statistics during the period, the figures are not directly comparable.

It is not possible to determine how many unemployed claimants left the count as a direct result of the restart programme, which began in Dundee in January 1986 and was extended nationally in July 1986.

Mr. McAllion: To ask the Secretary of State for Scotland if he will give for the Manpower Services Commission area manpower board covering Dundee, the most recent monthly statistics for new JTS showing (i) the number of trainees in the latest available period who entered work placements, (ii) the cumulative total of how many are in work places at the latest available date, (iii) trainees who left the scheme in the latest available period, and (iv) the number of cumulative leavers since the scheme started.

Mr. Lang *[holding answer 10 March 1988]:* The new job training scheme figures for Grampian and Tayside area manpower board area are given below.

	Number
(i) Number of trainees who entered work placements directed training in February 1988	44
(ii) Cumulative total of trainees in work placements directed training from April 1987 to February 1988	277
(iii) Trainees who left the scheme during February 1988	124
(iv) Number of cumulative leavers from April 1987 to February 1988	1,295

Mr. McAllion: To ask the Secretary of State for Scotland if he will give for the Manpower Services Commission area manpower board covering Dundee, the most recent monthly statistics for new JTS showing for all those trainees who have left the scheme how many (i) found work, (ii) failed to attend, (iii) went on to another course of training or education, (iv) completed the course, (v) left for sickness and (vi) went back into unemployment; and what is the total number of currently filled places.

Mr. Lang *[holding answer 10 March 1988]:* This information is not available. An independent follow-up survey to collect data on the destination of trainees leaving the new job training scheme has been commissioned and the results are expected to be available in the next few months.

There are currently 277 trainees on new JTS in the Grampian and Tayside area manpower board area.

EMPLOYMENT

Benefit Fraud

Mr. Cummings: To ask the Secretary of State for Employment what is the estimated cash saving accrued to his Department in the last year as a result of the activities of his Department's benefit fraud investigators in the Seaham and Peterlee areas during that period; and if he will make a statement.

Mr. Lee: The estimated gross benefit saving from my Departments investigation work in the Seaham and Peterlee areas in 1987 is £232,000.

Jobcentres

Mr. Leighton: To ask the Secretary of State for Employment if he will establish a jobcentre at the business efficiency centre on the Isle of Dogs.

Mr. Lee: The area is already covered by jobcentres at Poplar and in the library building on the Isle of Dogs. We are currently considering whether any changes to the facilities are needed to improve the services to unemployed people in the area. If we do decide to relocate our jobcentres we would certainly wish to look at a number of possible locations.

Mr. Leighton: To ask the Secretary of State for Employment if he will establish jobcentre facilities for the people of Silvertown and Canning Town.

Mr. Lee: Silvertown and Canning Town are already well covered by our Plaistow jobcentre. This office deals with all jobseekers in the E13, E6 and E16 postal areas.

AGRICULTURE, FISHERIES AND FOOD

Intervention Stores

Mr. Wareing: To ask the Minister of Agriculture, Fisheries and Food if he will list the location of European Community intervention stores within the United Kingdom.

Mr. Donald Thompson *[holding answer 14 March 1988]:* As at 1 March 1988, intervention product was in store at the following locations, in various quantities:

Skimmed milk powder

Craigavon
Exeter
Telford
Chard Junction

Butter

Aberdeen
Annalong
Avonmouth
Aylesford
Ballymena
Banbridge
Banbury
Belfast
Birmingham
Blairgowrie
Bloxwich
Bristol
Buxton
Cannock
Cardiff
Chard Junction
Cheltenham
Coleraine
Colnbrook
Craigavon
Cullompton
Cumbran
Dagenham
Derby
Doncaster
Droitwich
Dundee
Dungannon
Eastleigh
Easton
Edinburgh
Eglington
Evesham
Exeter
Fleetwood
Frome
Gillingham
Glasgow
Glenrothes
Goole
Grantham
Great Harwood
Grimsby
Hereford
Heywood
Hull
King's Lynn
Leeds
Leek
Lisburn
Liverpool
Llangadog
London
Londonderry
Lowestoft
Luton
Manchester
Merthyr Tydfil
Newport
Newtown Abbey
Northallerton
Northshields
Nuneaton
Omagh
Oswestry
Peterborough
Plymouth
Pontefract
Preston
Reading

Retford
Rhyl
Rochdale
Scunthorpe
Sevenoaks
Sheffield
Sherborne
Shrewsbury
Southshields
St. Helens
Stoke
Stonehouse
Stourport
Strabane
Sutton-in-Ashfield
Swansea
Swindon
Tamworth
Taunton
Tewkesbury
Thetford
Truro
Warrington
Warwick
Wigan
Wigston
Wolverhampton
Yate

Beef

Aberdeen
Antrim
Avonmouth
Ballymena
Banbury
Belfast
Bishops Stortford
Blackburn
Bridge of Allan
Bristol
Bourne
Bury St. Edmunds
Cannock
Cardiff
Coleraine
Colnbrook
Craigavon
Cullumpton
Dagenham
Doncaster
Droitwich
Dundee
Dungannon
Eastleigh
Edinburgh
Exeter
Felixstowe
Fleetwood
Fraserburgh
Frome
Gateshead
Gillingham
Glasgow
Glenrothes
Grantham
Great Harwood
Hereford
Hull
Inverness
King's Lynn
Leeds
Leicester
Lisburn
Liverpool
London
Londonderry
Lowestoft
Maidstone
Manchester
March
Newtownabbey
Newry
Omagh
Oswestry
Paddock Wood
Peterborough
Peterhead
Plymouth
Pontefract
Portadown
Reading
Retford
St. Asaph
St. Helens, Merseyside
Scunthorpe
Sheffield
Sherborne
Shrewsbury
Strabane
Strathclyde
Stourport-on-Severn
Truro
Walsall
Warwick
Wigan
Wigston
Wolverhampton
Yate

Cereals

Airdrie
Bardney
Belford
Birmingham
Braintree
Bressingham
Chipping Warden
Christchurch
Cleveland
Clifton, Yorks
Clopton
Coventry
Doncaster
Driffield
Dumfries
Duns
Dysart
Ely
Felixstowe
Foulsham
Gainsborough
Glenrothes
Gloucester
Halesworth
Hartlebury
Heybridge
Honeybourne
Hull
Huntingdon
Ipswich
Keith
Kentford
Kidderminster
Kings Lynn
Kirkcaldy
Linton
Louth, Lincs
Maldon
Market Rasen
Misson
Newcastle
Newmachar
Newmarket
Ormiston
Penicuik
Raydon
Retford
Ringwood
Royston
Salisbury
Scunthorpe
Snetterton
Staughton
Stowmarket
Stracathro
Telford
Tranent
Turriff
Watford
Whitchurch, Salop
Whittlesford
Wimblington
Wisbech
Witney

Thames Flood Plains

Mr. Bowis: To ask the Minister of Agriculture, Fisheries and Food if he will place a copy of the Thames water authority's map of the river Thames flood plains in the Library.

Mr. Gummer *[holding answer 10 March 1988]:* I have arranged for a map of the river Thames flood plains to be placed in the Library of the House. More detailed versions may be inspected at Thames water authority's offices or in those of appropriate local authorities.

ENERGY

Nuclear Reactors (Decommissioning)

Mr. Pike: To ask the Secretary of State for Energy what representations he has received regarding the ending of Central Electricity Generating Board participation in research programmes into decommissioning nuclear reactors.

Mr. Michael Spicer: The UKAEA is in touch with my Department about the implications of the CEGB's position.

Mr. Pike: To ask the Secretary of State for Energy how many nuclear reactors he estimates will be decommissioned before the year 2000; and which ones they will be.

Mr. Michael Spicer: This is a matter for the Central Electricity Generating Board. I have asked the chairman to write to the hon. Member.

Mr. Pike: To ask the Secretary of State for Energy whether the conduct of research into the decommissioning of nuclear reactors will be a managerial matter for the appropriate privatised electricity generation company.

Mr. Michael Spicer: Yes. Other organisations may of course also wish to undertake research into decommissioning.

Electricity Distribution

Mr. Oppenheim: To ask the Secretary of State for Energy what representations he has received regarding the monopolistic position of electricity distribution boards; and if he will make a statement.

Mr. Michael Spicer: My right hon. Friend and I have received representations on numerous aspects of electricity distribution. As my right hon. Friend the Secretary of State told the House on 25 February 1988, the distribution of electricity is largely a natural monopoly, in which it would not be economic to duplicate resources.

However, it will be possible for adjacent distribution companies to compete with one another to supply large users near their common borders, and there will be scope

for large users to buy their supplies direct from generators. There is, in addition, substantial room for competition in the generation of electricity by power stations.

Uranium (Imports)

Dr. Thomas: To ask the Secretary of State for Energy (1) for what purpose natural uranium was imported from Durban to Southampton on 28 February 1987; and if that material was under safeguards arrangements;

(2) what is the final destination and intended end-use of the uranium hexafluoride from Houston, received at Felixstowe on 22 April 1987; and if this material is under safeguards arrangements;

(3) for what purpose natural uranium was imported from Houston to Felixstowe on 15 May 1987; and if this uranium was under safeguards arrangements;

(4) for what purpose yellow cake uranium was imported from Houston to Liverpool on 17 June 1987; and if this material was under safeguards arrangements;

(5) for what purpose natural uranium was imported from Houston to Felixstowe on 24 June 1987; and if this material was covered by safeguards arrangements;

(6) for what purpose yellow cake uranium was imported from New Orleans to Felixstowe on 7 September 1987; and if this material was covered by safeguards arrangements;

(7) for what purpose uranium hexafluoride was imported from New Orleans to Felixstowe on 2 December 1987; and if this material was under safeguards arrangements;

(8) for what purpose natural uranium was imported from Savannah, Georgia, to Felixstowe on 2 December 1987; and if this material was covered by safeguards arrangements.

Mr. Michael Spicer: Uranium imported on the dates specified by the hon. Member was for processing in plants operated by British Nuclear Fuels plc. All material processed by BNFL for civil purposes is under safeguards.

Magnox Reactors

Mr. Cohen: To ask the Secretary of State for Energy if he will call for a report from (i) the Central Electricity Generating Board in the United Kingdom and (ii) the Health and Safety Executive's Nuclear Installations Inspectorate about what implications the closure of the Magnox reactor at Latina in Italy has for the British Magnox programme; and if he will make a statement.

Mr. Michael Spicer: I refer the hon. Member to the answer I gave him on Thursday 10 March 1988 at column *349*.

Mr. Thomas: To ask the Secretary of State for Energy what information he has on the statement made by the EEC Environment Commissioner before the European Parliament on 9 March in Strasbourg concerning the applicability of Euratom treaty article 34 to present Central Electricity Generating Board plans to conduct safety tests on their Magnox reactors.

Mr. Michael Spicer: I have noted the points made by the Commissioner.

Regional Electricity Boards (Credit Sale Agreements)

Mr. Heddle: To ask the Secretary of State for Energy if he will publish in the *Official Report* what information he has on the real rates of interest charged by each of the regional electricity boards in England and Wales on credit sale agreements.

Mr. Michael Spicer: The setting of interest rates on credit sales agreements is a matter for the electricity industry. I have asked the chairman of the Electricity Council to write to my hon. Friend.

Oil and Gas Projects

Mr. Macdonald: To ask the Secretary of State for Energy if he will list the oil and gas projects in the North sea waiting for annex B approval; and if he will give the dates since which each of these projects has been waiting approval.

Mr. Peter Morrison: The Department is currently discussing with operators 16 North sea developments (new fields and incremental projects). Examination of development plans is undertaken on a confidential basis. I am unable to specify which projects are under consideration, and, as I said in my reply of 18 January 1988, column *506*, it is not my practice to comment on timing.

Nuclear Materials

Dr. Thomas: To ask the Secretary of State for Energy if he will make a statement on his Department's policy towards submitting evidence to the European Parliament committee of inquiry on nuclear materials safeguards in the European Economic Community, with particular regard to the managing and packaging of nuclear materials sent from the United Kingdom to Mol in Belgium and Hanau in the Federal Republic of Germany.

Mr. Michael Spicer: No request for evidence has been received by my Department.

Dr. Thomas: To ask the Secretary of State for Energy what information he possesses on the statement, and subsequent cross-examination, of the EEC Energy Commissioner before the European Parliament special inquiry committee into nuclear materials mismanagement and transport in the EEC held in Strasbourg on 10 March.

Mr. Michael Spicer: Mr. Mosar, Commissioner for Energy, made a presentation to the committee stating that following re-examination of previous checks on nuclear material at Hanau and Mol, the Commission had found no evidence of illegal exports. Mr. Mosar noted that the International Atomic Energy Agency had reached the same conclusion.

Nuclear Accidents

Mr. Roy Hughes: To ask the Secretary of State for Energy what national plan he has for dealing with a Chernobyl type accident in Britain.

Mr. Michael Spicer: The Chernobyl accident occurred because of a combination of design weaknesses in the reactor system, as the Russians themselves acknowledged, and deliberate failures of staff to observe prescribed safety procedures. The Chernoblyl reactor was of a completely different design from any operating in, or proposed for, the United Kingdom.

The precautions taken in the design and construction of nuclear installations in this country, and the very high standards applied in operating and maintaining them,

make it highly unlikely that accidents will occur which might significantly affect the public. But, however remote that possibility, Her Majesty's nuclear installations inspectorate requires, as a condition of its site licences, that emergency plans are prepared and tested regularly in exercises. The Health and Safety Executive believes that a balance needs to be struck between detailed plans that are sufficiently extensive to cope with a serious accident and the unjustified use of resources involved in planning for improbable accidents.

Plutonium

Dr. Thomas: To ask the Secretary of State for Energy if any safeguarded plutonium, originating in the United Kingdom and exported to Belgium since 1979, was sent to the MOL nuclear centre.

Mr. Michael Spicer *[holding answer 22 February 1988]:* Total exports of safeguarded plutonium sent to the MOL nuclear research centre since 1979 have amounted to significantly less than 1 gram.

ENVIRONMENT

Unused Land

5. **Mr. Madel:** To ask the Secretary of State for the Environment whether he will consider further action to improve the performance of local authorities in disposing of unused land.

Mr. Ridley: In replying to my hon. Friend, the Member for Banbury (Mr. Baldry) on 7 March, I said that I intend that local authorities should regularly publish information about the unused and underused land that they own, in order to stimulate improved management of their land and contribute to their public accountability.

Property Advisory Group

17. **Mr. Bowis:** To ask the Secretary of State for the Environment what issues are being investigated by the Property Advisory Group.

Mrs. Roe: The Property Advisory Group provides advice on a wide range of matters relating to land and property development, and is at present examining the problems of vacant land in inner cities.

Forestry

18. **Mr. Hood:** To ask the Secretary of State for the Environment what representations he has received about the measures the Government intend to apply to prevent further damage to forests in the United Kingdom.

Mr. Ridley: The Forestry Commission's 1987 survey established a benchmark of tree health, not evidence for damage. This is a point which the few representations my Department has received on the topic fail to understand.

Forestry (Grants)

Mr. Gow: To ask the Secretary of State for the Environment what environmental guidance the Government propose to give to the Forestry Commission about the approval of grant applications for afforestation in England.

Mr. Ridley: My right hon. Friend the Secretary of State for Scotland is making a general statement about forestry policy in Great Britain in the light of the Budget changes. Both in its own forestry operations and in considering applications for planting grants, the Forestry Commission has statutory duty to endeavour to achieve a reasonable balance between forestry and environmental considerations. In cases where the appropriate balance is in doubt, because an objection has been made by the relevant public or local authority and has not been resolved by the commission's regional advisory committee, the commission has since 1974 been directed by forestry Ministers to seek their views before approving the application, or proceeding with the scheme, as the case may be. In England, I am consulted in appropriate cases.

My right hon. Friend the Minister of Agriculture, Fisheries and Food and I have decided that it would be helpful for the Forestry Commission also to have general guidance from the Government about fulfilling its statutory duties in relation to the environment in England. This guidance will be contained in a letter which the Minister of Agriculture, Fisheries and Food will be sending to the chairman of the Forestry Commission. The main features of the guidance will be as follows:

A large proportion of the land in England has been used for agriculture as either arable or improved grassland. We therefore attach a high value to conserving, and where necessary restoring, the habitats which the remaining unimproved land provides, including the uplands and ancient woodlands. While we see some scope for broadleaved and mixed woodlands, approval should not normally be given in the uplands of England for new planting which consists predominantly of conifers. The only exception would be small areas where it is clear that such planting would be environmentally acceptable.

The main potential for afforestation in England lies on arable land and improved grassland which may no longer be needed for food production. It has already been decided that the farm woodland scheme should be targeted on land previously in agricultural use. This concept is incorporated in the Farm Land and Rural Development Bill currently before Parliament. The new grant rates will provide additional incentives for the planting of broadleaved trees and for planting on improved land.

In existing forested areas, the granting of felling licences by the Forestry Commission to private owners is normally subject to the condition that replanting should be carried out. In future, however, the Forestry Commission will be expected to follow policies which will convert forests of an even age into attractive and more varied landscapes with a mixture of types and ages of trees.

Water Industry (Privatisation)

19. **Mr. Henderson:** To ask the Secretary of State for the Environment what response he has received from the Water Companies Association about the consultation papers relating to how the present structure of statutory water companies will be safeguarded in any future plans for privatisation.

Mr. Ridley: We are discussing with the association its constructive response to the two papers which outline our proposals for the future of the water companies.

Olympic Games (Funding)

20. **Mr. Menzies Campbell:** To ask the Secretary of State for the Environment what representations he has received from the British Olympic Association regarding the funding of high level competitors.

Mr. Moynihan: None.

Rating Reform

21. **Mr. McAllion:** To ask the Secretary of State for the Environment what is his estimate of the number of single old-age pensioners likely to lose financially from the introduction of the poll tax.

Mr. Howard: I refer the hon. Member to the answer I gave to the hon. Member for Coventry, South-East (Mr. Nellist) some moments ago.

Opencast Mining

22. **Mr. Yeo:** To ask the Secretary of State for the Environment what recent representations he has received regarding planning policy in relation to opencast mining.

23. **Mr. Mullin:** To ask the Secretary of State for the Environment if he has any plans to revise further his planning policies towards opencast coal mining; and if he will make a statement.

Mr. Ridley: The Department issued revised draft guidelines for opencast coal mining for consultation in April last year. We received a number of representations and these are being considered. We propose to publish revised guidelines in the near future.

Nuclear Waste

24. **Mr. Wallace:** To ask the Secretary of State for the Environment what representations he has received from foreign Governments on Britain's nuclear waste disposal programe.

Mr. Moynihan: My right hon. Friend has received no recent representations from foreign Governments on Britain's nuclear waste disposal programme. However, the disposal options currently under consideration have been discussed at various international meetings.

Warrington-Runcorn New Town

25. **Mr. Butler:** To ask the Secretary of State for the Environment if he will make a statement regarding the progress of Warrington-Runcorn new town in allocating factory space.

Mrs. Roe: Warrington and Runcorn development corporation continues to make good progress in attracting private investment for industrial development. In disposing of development land for new factories, the corporation is required to achieve the best consideration reasonably obtainable.

Homeless Children

26. **Miss Lestor:** To ask the Secretary of State for the Environment if he will give his estimate of the number of children in homeless accommodation and their approximate length of stay.

Mrs. Roe: This information is not collected by the Department.

Badgers

27. **Mr. Janner:** To ask the Secretary of State for the Environment what recent representations he has received concerning the protection of badgers setts.

Mr. Moynihan: We have received a number of representations from right hon. and hon. Members and members of the public on this matter. The badger already receives a substantial degree of protection under the Badgers Act 1973 and the Wildlife and Countryside Act 1981, as amended. We have no plans at present to amend the current statutory provisions.

Housing Action Trust

28. **Mr. Litherland:** To ask the Secretary of State for the Environment if he will list the Housing Action Trust areas.

Mrs. Roe: My right hon. Friend has yet to decide where he intends to seek designation of the first housing action trust areas. We shall announce our proposals while the Housing Bill is before Parliament.

Houses (Asbestos)

29. **Mrs. Maureen Hicks:** To ask the Secretary of State for the Environment what evidence he has of the number of local authority houses which have been identified as having sufficient asbestos content in their heating systems and service ducts to warrant remedial action.

Mrs. Roe: The joint central and local government working party on asbestos attempted to estimate the extent to which asbestos has been used in local authority properties, including its use in heating systems. The working party concluded that there was insufficient information for a meaningful estimate to be made. Furthermore, my Department and the working party take the view that the amount of asbestos is not an appropriate criterion for deciding on remedial action. Such actions should be based on an assessment of the condition of the asbestos and of its potential to release fibres. This can only be done locally and on a case by case basis.

Local Government Staff

30. **Mr. John Marshall:** To ask the Secretary of State for the Environment if he will make a statement about the trends in numbers employed in local government over the last 10 years.

Mr. Howard: The numbers employed in local government fell from a peak of 1,975,200 full-time equivalents in June 1979 to 1,887,200 full-time equivalents in June 1982. There followed a period of relative stability until June 1985. Since then every quarterly survey of the Joint Manpower Watch has shown a year-on-year increase. This increase accelerated and by June 1987 the numbers had risen to 1,923,500 full-time equivalents.

Control over staff numbers should be a routine part of good management in local government. There is certainly scope for substantial staff reductions in local government without any loss in the quality of the services provided.

Local Authority Housing

31. **Mr. McFall:** To ask the Secretary of State for the Environment if he will give financial incentives to local authorities to build new dwellings for rent for groups in the population with special needs.

Mr. Waldegrave: No. It is for local authorities to determine their own priorities for capital spend. But they may find increasingly that they get better value for money by assisting other providers of housing for rent, including providers of housing for those with special needs, rather than by direct provision themselves.

Council House Sales

32. **Mr. Pike:** To ask the Secretary of State for the Environment how many local authority homes were sold in 1987 *(a)* to sitting tenants and *(b)* as empty properties.

Mrs. Roe: English local authorities sold 90,000 homes to sitting tenants and 2,900 vacant dwellings in 1987. In addition, the London residuary body transferred some 5,500 dwellings to Thamesmead Town Limited.

Local Authority Services

33. **Mrs. Fyfe:** To ask the Secretary of State for the Environment what percentage of work in the services to be put to compulsory tender he estimates will remain in-house once the Local Government Bill becomes law, in *(a)* Scotland and *(b)* England and Wales.

Mr. Howard: There is no way of predicting who will be successful in competition. My Department has therefore made no such estimates.

Camden Council

34. **Mr. David Evans:** To ask the Secretary of State for the Environment when he last met the leader of Camden council; and what was discussed.

Mr. Chope: On my right hon. Friend's behalf, I met representatives of Camden council, including the leader, Councillor Dykes, on 28 January to discuss my right hon. Friend's proposal for Camden's rate limit for 1988-89.

My hon. Friend the Minister for Housing and Planning also met the council, including Councillor Dykes, on 9 February to discuss homelessness in the borough.

Flying Lessons

35. **Mr. Leigh:** To ask the Secretary of State for the Environment under what powers local authorities may provide free flying lessons.

Mr. Chope: Local authorities have powers under section 19 of the Local Government (Miscellaneous Provisions) Act 1976 to provide such recreational facilities as they think fit, inside or outside their area.

London Docklands Development Corporation

36. **Mr. Spearing:** To ask the Secretary of State for the Environment if he will list the existing and any known future vacancies in the offices, board or any senior executives of the London Docklands Development Corporation; and if he will make a statement.

Mr. Trippier: There are five vacancies on the LDDC board—for the deputy chairman, the chief executive and one other; and for two members with special knowledge of the locality. The corporation's staffing structure and organisation are matters for the board.

Planning Applications

37. **Mr. Simon Coombs:** To ask the Secretary of State for the Environment what proportion of planning applications are approved by his Department, following refusal by local authorities and subsequent appeal.

Mr. Waldegrave: The average planning appeal success rate is currently about 37 per cent.

Derbyshire and Staffordshire County Councils

38. **Mr. McLoughlin:** To ask the Secretary of State for the Environment what will be the level of rate precept levied by Derbyshire county council and Staffordshire county council in 1988-89.

Mr. Chope: The county precepts in Derbyshire and Staffordshire in 1988-89 will be 297·5p and 215p respectively.

Nirex

39. **Mr. Kennedy:** To ask the Secretary of State for the Environment when he next intends to meet the chairman of Nirex to discuss matters relating to the management of nuclear waste.

Mr. Moynihan: I refer the hon. Member to the answer my right hon. Friend gave to him on 17 February at column *673*.

Empty Council Properties

40. **Mr. Nicholas Bennett:** To ask the Secretary of State for the Environment what is his estimate of the number of empty council properties in England.

Mrs. Roe: I refer my hon. Friend to the reply I gave to my hon. Friend the Member for Bolton, North-East (Mr. Thurnham) on 28 October 1987 at column *276*.

Ozone Layer

41. **Ms. Quin:** To ask the Secretary of State for the Environment if he will make a further statement on recent Government action to protect the ozone layer.

Mr. Moynihan: I refer to the answer I gave earlier today to the hon. Member for Argyll and Bute (Mrs. Michie).

Rate Support Grant

42. **Mr. Butterfill:** To ask the Secretary of State for the Environment whether his provisional rate support grant settlement for 1988-89 took account of the cost of meeting the teachers' pay awards.

Mr. Chope: Yes.

Conservation Areas (Building Demolition)

43. **Mr. Eastham:** To ask the Secretary of State for the Environment if he has any proposals for bringing demolition of buildings in conservation areas under the control of the planning system; and if he will make a statement.

Mr. Waldegrave: Most demolitions of any significance already require conservation area consent under the Town and Country Planning Act 1971. Similarly demolitions of listed buildings require listed building consent.

Waste Disposal

44. **Mr. Vaz:** To ask the Secretary of State for the Environment what assessment he has made of the public health implications of his decision to leave to the discretion of local authorities whether they collect or dispose of waste from non-domestic premises; and if he will make a statement.

Mr. Moynihan: The decisions on the classification of commercial and industrial waste reflect the existing

collection practices of the majority of local authorities. Because of this, we do not believe that the decisions on classification carry any public health implications.

Homeless People

45. **Mr. Simon Hughes:** To ask the Secretary of State for the Environment what consideration he has given to ways of relaxing the duties of local authorities with respect to homeless persons; and if he will make a statement.

Mrs. Roe: My right hon. Friend has no plans to amend the duties of local authorities towards the homeless. But we do not rule out discussing with them ideas about the way they are carried out.

51. **Mr. Morgan:** To ask the Secretary of State for the Environment how many homeless families have been placed in bed-and-breakfast accommodation in England and Wales in the current year so far; and what is his latest estimate of the cost.

Mrs. Roe: At 31 December 1987, the latest quarter for which information is available, there were 10,370 households in bed-and-breakfast accommodation placed there by local authorities in England. My right hon. Friend the Secretary of State for Wales has responsibility for these matters as they affect the Principality. Information on the number of households placed in bed-and-breakfast accommodation during the financial year 1986-87 and on related expenditure is contained in "Homelessness Statistics, 1986-87 Actuals" published by the Chartered Institute of Public Finance and Accountancy, copies of which are in the Library.

Empty Council Houses

46. **Mr. Fallon:** To ask the Secretary of State for the Environment whether he will initiate legislation concerning empty council houses.

69. **Mr. Squire:** To ask the Secretary of State for the Environment when he will be tabling amendments to the Housing Bill requiring local authorities to make better use of empty properties.

Mr. Waldegrave: I am considering whether to introduce legislation to make better use of empty local authority dwellings.

Nitrogen Emissions

47. **Mr. Alan W. Williams:** To ask the Secretary of State for the Environment why, at a United Nations meeting on nitrogen emissions in February, his officials supported a draft agreement which would only freeze nitrogen oxide emissions at the current level by the end of the 1990s; and if he will make a statement.

Mr. Moynihan: A draft agreement in the terms described by the hon. Gentleman was not raised at the February meeting of the United Nations Economic Commission for Europe working group on nitrogen oxides. Negotiations are proceeding on a protocol to the UNECE convention on long-range transboundary air pollution, on the reduction of nitrogen oxide emissions. The United Kingdom is playing a full part in these negotiations, along with other parties to the convention, and I hope that early agreement will be reached.

Veterinary Premises (Waste)

48. **Mr. Doran:** To ask the Secretary of State for the Environment if he will outline the reasons for his proposal to classify clinical waste from veterinary premises as industrial, rather than commercial waste.

Mr. Moynihan: Clinical waste arises in many different circumstances and we do not think it appropriate to lay an additional duty on local authorities to collect it, which would be the effect of classification as commercial waste. At present, the majority of authorities do not collect clinical waste and do not have the facilities to do so. Classification as industrial waste enables authorities which currently collect clinical waste from veterinary practices to continue to do so.

Defective Housing

49. **Mr. Wareing:** To ask the Secretary of State for the Environment what further financial support he will offer to local authorities with defective housing.

Mrs. Roe: The annual housing investment programme allocations take into account local authorities' needs for expenditure under the housing defects legislation. Those authorities with particular housing defects problems have also been able to bid for a share of the £20 million reserve put aside nationally for 1988-89. My right hon. Friend expects to decide these additional allocations within the next few weeks.

Density Planning Controls

50. **Mr. Dykes:** To ask the Secretary of State for the Environment if he has any plans to seek to change the existing density planning controls available to local authorities under town and country planning legislation.

Mr. Waldegrave: No. Density policies are a matter for local planning authorities and should normally be contained in their development plans. They should have sound planning justification. My Department's advice is that county structure plans should give general guidance on the densities expected; more detailed density policies are a matter for local plans. Where planning decisions are based on those policies, they should be well reasoned if they are to be secure against successful appeal.

Sports Policy

52. **Mr. Pendry:** To ask the Secretary of State for the Environment when he will next meet the chairman of the Sports Council to discuss issues affecting sports policy during the coming year.

Mr. Moynihan: I meet regularly the chairman of the Sports Council to discuss issues affecting sports policy. I have met him on two occasions recently, on 3 March and 8 March, and I look forward to seeing him at other times in the near future.

M20 (Hollingbourne)

53. **Mr. Rowe:** To ask the Secretary of State for the Environment how many representations he has received on the planning implications of the proposal to site a motorway service area at Hollingbourne on the M20.

Mr. Waldegrave: The Department of Transport's and Esso Petroleum Company Limited's proposals to

construct a motorway service area on the same site on the M20 at Hollingbourne were considered at a public local inquiry held last month. Fifty two representations on the proposals were received by Maidstone borough council and an additional three by the Department. Others may have been made at the inquiry, but until the inspector's report is received I am unable to say how many representations were made on planning grounds.

District Councils

54. **Mr. Adley:** To ask the Secretary of State for the Environment when he next intends to meet the representatives of district councils as planning authorities; and what he intends to discuss.

Mr. Waldegrave: I met representatives of the Association of District Councils on 2 February, and my hon. Friend the Member for Broxbourne (Mrs. Roe) met the National Development Control Forum on 18 February. No further meetings are fixed at present, but I have no doubt that they will take place as necessary.

Council Housing Accounts

55. **Mr. Ian Bruce:** To ask the Secretary of State for the Environment if he will make a statement about the treatment of balances in council housing accounts.

Mrs. Roe: In 1980 we removed from local authorities the restriction on the extent of credit balances for which they could budget in housing revenue accounts. We also permitted transfers of part or the whole of any balance to the general rate fund, a counterpart to the existing discretion to make contributions from the rate fund to the HRA. The obligation to make good any deficit in the HRA has not been altered. We are currently reviewing the financial regime for local authority housing.

Planning Gain Deals

56. **Mr. Cohen:** To ask the Secretary of State for the Environment if, in the light of the Royal Opera House case, he will review current planning legislation, with particular reference to the effect of planning gain deals on approved local plans.

Mr. Waldegrave: General policy guidance on planning gain is given in the Department's circular 22/83. We are considering whether any change is needed to the current legislation.

Rates

57. **Mr. Stevens:** To ask the Secretary of State for the Environment whether he will meet members of the Association of County Councils to discuss the level of rates in the coming financial year.

Mr. Chope: The Association of County Councils will have an opportunity to discuss this with my right hon. Friend the Secretary of State at the next meeting of the Consultative Council on Local Government Finance.

Rating Reform

71. **Mr. Burns:** To ask the Secretary of State for the Environment whether he intends to respond to the recent paper issued by the Association of London Authorities on its preferred alternative to the community charge.

Mr. Howard: I do not intend to comment in detail on the ALA's suggestions, which I assume are directed primarily towards helping the Labour party find a local government finance policy. The Government's own proposals are presently before Parliament and received a large majority in this House on Second Reading.

I have, however, noted that the ALA advocates a combination of domestic rates and local income tax. Such a system would fail to provide accountability, be very volatile, produce big changes in Bills, and be extremely complicated and expensive to administer.

65. **Mr. Favell:** To ask the Secretary of State for the Environment what is the estimated financial effect of the introduction of the community charge on a pensioner living on his own in *(a)* Stockport and *(b)* England and Wales as a whole.

Mr. Howard: In England and Wales as a whole we estimate that 80 per cent. of single pensioners living alone would have gained if the community charge had been introduced in full on the basis of 1987-88 local authority spending. Projections for individual local authority areas are not possible because of the limitations of the sample survey data on which the estimate is based.

Homelessness

58. **Mr. Leighton:** To ask the Secretary of State for the Environment what action he is taking to reduce the demand on homeless accommodation provided by the London borough of Newham.

Mrs. Roe: We are encouraging Newham to return to use as many as possible of its 2,500 empty dwellings by a combination of improved management and better targeting of resources. In 1987 we increased the HIP allocation by £1·2 million to enable 67 voids to be returned to use and provide 103 hostel places, all for homeless families. For 1988-89 we have increased Newham's initial HIP allocation to over £18 million with a further £3 million resources in prospect for estate action schemes.

Rate Increases

59. **Mr. Harry Greenway:** To ask the Secretary of State for the Environment what further research he intends to commission into the possible correlation between rate increases and job losses; and if he will make a statement.

Mr. Chope: I have no doubt that the excessive rates imposed by some councils can have serious consequences for employment opportunities. Many cases have been drawn to my attention where high business rates are reported to have affected the location of investment and employment by individual firms. The national non-domestic rate will soon be in place which will prevent high levels of business rates and damaging year-to-year variations. My right hon. Friend has no plans at the moment to commission further research into the correlation between rate increases and job losses.

Hampstead Heath

60. **Mr. Corbyn:** To ask the Secretary of State for the Environment if he will outline his Department's policies to safeguard the future of Hampstead heath.

Mr. Chope: The London residuary body will shortly be making recommendations to my right hon. Friend as to

the future ownership and management of the heath. In accordance with undertakings given during the passage of the Local Government Act 1985, my right hon. Friend's policy is to ensure that Hampstead heath is managed as an entity.

Lambeth (Housing Investment Programme)

61. **Mr. Fraser:** To ask the Secretary of State for the Environment what is the housing investment programme allocation for Lambeth for 1988-89.

Mrs. Roe: The initial HIP allocation for 1988-89 is £29·4 million but there is a possibility of further allocations in support of estate action schemes.

Hooliganism

62. **Mr. John Carlisle:** To ask the Secretary of State for the Environment whether he is considering recommending to the football authorities any further measures to combat hooliganism; and if he will make a statement.

Mr. Moynihan: I hold regular meetings with the football authorities. Measures to combat hooliganism are under continuous review.

Land Register

63. **Mr. Steen:** To ask the Secretary of State for the Environment what is the area of land on the Land Register; and what was the area in 1983.

Mr. Trippier: On 29 February 1988 the registers of unused and underused land owned by public bodies contained details of 90,000 acres of such land. At the end of February 1983, details of 108,000 acres were recorded.

Horses (Breeding, Keeping and Stabling)

64. **Mr. Anthony Coombs:** To ask the Secretary of State for the Environment what plans he has for redesignating the breeding and keeping of horses and associated stabling as an agricultural activity for planning purposes.

Mr. Waldegrave: We have at present no proposals for altering the extent to which the general development order exempts development involving horses from the need for specific planning permission. Breeding and keeping horses for the working of the land or as agricultural livestock is not development for the purposes of the planning Acts.

Parliamentary Bills (Planning Permission)

66. **Mr. Worthington:** To ask the Secretary of State for the Environment how many parliamentary Bills his Department has introduced in the last five years in relation to the construction of projects which would normally require planning permission; and what is his policy towards the use of legislation, rather than the planning system for this purpose.

Mr. Waldegrave: My Department does not itself promote private Bills. A private Bill may usually only be used as a means of securing planning permission (by virtue of class XII of the Town and Country Planning General Development Order 1977) if the scheme requires other authorisations which only Parliament can provide. If such a Bill is required, it is reasonable for Parliament to consider the planning issues at the same time. These matters are among those at present being considered by the Joint Committee on Private Bill Procedure.

Sheffield (Economic Regeneration)

67. **Mr. Patnick:** To ask the Secretary of State for the Environment when he last met members of Sheffield council to discuss their policies for encouraging economic regeneration.

Mr. Trippier: I met members of Sheffield city council on 7 December for this purpose. Also I was in Sheffield earlier this week to announce that the Secretary of State is setting up an urban development corporation in the lower Don Valley area. This will make a major contribution towards urban regeneration.

Merseyside Urban Development Corporation

68. **Mr. Day:** To ask the Secretary of State for the Environment what progress has been made by Merseyside urban development corporation in regenerating the urban development corporation area.

Mr. Trippier: In 1981 the Merseyside development corporation was charged with the regeneration of 865 acres of derelict and disused docklands. Progress has been spectacular: 380 acres of land have been reclaimed; 1·5 million sq ft of buildings have been refurbished including the Albert dock, the largest collection of grade 1 listed buildings in the country. Factory units have been provided in Bootle and in particular at the Brunswick business park in the south docks where 500,000 sq ft has been let. Over 1,600 jobs have been created, 1,100 safeguarded and another 1,000 jobs provided on construction and related projects. Two hundred and forty residential flats are being provided by refurbishment and conversion schemes in partnership with the private sector at Albert dock and Wapping warehouse, another historic listed building. £47 million of private sector investment has been secured with another £67 million in the pipeline. In seven years MDC has transformed its area and the Secretary of State's announcement on 7 March to extend the designated area will enable a larger area of Liverpool and Wirral to benefit from MDC's direct and determined approach.

Council House Starts

70. **Mr. Haynes:** To ask the Secretary of State for the Environment how many council homes were started in 1987; and how many were completed.

Mrs. Roe: Provisional figures of local authority and new town house-building in 1987 appear in table 3 of this Department's press release No. 68 issued on 5 February, a copy of which is available in the Library.

Urban Initiatives

72. **Mr. Andrew Hargreaves:** To ask the Secretary of State for the Environment what is his Department's budget in the next financial year for urban initiatives.

Mr. Trippier: Planned expenditure in 1988-89 on my Department's urban group of programmes totals £593 million. The group includes urban development grant and urban regeneration grant (to be replaced from 2 May by city grant), the urban development corporations, derelict

land grant (part of which will be incorporated in city grant) and the urban programme. Provision has also been made for £140 million additional resources for local authorities' estate action schemes, and for £5 million spending by housing action trusts. The level of provision for the urban group, estate action and housing action trusts combined is £120 million higher than in 1987-88.

Local Authority Land

73. **Mr. Summerson:** To ask the Secretary of State for the Environment if he will take steps to ensure that every local authority *(a)* keeps a publicly available register of parcels of all land it owns, *(b)* is obliged to sell such land at valuation on request unless it proves to his satisfaction a genuine need to retain it for its own use, and *(c)* shall be forbidden to sell such land to any other public or official bodies without his consent.

Mr. Chope: My right hon. Friend announced on 7 March, at columns *75-76*, in response to my hon. Friend the Member for Banbury (Mr. Baldry), that he intends that public bodies should regularly publish information about the unused and underused land they own.

There is immense scope for local authorities to improve the management of their property, including sales of surplus or underused assets particularly to the private sector. The Audit Commission's recent report on property management gives local authorities detailed guidance and I hope that they will follow up the recommendations in the report in the interests of their ratepayers.

Mr. Soley: To ask the Secretary of State for the Environment, pursuant to his statement on Wednesday 16 March, *Official Report*, columns *325-6*, in what circumstances local authorities will be allowed to pass land over to a housing association and then to lease back any houses that are built by that housing association.

Mr. Chope: The measures announced on 9 March will not prevent local authorities disposing of land to housing associations or acquiring leases of houses built by housing associations. Prescribed expenditure will, however, now be scored when a lease of three or more years is acquired and authorities which wish to acquire such leases will need to make appropriate provision within their prescribed expenditure limits.

Mr. Soley: To ask the Secretary of State for the Environment whether he will list in the *Official Report* those local authorities which have entered into negotiations on, but have not yet concluded, leaseback schemes with housing associations of the type which will be prevented by the legislation announced in his statement on Wednesday 9 March, *Official Report*, column *325*.

Mr. Chope: Local authorities are not obliged to inform my right hon. Friend that they have entered into, or concluded, negotiations with housing associations and in general do not do so. The information requested is therefore not available.

Tree Preservation Orders

74. **Mr. Brazier:** To ask the Secretary of State for the Environment if in the light of the recent decision of the Court of Appeal, he has plans to introduce legislation to protect councils from claims for compensation from developers in relation to the effect of tree preservation orders, where the proposed development lies outside the Town and Country Planning Acts.

Mr. Moynihan: I understand that the local planning authority concerned are considering whether to petition the House of Lords for leave to appeal against the decision of the Court of Appeal. Until the judicial process is complete in would be inappropriate for me to comment on this issue, but we are keeping in touch with developments.

Council House Rents

Mr. Forth: To ask the Secretary of State for the Environment if he will give the average council house rent for each region of England.

Mrs. Roe: Estimates of the average rents, net of charges for amenities and rates, in each English region were published by the Chartered Institute of Public Finance and Accountancy in "Housing Rents Statistics at April 1987," a copy of which is in the Library.

Moorings

Mr. Barry Field: To ask the Secretary of State for the Environment what representations he has received seeking an explanation of the different treatment of swinging moorings, as defined in the new schedule on Non-Domestic Rating: Exemption to the Local Government Finance Bill, and mooring between piles and in marinas; and what response he has sent.

Mr. Howard: I have received one such representation. The Bill, as amended, preserves the existing exemption from rating for "swinging" moorings consisting of a buoy attached to a weight or anchor. Permanent moorings, including those in marinas or between piles, will continue to be rated unless they are used for a boat which is someone's sole or main residence.

National Rivers Authority

Mr. David Porter: To ask the Secretary of State for the Environment what responses he has had to date to the proposals to set up the National Rivers Authority; and if he will make a statement.

Mr. Moynihan: I refer my hon. Friend to the reply given on 17 December 1987, at columns *619-21*, to my hon. Friend the Member for Banbury (Mr. Baldry). Copies of responses to the consultation paper on the National Rivers Authority, which respondents agreed could be published, were placed in the Libraries of both Houses. Further details of our policy were given in a memorandum issued at the time of the statement. The Public Utility Transfers and Water Charges Bill, which is currently before Parliament, will confer on the water authorities an express power to prepare for privatisation, including preparations for the setting up of the National Rivers Authority. Once the Bill has received Royal Assent, guidelines will be issued to the authorities about the preparation of schemes of organisation.

Beaches (East Anglia)

Mr. David Porter: To ask the Secretary of State for the Environment what progress has been made on bringing beaches in East Anglia into line with European Economic Community standards; and if he will make a statement.

Mr. Moynihan: In the Anglian water authority area, 28 waters are identified as within the scope of the bathing water directive (76/160/EEC). Twenty of these waters met the directive's standards in 1986, and provisional results for 1987 suggest that 22 now meet these standards. Major improvement schemes are under way at Great Yarmouth, Heacham and Cromer, and Anglian water authority plans to spend some £18 million over the next four years on schemes related to the improvement of bathing waters.

Rainfall (Radioactive Fallout)

Mr. Roy Hughes: To ask the Secretary of State for the Environment what measures the Government have now adopted for early detection of rainfall which may be carrying radioactive fallout.

Mr. Moynihan: The Government's proposals for implementing their national response plan for detecting and responding to future nuclear incidents like Chernobyl were published in January (reference: "The National Response Plan and Radioactive Incident Monitoring Network (Rimnet). A Statement of Proposals"). Copies of the statement have been placed in the Library of the House. Annex 3(iv) sets out the proposed procedures for detecting radioactivity in rainwater.

Mortgages

Mr. Tony Lloyd: To ask the Secretary of State for the Environment what information he has as to the proportion of mortgages which have gone to first-time buyers in inner cities in 1983, 1984, 1985, 1986 and 1987.

Mrs. Roe: The information available is for 42 authorities which are urban programme areas in London and the English metropolitan counties and the four which comprise the county of Cleveland. In these areas, first-time buyers received 58 per cent. of mortgages advanced for house purchase by building societies in 1984, 59 per cent. in 1985, 58 per cent. in 1986 and 53 per cent. in 1987.

Construction Industry

Mr. Kirkhope: To ask the Secretary of State for the Environment when he last met representatives of the construction industry; and what was discussed.

Mr. Ridley: The Under-Secretary of State, my hon. Friend the Member for Rossendale and Darwen (Mr. Trippier), met the group of eight last July when issues of current concern such as work load, training, research and development and inner cities were discussed. In addition, I met construction industry representatives at numerous functions organised by the industry's organisations and institutions over the year.

Water Charges

Mr. Cryer: To ask the Secretary of State for the Environment whether he is satisfied that the water authorities are taking sufficient steps to produce a new and fair system of levying charges after the disappearance of rateable values; and if he will make a statement.

Mr. Moynihan: Water authorities are actively considering alternatives to replace the present rateable value basis of water charges. Whatever new methods of charging they decide to introduce will have to comply with the statutory requirements, in section 30 of the Water Act 1973, that in fixing their charges water undertakers must have regard to cost, and must not show undue preference to or undue discrimination against any class of persons.

Water Industry (Privatisation)

Mr. Boyes: To ask the Secretary of State for the Environment what is his estimate of the expenditure in preparation for privatisation with regard to the water industry.

Mr. Moynihan: The latest estimates of expenditure in 1987-88 by the Department on preparation for the privatisation of the water authorities are as follows:

	£
DOE staff and office services	760,000
Advisers' Fees	650,000

These figures do not include certain other costs, such as accommodation, which are borne centrally. The first item includes the costs of the present system of financial control of the water authorities.

Information on water authorities' own expenditure in relation to privatisation is not available centrally.

Mr. Boyes: To ask the Secretary of State for the Environment how much aid from the EEC regional fund has been received by the English water authorities in each year since 1980; how many applications are projected for each year until 1993; and whether water authorities will continue to be eligible for such grants before and after the privatisation of the water industry.

Mr. Moynihan: The total amounts of grant aid awarded to English water authorities from the European regional development fund since 1980 are:

	£
1980	13,778,150
1981	16,286,365
1982	18,748,630
1983	26,085,600
1984	31,662,700
1985	17,481,406
1986	84,594,532
1987	48,200,842

I would expect future applications to come forward at broadly the present level. Water authorities will be eligible to apply before and after privatisation.

Rate Support Grant

Dr. Cunningham: To ask the Secretary of State for the Environment if he will show for each local authority the rate support grant paid in each year since 1979, expressed in *(a)* cash terms and *(b)* real terms at 1987-88 prices; and what percentage of the council's total expenditure in each year this represented.

Mr. Ridley *[holding answer 15 March 1988]:* I have today placed this information in the House of Commons Library.

Government Property

Mr. Campbell-Savours: To ask the Secretary of State for the Environment which Government property assets have been the subject of sale and lease-back agreements with private institutions since 1979.

Mr. Chope: We do not keep records as far back as 1979. But we certainly know of no such cases during the last three years involving properties on the civil estate held in the name of my right hon. Friend.

SOCIAL SERVICES

Rating Reform

76. **Mr. Wilson:** To ask the Secretary of State for Social Services if he is now in a position to estimate how many student nurses will be eligible for a rebate under the poll tax.

Mr. Scott: It is not possible to make such an estimate. The details of the community charge rebate scheme have yet to be decided and benefit rates for 1989 (when the community charge is introduced in Scotland) and 1990 (when it is introduced in England and Wales) have not yet been set. Whether individual student nurses will be entitled to rebate will also depend on their resources, their age and family circumstances, and on the level of community charge set by the local authority in the area in which they live.

South East RHA

Mr. David Shaw: To ask the Secretary of State for Social Services what has been the average cost per accident and emergency attendance and per new accident and emergency case in each hospital in the South East regional health authority area in the last year.

Mrs. Currie: The information for 1986-87 in respect of those hospitals in the South East Thames region which undertake treatment of accident and emergency patients is as follows:

Accident and emergency patients

Health District and Hospital	*Cost per Attendance* £	*Cost per New Case* £
Bexley		
Erith and District	11·96	21·15
Queen Mary's	22·80	29·59
Brighton		
Royal Sussex County	19·09	20·77
Bromley		
Beckenham	10·02	22·18
Bromley	20·73	25·04
Orpington	22·38	31·10
Camberwell		
King's College	18·38	22·72
Canterbury & Thanet		
Kent and Canterbury	22·17	25·67
Thanet District General Hospital	17·83	19·28
Dartford and Gravesham		
Gravesend and North Kent	13·57	17·93
West Hill	23·30	26·62
Eastbourne		
Eastbourne District General Hospital	17·02	31·74
Uckfield	3·35	8·44
Greenwich		
Brook General	20·71	26·19
Greenwich District General Hospital	17·43	21·70
Hastings		
Royal East Sussex	15·08	20·80
Lewisham and North Southwark		
Guy's	15·17	22·17
Lewisham	26·18	33·70
Sydenham	13·40	21·25
Maidstone		
Maidstone	16·89	20·72
Medway		
Medway	18·51	18·55
Sheppey General	15·15	16·18
South East Kent		
Buckland	17·38	23·90
Royal Victoria (Folkstone)	9·44	13·84
Victoria (Deal)	11·64	18·01
William Harvey	26·99	33·31
Tunbridge Wells		
Kent and Sussex	18·92	21·67
West Lambeth		
St. Thomas'	37·20	41·83

NHS (Land)

Mr. Nicholas Bennett: To ask the Secretary of State for Social Services what is the total amount and value of surplus land owned by each district and regional health authority; and how much land has been disposed of by each district and regional health authority between *(a)* 1974 and 1979 and *(b)* 1979 and 1987.

Mrs. Currie: The amount of surplus land held and disposed of by regional health authorities in the years in question is as follows:

Region	*Surplus Land held as at 31 March 1987* acres	*Surplus Land Disposed 1974-75 to 1978-79* acres	*1979-80 to 1986-87* acres
Northern	407	131	262
Yorkshire	978	247	827
Trent	873	231	880
East Anglian	102	36	123
North West Thames	454	50	485
North East Thames	277	66	214
South East Thames	541	362	181
South West Thames	130	107	287
Wessex	75	69	524
Oxford	148	18	408
South Western	645	360	1,125
West Midlands	491	413	543
Mersey	873	39	429
North Western	104	181	602

Figures for district health authorities and the value of surplus land currently held are not kept centrally.

Cervical Cancer

Mr. Boyes: To ask the Secretary of State for Social Services what is the average length of time between screen testing and the attainment of test results relating to cervical cancer in *(a)* the Northern regional health authority and *(b)* Sunderland district health authority.

Mrs. Currie: This information is not available centrally. The hon. Member may therefore wish to contact the chairman of the Northern regional health authority for the information he requires.

In the recently issued Health Circular HC(88) on 12 January, we asked health authorities to ensure that laboratories report the results of smear test within one month. Health authorities not meeting this target are asked to explain what action they are taking to remedy the situation.

Mr. Wray: To ask the Secretary of State for Social Services what new cervical cancer smear tests have been tried by his Department; and how these compare with the effectiveness of the present test systems.

Mrs. Currie *[holding answer 14 March 1988]:* The Department keeps under review all scientific and technological developments that might improve the effectiveness of cervical cancer screening. Its procurement directorate recognises the importance of finding a practical system that will improve routine laboratory examination of cervical smears. Applications for research funding that are endorsed by independent referees as having scientific merit are giving high priority in the competition for funds. The active involvement of British industry is sought to ensure that any potentially successful system can be made commercially available and brought into NHS use as rapidly as possible.

The Government have contributed towards the cost of developing and evaluating several automated systems for cervical cancer screening. In recent months a number of applications have been received by the Department for funds to support other possible developments. These applications were reviewed on 26 February by an expert panel chaired by the Department's chief scientist, Professor O'Grady, and are now receiving final consideration in the light of the panel's views.

Intermediate Treatment Projects

Ms. Mowlam: To ask the Secretary of State for Social Services what the cost of grants to intermediate treatment projects have been since their implementation; how many people have attended intermediate treatment projects; and what he estimates the savings were to the Exchequer of keeping young people on intermediate treatment projects rather than in custody or borstals.

Mrs. Currie: By the end of March 1988 the Department will have made grants to voluntary organisations in England under the intermediate treatment initiative (launched in 1983) totalling some £13·1 million. These grants were to provide intensive schemes of intermediate treatment for young offenders as direct alternatives to care or custodial disposals. One hundred and ten such schemes have been established capable of providing intensive IT programmes for some 3,400 juvenile offenders a year.

Information about the number of young people attending such projects is not held centrally, nor is information available about comparative costs or possible savings. We have commissioned Dr. Martin Knapp (University of Kent) to undertake a research study to evaluate the cost-effectiveness of various forms of intermediate treatment compared with other court disposals, both custodial and non-custodial, but the results of his work are not yet available.

Mental Handicap Services

Mr. Wigley: To ask the Secretary of State for Social Services what assessment he has made of the value to mental handicap services of improvements in co-ordination and co-operation between various agencies involved, rather than a single agency taking lead responsibility; and if he will make a statement.

Mr. Newton: Sir Roy Griffiths addresses the general issue here, among others, in his report on community care published today. As my right hon. Friend the Secretary of State said in his reply to the hon. Member, the right hon. Member for Manchester, Wythenshawe (Mr. Morris) and the hon. Member for Ynys Môn (Mr. Jones) on 8 March at column 771, the Government will be considering Sir Roy's proposals, taking account also of the report of the committee chaired by Lady Wagner, and of reactions to both reports; and will bring forward their own proposals in due course. But clearly it will always be important to develop co-ordination and co-operation between the wide range of agencies involved in the provision of care for mentally handicapped people.

Mental Handicap Nurses

Mr. Wigley: To ask the Secretary of State for Social Services what evaluation has been made by his Department of the contribution of qualified mental handicap nurses to the success of community care initiatives relating to mental handicap and the use of such qualified nurses by local services in these initiatives.

Mr. Newton: Departmentally sponsored evaluations of community care initiatives for mentally handicapped people take account of the contribution by all categories of care and support staff. A recent survey of centrally funded schemes providing alternative health care in the community for long-stay children from mental handicap hospitals pays particular attention to the role of qualified mental handicap nurses, along with other care staff. A copy of this survey "Out of Hospital", by Anne Leonard, department of social policy and social work, University of York, will be placed in the Library.

Mr. Wigley: To ask the Secretary of State for Social Services if he will make a statement on his policy with regard to trained mental handicap nurses.

Mr. Newton: The Chief Nursing Officer's letter of 18 December 1985 (CNO(85)5), a copy of which has been placed in the Library, discusses the developing role of mental handicap nurses in the light of the shift to community care and the contribution they can make to the support of people in their own homes or in a range of residential and other settings in the community.

Mental Hospitals

Mr. Wigley: To ask the Secretary of State for Social Services (1) what information he has regarding district health authorities which have decided on mental hospital closures before the full implementation of appropriate community services;

(2) what guidance he has issued to district general managers concerning the time scale of mental hospital closures in cases where appropriate alternative community services have not been fully implemented.

Mr. Newton: Guidance in the relevant policy paper sent to all districts says:

"New facilities must be available before old facilities are dispensed with."

We do not fix any time scales on closure plans and I am not aware of any health authority which has closed facilities without the provision of appropriate alternative services. We see the closure of mental illness and mental handicap hospitals as a consequence of the current development of comprehensive locally-based community-oriented services and not vice versa.

Maternity Units

Mrs. Rosie Barnes: To ask the Secretary of State for Social Services how many general practitioner maternity units have been closed in England since 1983.

Mrs. Currie *[holding answer 15 March 1988]:* Twelve general practitioner maternity units were approved for closure between 1983 and December 1986.

Mentally Ill People (Day Centres)

Mr. McCrindle: To ask the Secretary of State for Social Services if he will list those district health authorities in England and Wales which do not have a day centre for mentally ill people.

Mrs. Currie *[holding answer 10 March 1988]:* Day centres for mentally ill people are usually provided by local authorities. In England only Trafford, Suffolk, Hounslow, Gloucestershire and City of London did not report having day centre places for mentally ill people in 1986. Additionally the following district health authorities in England did not report attendances at mental illness day hospitals in 1986:

Hartlepool
Darlington
Scarborough
North Lincolnshire
West Norfolk and Wisbech
Winchester
Torbay
Herefordshire
Halton
Rochdale
North Tyneside
Northallerton
Dewsbury
Rugby
East Birmingham

However, all except the last five in the list reported attendances at mental illness day facilities at the main hospital in 1986.

Information for Wales is the responsibility of my right hon. Friend the Secretary of State for Wales.

NORTHERN IRELAND

Teachers of the Deaf

Rev. Ian Paisley: To ask the Secretary of State for Northern Ireland how many teachers from Northern Ireland are being trained as teachers of the deaf; and if he is satisfied that sufficient qualified teachers are available to meet the needs of hearing impaired children in Northern Ireland.

Dr. Mawhinney: Thirteen student teachers are on specialist courses of initial training for teachers of the hearing impaired. In addition, eight serving teachers have engaged over the past two academic years in a range of courses of in-service training.

I am satisfied that sufficient qualified teachers are available.

Rev. Ian Paisley: To ask the Secretary of State for Northern Ireland what action he has taken in response to the recommendations of the Northern Ireland Assembly report on the education of hearing impaired children (March 1985) concerning the training of teachers of the deaf.

Dr. Mawhinney: Consideration is being given to the best means, in the long term, of providing training in counselling for teachers at one of the training institutions. In the meantime, a short course has been included in the 1988 summer school programme to cater for any immediate demand.

Advertising Costs

Mr. Beggs: To ask the Secretary of State for Northern Ireland what is the cost of his Department's advertising campaign currently being screened on television and broadcast on radio.

Dr. Mawhinney: The cost of the present, television only, campaign from its inception on 18 January 1988 to 14 March 1988 is £136,000, including £73,600 for production of the commercial.

The BBC did not use the commercial but did broadcast a supporting public information message on radio and television; only minor production costs were met by the Northern Ireland Office.

War Memorials

Mr. Beggs: To ask the Secretary of State for Northern Ireland how many names of Ulster Defence Regiment members murdered by terrorists have been added to war memorials in Northern Ireland to date.

Mr. Needham: War memorials are the responsibility of individual district council and other bodies and no central records are maintained of the names recorded on them.

University Courses

Mr. Beggs: To ask the Secretary of State for Northern Ireland what information he has as to how many four-year courses at *(a)* the University of Ulster and *(b)* Queen's University, Belfast, have been cut to three-year courses over the past three years.

Dr. Mawhinney: No such reductions have been made at the University of Ulster. Owing to changes in course structure and subject options at Queen's University, it is not possible to provide the information in the form requested.

Mr. Beggs: To ask the Secretary of State for Northern Ireland what information he has as to how many Gaelic-oriented courses exist at *(a)* the University of Ulster and *(b)* Queen's University, Belfast; and what increase in the number of such courses has taken place over the last five years.

Dr. Mawhinney: Three at the University of Ulster and six at Queen's University. There has been an increase of three in the last five years.

Single Payments

Mr. Beggs: To ask the Secretary of State for Northern Ireland how many *(a)* claims for single payments and benefit and *(b)* appeals currently await decisions arising from claims lodged at Department of Health and Social Security offices in Larne, Carrickfergus and Newtownabbey.

Mr. Needham: At 4 March 1988 the information was as follows:

	Larne	*Carrickfergus*	*Newtownabbey*
Single Payments	141	430	816
Supplementary Benefit	18	133	183
Unemployment Benefit	60	96	182
Appeals	7	5	8

Belfast Urban Area Plan

Mr. Peter Robinson: To ask the Secretary of State for Northern Ireland if he will give his best estimate of the cost of preparation of the Belfast urban area plan including the involvement of staff, consultants, reports, publications and so on; and what additional expenditure he envisages in the process up to the public inquiry.

Mr. Needham: Much of the work on the plan was carried out by officials of the Department of the Environment (NI) over a period of three years, and it is not possible to cost this input without disproportionate effort. Work by consultants up to the commencement of the public inquiry is estimated to cost a total £1·9 million of which £1·2 million relates to transportation. Other costs, including grants to community technical aid, amount to £200,000.

Farmland

Mr. William Ross: To ask the Secretary of State for Northern Ireland what was the average price paid per acre for farmland taken into public ownership for the building of Craigavon; how much land was taken; how much was subsequently sold back to its original owners; and what was the average price of the land resold to each category of owner as set out in the legislation to deal with such resales.

Mr. Needham *[holding answer 14 March 1988]:* Some 6,200 acres of land was vested for Craigavon new town in 1966 at an average price per acre of £650. To date 560 acres of the surplus land has been sold to former owners. The average price of land sold to former owners who are still on the land is £1,565 and the average price for land sold to former owners who left the land is £1,765.

Nurses

Mr. William Ross: To ask the Secretary of State for Northern Ireland how long the system of 12 hour shifts for nurses has been in operation in the Western health and social services board area; and whether he can give a comparison of wages and salary costs of the personnel involved in the 12 hour shifts as opposed to the previous eight hour shifts.

Mr. Needham *[holding answer 14 March 1988]:* The 12-hour shift system for nurses in the Western health and social services board has been implemented progressively since the summer of 1986; information on the comparative costs of wages and salaries is not readily available at present but I will write to the hon. Gentleman with this information as soon as possible.

Health and Social Services Boards

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland if he will publish a table showing for each unit of management in the Eastern, Northern, Southern and Western health and social services boards the number of new beds, the bed complement and the number of permanent bed closures for (i) strategic, (ii) rationalisation and (iii) financial reasons in the last three years.

Mr. Needham *[holding answer 14 March 1988]:* This information is not available in the form requested.

Ardilea River, County Down

Mr. William Ross: To ask the Secretary of State for Northern Ireland whether he will now take urgent steps to designate the Ardilea river, County Down as a salmonid river under the EEC directive 78/759/EEC; and if he will make a statement.

Mr. Needham *[holding answer 15 March 1988]:* The Ardilea river will be considered along with other rivers for future designation under the EEC directive 78/659/EEC. As I pointed out to the hon. Gentleman on 1 March 1988, at column *524*, further disignations will be made as resources permit. I am unable at present to say when further designations will be made.

Road Works Carrickfergus

Mr. Beggs: To ask the Secretary of State for Northern Ireland, further to his answer of 18 January, *Official Report*, column *549*, when he anticipates work will begin on the shore road between Carrickfergus and Whiteabbey, County Antrim.

Mr. Needham: No start date has been allocated. However, proposals for the work remain in the Department of the Environment's current major works programmes.

Schools and Colleges (Insurance)

Mr. Beggs: To ask the Secretary of State for Northern Ireland if he will publish the arrangements made by Her Majesty's Government for the insurance of *(a)* controlled schools and colleges, *(b)* maintained schools and *(c)* voluntary schools.

Dr. Mawhinney: Property insurance policy is as follows:

Controlled Schools and Colleges

These properties are not insured against fire and special perils which is in line with current Government practice for publicly-owned properties.

Voluntary (including Maintained) Schools

School authorities are required, as a condition for receipt of grant, to insure these properties adequately against fire, flood and other risk.

Electricity (Privatisation)

Mr. Michael Brown: To ask the Secretary of State for Northern Ireland what discussions he has had with Northern Ireland Electricity about the privatisation of the company; and if he will make a statement.

Mr. Viggers: None as yet. However, NIE is aware of the Government's commitment to the privatisation of the electricity supply industry throughout the United Kingdom and that it is our intention to examine the prospects of privatising NIE after a decision has been taken on the next phase of generating capacity in the Province.

Mr. Michael Brown: To ask the Secretary of State for Northern Ireland what plans he has to publish a White Paper on the privatisation of electricity in Northern Ireland.

Mr. Viggers: None at present. Our immediate priority is the determination of the current competition between Antrim Power Company Limited (a private consortium) and Northern Ireland Electricity for the provision of the next phase of generating capacity in the Province.

TRANSPORT

Motor Cycles (Leg Protectors)

Mr. Beaumont-Dark: To ask the Secretary of State for Transport (1) how many organisations or individuals have notified his Department that they are wholly in favour of the introduction of leg protectors for motor cycles;

(2) how many organisations have been consulted on his proposals to introduce leg protectors on motor cycles;

(3) what extent the research into proposed leg protectors for motor cycles has established that they will not, in the event of accidents, subject the rider to greater danger in terms of injury or death;

(4) if he will make a statement on the extent of the research into leg protectors for motor cycles carried out by his Department, particularly that research relating to the transfer of injuries to parts of the body other than the lower leg.

Mr. Peter Bottomley: A draft specification for leg protectors was sent to 26 organisations for comment. Of the 13 who responded three expressed support for the principle of leg protectors. The TRRL's research which includes over 50 impact tests so far, took as a main objective the avoidance of injuries to other parts of the body, including the head. The specification fully achieves this objective. We are making some detailed amendments in the light of comments received. I will send a video of the tests to my hon. Friend shortly and make a copy available in the Library.

Manchester Airport

Mr. Alfred Morris: To ask the Secretary of State for Transport what arrangements have now been made for negotiations with the United States Government on United States carrier access to Manchester international airport; what consideration was given in arranging a date for the negotiations to the letter dated 2 February from Northwest Airlines sent to him by the right hon. Member for Manchester, Wythenshawe; and if he will make a statement.

Mr. Peter Bottomley: Officials from the Department of Transport will be meeting a delegation from the United States Government in London tomorrow. The discussions are planned to last two days. All relevant representations were, of course, taken into account in seeking a meeting with the United States Government on this subject.

Mr. Alfred Morris: To ask the Secretary of State for Transport what emphasis he will be giving, in the impending negotiations between the United Kingdom and United States Governments on United States carrier access to Manchester international airport; to improving access to the United States for British airlines flying from Manchester; and if he will make a statement.

Mr. Peter Bottomley: In negotiating wider access for United States carriers to Manchester international airport, the Government are committed, by the 1985 airports policy White Paper, to securing benefits of equivalent value for United Kingdom carriers in return. British airlines already have substantial opportunities under the United Kingdom/United States air services agreement to serve the United States from Manchester. The emphasis placed on obtaining further improvement access from Manchester must remain a matter to be decided in the course of the negotiations.

Motor Cyclists (Eye Protectors)

Mr. Roger King: To ask the Secretary of State for Transport if he has received any representations about the difficulty that motor cyclists with prescription-lensed goggles have in complying with the eye protector regulations.

Mr. Peter Bottomley: Yes. I understand that prescription-lensed goggles meeting the British Standard in full are not yet available. Since existing prescription-lensed goggles will generally be of good quality, we propose to amend the regulations to allow the continued use of existing goggles of this special type and to postpone the requirement for new ones to be BS approved and marked, for a further year. The Department is circulating for comment appropriate draft amendments to the regulations. The amendments also permit the use of glass-lensed goggles approved to an earlier version of the standard which did not require marking with the letter A to show abrasion resistance.

Pedestrian Areas

Sir Brandon Rhys Williams: To ask the Secretary of State for Transport whether he plans to issue up-to-date guidance on ways in which traffic and parking in pedestrian areas can be better regulated; and if he will make a statement.

Mr. Peter Bottomley: All county, borough and district councils in England and Wales are being sent a local transport note—"Getting the Right Balance—Guidance on Vehicle Restriction on Pedestrian Zones". This will also be sent to national and other organisations who responded to our earlier consultation on the subject.

The guidance to local authorities and others stresses the need for a careful balance to be drawn where ideas are being considered for pedestrian zones. Traffic restriction measures can increase safety and convenience for many pedestrians, and improve the attractiveness of a street or

area. The importance of providing access for essential vehicle movements, including servicing and for mobility handicapped people is emphasised strongly.

Copies of the note have been placed in the Library, and are available for sale at HMSO.

Dual Carriageways

Mr. David Shaw: To ask the Secretary of State for Transport what information he has on the estimated cost, first year rate of return and net present value for the dualling of the current roads *(a)* between Lydden and Whitfield (A256), *(b)* Whitfield to Deal road (A258) and *(c)* Deal road to Eastern docks in Dover; and if he has any further information on those road projects.

Mr. Peter Bottomley: The following provisional estimates for dualling the A2 between junctions were prepared in 1985:

£ million—1979 prices

	Cost	*Net present value*[1]
Lydden to Whitfield (A256)	5·1	−1·0 to −0·7
Whitfield to Deal Road (A258)	3·2	−0·7 to −0·5

[1] Discounted to 1979.

We have no proposals to improve the A2 between Lydden and Dover. We shall keep the position under review. The A2 and the improved A20 routes, taken together, should be able to cope with predicted traffic beyond the turn of the century.

VED (Evasion)

Mr. French: To ask the Secretary of State for Transport if he has any plans to reduce the level of evasion of vehicle excise duty on heavy goods vehicles.

Mr. Peter Bottomley: Reducing the level of excise duty evasion on heavy goods vehicles is central to the Department's enforcement strategy. In addition to the attention given to goods vehicles in day-to-day enforcement they are subject to special roadside inspections by the Department's traffic examiners which include checks to ensure that they are fully licensed.

Written Answers to Questions

Thursday 17 March 1988

THE ARTS

Museum Training

Mr. Baldry: To ask the Minister for the Arts what developments there have been on museum training following the publication of the Museums and Galleries Commission working party report on museum training and career structure.

Mr. Luce: The Museums and Galleries Commission working party report on museums training and career structure was published in July 1987.

I am grateful to the working party and to its chairman Sir John Hale for the thoughtful and detailed consideration which they have given to the important subject of the training which is required by those who work at all levels and in all sectors and all aspects of our museums. At a time of opportunity for museums, and when the number and diversity of museums, and the number of those who visit and use them are increasing, it is important that staff employed in museums are equipped with the skills they need, in management and marketing as well as in the more traditional and still essential areas of museum activity.

The Hale working party produced a wide-ranging report, and I thought it appropriate for my Department to consult widely on its findings. I am grateful to all those who submitted their views. I have now considered the report's recommendations in the light of the comments and advice which my Department received.

There is general agreement about the need for a fresh look at training for museum work to make that training better reflect the skills which are needed and will be needed by those working in museums. The necessary first step in this process is an examination of the needs of the museum industry for key skills and competences. It is desirable, in order to facilitate the development of new provision for museums training, for such a study to proceed quickly and on an industrywide basis taking account of the needs of the main sectors of the museum world and of the relevant areas of the heritage sector. I am pleased to announce that my Department with the Manpower Services Commission will be providing support and financial assistance for a needs assessment study for which the principal agent will be the Museums Association. This six-month study will represent phase I of a programme which is intended by the Museums Association to result in the production of new modules for the training of those currently or prospectively working in museums.

The needs assessment study, to be carried out by consultants experienced in the field of training assessment and provision, will be overseen by a steering committee on which the major interests in the museum community—the Museums and Galleries Commission, the Museums Association, the area museum councils, the national museums and galleries, the independent and the local authority museums—will be represented. The steering committee will be chaired by the Office of Arts and Libraries.

Beyond the first phase of this programme, I shall take a continuing close interest in the development of museum training. I think it right, however, that the primary responsibility for museums training should rest with the museums industry itself, and that the continuing developments in this area should be overseen and guided by a consortium representing the main sectors of the museums industry. It is not my intention to set up a museums training council with regional panels in the form recommended by the Hale report. I shall be consulting further about the composition of the consortium of interests which I have in mind, with a view to its establishment later this year. I should be prepared to provide limited funding on a pump-priming basis for a museums training consortium, for a period of up to five years, but I should expect the museums industry and employers to contribute an increasing share of the costs of this group and, following a substantial public investment by my Department and the MSC in an initial programme of development of museum training. I shall expect the provision and further development of museum training to become self-financing. I attach importance to the development and application of skills in management and marketing within the museums sector, and to the transfer of skills between institutions. I hope that the development of new training modules which are relevant to all sectors of the museums industry will help to increase the scope for mobility and exchanges of staff between museums.

The Museums and Galleries Commission working party report on museums training has provided a useful foundation on which the various sectors of the museums world, with the Government's help, can build in partnership. I am pleased that an ambitious but realistic programme of development of museums training, with the Government's backing, is now under way.

TRADE AND INDUSTRY

VAT (Greece)

Mr. Sims: To ask the Chancellor of the Duchy of Lancaster what action he proposes to take following the introduction on 1 January by the Government of Greece of a value added tax structure which increases rather than diminishes discrimination in favour of locally produced spirits and against imported products.

Mr. Alan Clark: The discriminatory VAT rates operating in Greece are already under challenge in the European Court of Justice: the EC Commission has brought proceedings under article 169 of the treaty. The Commission is in no doubt that the United Kingdom attacahes the greatest importance to this case.

Inner City Initiative (Publicity)

Mr. Beith: To ask the Chancellor of the Duchy of Lancaster what was the cost to public funds of the press conference and associated publicity for the Government's inner city initiative announced on 7 March; what part of the charge to public funds is attributable to the cost of providing a blue stage setting and furniture; and how many persons other than civil servants took part in the arrangements.

Mr. Kenneth Clarke: About £34,400, including £4,238 for the stage setting. The document "Action for Cities" costs about £68,970 for a print run of 37,000. The press conference was arranged by the Central Office of Information. This represents a very small part of the Government's expenditure of around £3,000 million on inner cities programmes and the presentation of those programmes is an important part of the process of establishing a partnership with the private sector and local government to help deliver them.

"Action for Cities" (Breakfasts)

Mr. Tony Banks: To ask the Chancellor of the Duchy of Lancaster if, pursuant to his answer of 14 March, he will provide a detailed breakdown of his estimate of the cost of the six working breakfasts planned.

Mr. Kenneth Clarke: The estimated expenditure on the working breakfasts covers all the production and management costs of a professional presentation to senior industrialists and business men, whose commitment and support we are seeking. The total costs will include the preparation of audio-visual material, the hire of halls, printing and the issue of invitations, transport and storage. Catering will cost under £5 per person.

City Action Teams

Mr. Madden: To ask the Chancellor of the Duchy of Lancaster if he will consider setting up a new office in Bradford, staffed by officials of the Departments of the Environment, Employment and Trade and Industry, to administer that part of the recently announced city action team programme of benefit to Bradford.

Mr. Kenneth Clarke: No. City action teams are operating successfully from the regional offices of the three Departments, including in those areas where the city action team also covers an adjacent city.

Mr. Madden: To ask the Chancellor of the Duchy of Lancaster how much he plans to spend on giving breakfasts in Bradford under his city action team programme; how many such breakfasts he intends to organise in Bradford,; who is to be invited; where the breakfasts will be held; and when the first breakfast will take place.

Mr. Kenneth Clarke: My present plans do not include a presentation in Bradford. However, a working breakfast will be held in Pudsey on 26 April for about 250 senior business men and industrialists from the west Yorkshire urban area, including Bradford in order to seek their commitment to and support for the Government's programmes of urban regeneration in Leeds and Bradford.

Mr. Madden: To ask the Chancellor of the Duchy of Lancaster, pursuant to his reply of 14 March, if he will list broad expenditure heads for the estimated expenditure by the city action team in Bradford of about £50 million in 1987-88; and if he will specify how much of the money to be spent in Bradford is a new allocation of funds.

Mr Kenneth Clarke: As I indicated in my reply to the hon. Member's question of 14 March at column *434*, the total estimated expenditure in Bradford of the three city action team departments in 1987-88 is about £50 million. The broad areas of expenditure are:

	million £
Housing	13
Regeneration of land and buildings	6
Employment, Training and Industry	34
Total	53

This is existing expenditure through main departmental programmes. In addition, the Government are making a further £0·79 million available to the Leeds/Bradford city action team to be spent in the area the team covers, without prior allocation to particular districts.

DEFENCE

Military Personnel (Wales)

Mr. Nicholas Bennett: To ask the Secretary of State for Defence if he will list the location and number of *(a)* military personnel and *(b)* non-military personnel employed in (i) Pembrokeshire, (ii) Dyfed and (iii) Wales.

Mr. Freeman: It would not be in the public interest to provide details of the number of personnel in individual defence establishments. The total numbers of personnel, military and non-military, in the areas specified are shown in the table. The figures relate to 1 July 1987, and those for Pembrokeshire cover establishments in the Preseli and South Pembrokeshire local authority areas.

	Total	*Service Personnel*	*Civilian Personnel*
(i) Pembrokeshire	1,884	797	1,087
(ii) Dyfed	3,040	831	2,209
(iii) Wales	12,040	6,076	5,964

European Fighter Aircraft

Mr. Rogers: To ask the Secretary of State for Defence what progress has been made on deciding on the radar system for the European fighter aircraft; and if he will make a statement.

Mr. Sainsbury: As my hon. Friend the Parliamentary Under-Secretary of State for the Armed Forces said on 11 February 1988 at column *592*, revised bids for the EFA radar have been received. The assessment of these bids is in hand, but will take some time and a decision is unlikely until the summer.

Trident

Mr. Cohen: To ask the Secretary of State for Defence if he will give details of the sub-headings of expenditure in the Trident miscellaneous budget.

Mr. Sainsbury: The sub-headings of expenditure in the miscellaneous element of the Trident budget are functional machinery, logistic and other support costs, and additional intramural costs.

Soviet Weapons

Mr. Anthony Coombs: To ask the Secretary of State for Defence what assessment his Department has made of Soviet modernisation of their conventional weapons; and if he will make a statement.

Mr. Ian Stewart: I refer my hon. Friend to the statement made by my right hon. Friend the Prime

Minister on the NATO summit on 4 March at columns 1279-80 which emphasised that there has been no let-up in the Soviet Union's extensive military modernisation programme, covering both the improvement of existing platforms, weapons and equipment and also the introduction of new ones. For example, among major items a new version of the T-72 tank has recently appeared and a new heavy lift aircraft has been introduced, while new attack helicopters and a range of new missiles are under development. Further information is given regularly in the annual "Statement on the Defence Estimates".

Territorial Army

Mr. Baldry: To ask the Secretary of State for Defence if he will make a statement on current levels of recruitment and retention into the Territorial Army.

Mr. Freeman: Recruitment and retention figures for the Territorial Army are, of course, subject to seasonal variations. The overall strength reached a temporary peak of over 78,000 in May 1987. Essentially the main concern lies in retaining experienced volunteers, rather than in attracting new recruits, although the latter is, of course, closely monitored. We have implemented a number of initiatives aimed at improving retention, most recently agreement to the funding of a major media campaign recommended by the National Employer Liaison Committee, details of which I gave in the answer to my hon. Friend the Member for Hampshire, East (Mr. Mates) on 29 February 1988 at column *142*.

Army Trucks

Mr. Eastham: To ask the Secretary of State for Defence what refurbishing work is to be carried out on the Army's existing 4-tonne trucks; and when he plans to order a replacement.

Mr. Sainsbury: We have no plans to refurbish the Army's existing 4-tonne truck fleet. A competition to select a new 4-tonne vehicle is currently in progress. The new vehicles will be ordered in 1989 and will begin to enter service in 1990. Consideration is also being given to a further order for the existing model as an interim measure.

Chemical Weapons

Mr. Cohen: To ask the Secretary of State for Defence what consideration and discussions have taken place within the North Atlantic Treaty Organisation in respect of the possibility of retaining safety margins of chemical weapons; and if he will make a statement.

Mr. Ian Stewart: There are no chemical weapons declared to NATO, although the United States possesses a minimal retaliatory capability. It is the aim of all NATO states to achieve a comprehensive, verifiable and global ban on all chemical weapons, as was confirmed at the meeting of the Heads of State and Government of the North Atlantic Treaty Organisation in Brussels on 2-3 March.

Bearer Parties

Mr. Marlow: To ask the Secretary of State for Defence under what circumstances bearer parties are provided for the coffins of deceased military personnel on arrival in the United Kingdom from overseas.

Mr. Freeman: Bodies returning to the United Kingdom from overseas normally arrive on scheduled aeroplanes at civil airports where provision of a bearer party might cause difficulties or be inappropriate. In those cases the body is met and taken from the airfield by a civilian undertaking. Whether or not to supply a bearer party in other circumstances rests with the regiment and the wishes of the family.

Mr. Marlow: To ask the Secretary of State for Defence whether bearer parties were provided for the officers killed on duty off Portugal on the return of their bodies to the United Kingdom.

Mr. Freeman: The bodies of Lt. Cdr. Davies and S/Lt. Cawthorne, who were tragically killed while on duty on 10 March, were returned to the United Kingdom on board the RFA Engadine. The ship docked at Portland naval base. The bodies were piped from the ship in accordance with naval custom. Royal Navy personnel were used to deliver the bodies into the custody of the coroner for Dorset. The question of bearers does not therefore arise until the funeral service where a naval bearer party will be provided if the next-of-kin so request.

Loan Service Personnel Programme

Mr. Hinchliffe: To ask the Secretary of State for Defence if he will list the names of countries to which Britain has military personnel on loan currently under the loan service personnel programme.

Mr. Ian Stewart: Members of Her Majesty's armed forces have served in the following countries and territories on loan or secondment terms during the current financial year:

Australia
Bahrain
Bangladesh
Barbados
Belize
Bermuda
Brunei
Dominica
Fiji
Gambia
Ghana
Hong Kong
Indonesia
Jordan
Kenya
Kuwait
Lesotho
Mauritius
New Zealand
Nigeria
Oman
Qatar
Saudi Arabia
St. Lucia
St. Vincent
Sudan
Swaziland
Uganda
United Arab Emirates
Zimbabwe[1]

[1] Since January 1986 a wing of the British military advisory and training team has been specifically allocated to train Mozambican troops within Zimbabwe.

HMS Tireless

Mr. Cohen: To ask the Secretary of State for Defence what is the purpose of the visit of HMS Tireless to the port of Southampton; how often visits of this type are made; what are the criteria for deciding the timing and location of such visits; and if he will make a statement.

Mr. Ian Stewart: HMS Tireless made a routine visit to Southampton from 9-15 March in order to give her crew a period of rest and recreation and an opportunity to meet local organisations, including the sea cadet corps. The timing of such visits is largely determined by the operational programme of HM submarines and the availability of suitable port facilities. In my reply to the

hon. Member for Cardiff, South and Penarth (Mr. Michael) on 9 March at column *216*, I gave the number of United Kingdom nuclear powered submarine visits to United Kingdom non-naval ports since 1970.

Mr. Cohen: To ask the Secretary of State for Defence whether the local public safety scheme was activated in response to the visit of HMS Tireless to the port of Southampton; what class of berth the submarine is using; and if he will make a statement.

Mr. Ian Stewart: The procedures for notifying the appropriate local authorities, emergency services and other civilian agencies of an impending visit of a nuclear submarine, specified in the Southampton special safety scheme, were carried out prior to the recent visit of HMS Tireless to the port. The berth used by HMS Tireless is categorised as a Z berth.

TRANSPORT

Road Maintenance (Northern Region)

Mr. Boyes: To ask the Secretary of State for Transport what is the expected increase in real terms to be allocated for road maintenance in the northern region.

Mr. Peter Bottomley: We have increased the 1988-89 allocation for the maintenance of motorways and trunk roads in the northern region by 3·2 per cent. in real terms compared with the initial allocation for 1987-88. We are maintaining provision for local road maintenance in England at £1,264 million for 1988-89. This represents an increase of 8·4 per cent. in real terms on what local authorities have budgeted to spend in 1987-88. This provision is not broken down by region.

Dual Carriageways (Central Reservations)

Mr. Robert Banks: To ask the Secretary of State for Transport what mileage of steel barriers was erected in the central reservations of dual carriageway roads and motorways during the last financial year; and what mileage has been contracted for in the present financial year.

Mr. Peter Bottomley: The information requested is not held centrally. I shall write to my hon. Friend.

Highway Authorities (Underspending)

Mr. Latham: To ask the Secretary of State for Transport what representations have been made to his Department by the Federation of Civil Engineering Contractors regarding alleged underspending by highway authorities on road building or maintenance; what statistical evidence is available to him in that regard; and what action he is taking.

Mr. Peter Bottomley: The Federation of Civil Engineering Contractors wrote to my right hon. Friend the Secretary of State on 16 September enclosing a copy of its submission to the Chief Secretary to the Treasury on roads and bridges expenditure. This contained representations on expenditure by highway authorities on road building and maintenance. The issues raised in their submission were discussed with my right hon. Friend on 26 November.

Statistical evidence on highway authorities' spending on roads comes from their budget and expenditure returns to the Department of the Environment. In the last three financial years public expenditure provision for local authority roads capital spending was not underspent. Local authorities' budgets for 1987-88 show £148 million underspending on road maintenance, despite the poor state of local roads. Public expenditure provision for 1988-89 allows for a 13 per cent. increase on these budgets. If 1988-89 budgets show continuing underspend, we shall need to consider, with the local authority associations, what further steps may be needed to ensure adequate road maintenance by local authorities.

Panama Canal

Mr. Tony Banks: To ask the Secretary of State for Transport when his Department last consulted British shipping interests concerning the situation in the Panama canal zone; and if he will make a statement.

Mr. David Mitchell: I refer the hon. Member to the reply I gave on 4 March, at column *740*. We continue to keep the situation under review in close consultation with British shipping interests.

A12 Bypass (Emergency Telephones)

Mr. Burns: To ask the Secretary of State for Transport what representations he has received regarding the installation of emergency telephones on the A12 bypass at Chelmsford; what proposals there are to install such telephones; and if he will make a statement.

Mr. Peter Bottomley: Representations have been received from two local residents. The A12 Chelmsford bypass is one of a number of lengths of trunk road identified by the Department as meriting installation of emergency telephones when funds can be made available.

I hope to announce shortly a list of sites at which installation is proposed in 1988-89 and 1989-90.

Arms Shipments

Mr. Foulkes: To ask the Secretary of State for Transport what information he has on the cargo of arms carried by an aircraft owned by Great Southern Airways which stopped over at Prestwick airport on a flight from France to the United States of America on 24 November 1987; what notification is required of such arms shipments; and if he will make a statement.

Mr. Peter Bottomley: Great Southern Airways sought routine permission for a technical refuelling stop at Prestwick on 14 November 1987 under articles 43 and 44 of the air navigation order. The application was fully in order and permission was granted.

Breeches Buoy Equipment

Mr. Steen: To ask the Secretary of State for Transport how many coastguard stations have breeches buoy equipment; when it was installed; why he has decided to remove existing equipment from use; if he will make a statement as to the cost involved of *(a)* withdrawal of the equipment and *(b)* leaving it in place; and how the need formerly met by breeches buoy will henceforth be met.

Mr. David Mitchell: There are 263 coastguard stations which hold breeches buoy equipment. The majority of this

equipment has been in place since the mid-19th century, although some modifications have taken place in the intervening years.

The existing equipment is to be removed because its use as a method of rescuing stranded mariners has progressively declined and its retention for use by Her Majesty's coastguard can no longer be justified.

The only costs involved in withdrawing this equipment will be in transportation. These costs have not been calculated although they are expected to be minimal. Any time spent by coastguards on this task will be part of their everyday working and no extra expenditure will be incurred.

The costs involved in retaining the equipment would be in the region of £230,000 per year. This includes replacement, maintenance costs and care of equipment payments to auxiliary coastguards. However, development costs for replacement of obsolescent rocket apparatus would also have to be incurred in the near future.

The need formerly met by breeches buoys is now met by search and rescue helicopters provided by my Department and the Ministry of Defence and lifeboats provided by the Royal National Lifeboat Institution. The cliff rescue capability which is also provided by my Department may also be appropriate in certain cases.

Manchester Airport

Mr. Alfred Morris: To ask the Secretary of State for Transport what representations his Department has received from British airlines on the matters to be negotiated by the British and United States Governments in regard to United States carrier access to Manchester international airport; what response he has made; and if he will make a statement.

Mr. Peter Bottomley: A number of representations have been received from British airlines in regard to wider access for United States carriers to serve Manchester international airport. Their representations, together with all other representation received on this issue, will be taken into account in the forthcoming negotiations with the United States Government, scheduled for 17-18 March.

Wortley (Rail Services)

Mr. Madden: To ask the Secretary of State for Transport what representations he has received to the effect that the notice, published by the British Railways Boad on 10 March, concerning a proposal to discontinue railway passenger services between Wortley South and Wortley West junction, is invalid in that it fails to meet the requirements of section 56 of the Transport Act 1962; and if he will make a statement.

Mr. David Mitchell: None. That is not a matter for me.

Vehicle Number Plates

Mr. David Nicholson: To ask the Secretary of State for Transport whether proposals have been made to impose a common design vehicle number plate throughout the EEC.

Mr. Peter Bottomley: It has been made clear to the Commission that any proposals which prejudiced the high standards of clarity and readability of the current United Kingdom design would be opposed.

Officials in the Commission are considering the possibility of harmonising the size and design of number plates throughout the Community as part of a common transport policy. The Government have not received any formal proposals for harmonisation.

OVERSEAS DEVELOPMENT

United Nations Children's Fund

Mr. Tom Clarke: To ask the Secretary of State for Foreign and Commonwealth Affairs what contribution was made by Her Majesty's Government to the United Nations Children's Fund in each financial year since 1978-79 in both current and actual prices.

Mr. Chris Patten: The information is as follows:

Year	*Contributions at current prices (£ million)* General fund	Special appeals	Total	*1986-87 prices (£ million)* General fund	Total
1978-79	4·500	0·664	5·164	8·8	10·1
1979-80	[1]5·800	1·751	7·551	9·7	12·6
1980-81	4·300	1·456	5·756	6·0	8·1
1981-82	5·900	0·083	5·983	7·5	7·6
1982-83	5·900	0·069	5·969	7·0	7·1
1983-84	6·000	0·025	6·025	6·8	6·9
1984-85	6·000	1·000	7·000	6·6	7·6
1985-86	[2]9·550	1·338	10·888	9·8	11·2
1986-87	3·250	6·570	9·820	3·3	9·8

[1] Special increase to mark International Year of the Child.
[2] £3·25 million, originally planned to be paid in April 1986, was paid in March.

Departmental Grants

Mr. Hinchliffe: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the non-governmental organisations in receipt of grants from his Department during 1987-88; and what is the size of each grant.

Mr. Eggar: Current information about the total of grants committed in 1987-88 by the Overseas Development Administration to particular non-governmental organisations under arrangements for the joint funding of development projects, support to volunteer and other agencies and support for refugee relief and related development projects is given below.

	£
Accord	410,000
Action Aid	434,876
Afghan Aid	370,000
Aga Khan Foundation	39,287
Appropriate Health Resources and Technologies Action Group	90,194
Aid for India	33,345
Boys Brigade	10,996
British Executive Service Overseas	306,000
British Red Cross Society	728,966
Care (UK)	138,465
Cerebral Palsy Overseas	28,500
Catholic Fund for Overseas Development	440,000
Catholic Institute for International Relations	811,152
Centre for World Development Education	100,000
Christian Aid	1,197,283
Christians Abroad	16,000
Christian Outreach	30,000
Commonwealth Ecology Council	7,666
Commonwealth Trade Union Council	32,332

	£
Concern	250,000
Cooperation for Development	17,250
Duke of Edinburgh's Award	64,233
Euro Action Accord	289,539
Food Agriculture Research Mission	18,189
Friends Urambo Mwanhala	8,832
Hand in Hand	15,000
Health Unlimited	23,500
Help the Aged	8,000
Institute of Cultural Affairs	4,168
International Extension College	50,000
International Medical Relief	54,500
International Planned Parenthood Federation	6,600,000
Intermediate Technology Development Group	1,242,000
International Voluntary Service	657,108
International Year of Shelter for the Homeless Trust	57,775
Leonard Cheshire Foundation	37,000
Leprosy Mission	15,748
Mission Aviation Fellowship	15,000
National Children's Homes	33,150
Ockenden Venture	230,000
Overseas Development Institute	245,000
Oxfam	2,055,704
Plan International	108,500
Population Concern	88,957
Population Services	146,903
Quaker Peace and Service	30,000
Regional Conference on International Voluntary Service	4,400
Royal Commonwealth Society for the Blind	147,394
Richmond Fellowship	87,000
Ryder Cheshire Mission	25,000
Save the Children Fund	1,265,000
Sandy Gall's Afghanistan Appeal	49,000
Scottish Catholic International Aid Fund	79,318
Scottish Education and Action for Development	6,000
Scouts	25,000
SOS Sahel International	10,318
Sport Aid	45,000
St. John's Ambulance	4,476
Tanzania Development Trust	8,000
Tear Fund	289,170
Uganda Society for Disabled Children	127,644
United Nations Association International Service	400,000
Universities Educational Fund for Palestine Refugees	13,000
Voluntary Service Overseas	7,114,000
Water Aid	269,929
World Vision	134,000
World University Service	95,000
World Wildlife Fund	251,800
Y-Care	33,500
You and Me	20,000
Young Womens Christian Association	3,000
Total	28,098,067

Note: excludes disaster relief and food aid channelled through non-governmental organisations.

EDUCATION AND SCIENCE

Departmental Grants

Mr. Sedgemore: To ask the Secretary of State for Education and Science if he will list those voluntary organisations in the current financial year in receipt of grants from his Department including the amount of grant in each case and the work for which the grant has been made available.

Mrs. Rumbold: The following grants were given towards the headquarters activities of national voluntary youth organisations under section 20(1)(b) of the Education (Grant) Regulations 1983:

Organisation	*Grant in 1987-88*
Army Cadet Association	5,160
Association for Jewish Youth	25,260
Baptist Union of Great Britain and Ireland	24,420
Boys' Brigade	34,920
British Council of Churches	24,000
British Red Cross Society	9,780
British Trust for Conservation Volunteers	35,700
Campaigners	13,620
Catholic Youth Services	18,000
Church Army	12,240
Church Lads' Brigade and Church Girls' Brigade	11,040
Church of England Board of Education	37,920
Co-operative Union	4,320
Council for Environmental Education	22,680
Covenanters	4,920
Da'watul Islam: United Kingdom and Eire	6,780
Drake Fellowship	27,420
Duke of Edinburgh's Award	66,600
Endeavour Training	28,920
Forest School Camps	1,620
Frontier Youth Trust	11,940
Girl Guides Association	47,460
Girls' Brigade	21,060
Girls' Venture Corps	23,640
Horse Rangers Association	1,800
Inter-Action	17,460
International Voluntary Service	1,200
Jewish Lads' and Girl's Brigade	5,520
JMB Development Training	4,920
Lubavitch Foundation	5,040
Methodist Association of Youth Clubs	87,540
National Association of Boys' Clubs	149,160
National Association of Muslim Youth	15,360
National Association of Youth Clubs	255,360
National Elfrida Rathbone Society	22,800
National Foundation of 18+ Groups	32,640
National Federation of Gateway Clubs	35,340
National Federation of Young Farmers' Clubs	78,960
National Organisation for Work with Girls and Young Women	17,760
National PHAB	49,080
National Youth Assembly	7,500
National Youth Choir	1,020
National Youth Orchestra	4,560
National Youth Theatre	40,380
New Testament Church of God	10,080
Ocean Youth Club	12,300
Outward Bound Trust	13,680
Quaker Home Service	13,560
Reform Synagogues of Great Britain	7,740
Royal Society for the Protection of Birds	4,440
Sail Training Association	5,580
St. John Ambulance Brigade	7,200
Salvation Army	12,720
Scout Association	49,800
Sea Cadet Association	14,220
SPLASH	4,740
Union of Maccabi Associations	6,600
UK Federation of Jazz Bands	6,300
United Reformed Church	35,940
Woodcraft Folk	10,020
Young Christian Workers	24,240
Young Men's Christian Association	149,160
Young Women's Christian Association	88,080
Youth Hostels Association	41,640

In addition, grants have been allocated to the following national associations under section 19 of the Regulations in respect of expenditure incurred in providing educational services:

Association	*Grant in 1987-88 (£)*
British Chess Federation	36,400
British Theatre Association	13,900

Association	Grant in 1987-88 (£)
Educational Centres Association	6,200
National Association of Women's Clubs	26,400
National Federation of Community Organisations	25,300
National Federation of Women's Institutes	15,600
National Housewives' Register	5,700
National Union of Townswomen's Guilds	13,600
Pre-Retirement Association	71,800
University of the Third Age	3,800
Workers' Educational Association National Office [1]	104,300

[1] Of which £53,500 is allocated for in-service training.

Under section 17 of the regulations grants were given to the following voluntary organisation in support of their activities:

Organisation	Grant in 1987-88 (£)
Association for All Speech Impaired Children	11,000
British Association for Early Childhood Education	4,610
Community Service Volunteers: Advisory Service	26,960
Council for Education in World Citizenship	37,000
National Educational Resource Centre for Hearing Impaired Pupils	37,000
Pre-School Playgroups Association	108,000
National Association for Gifted Children	10,000
National Bureau for Handicapped Students	30,750

Students (Records)

Mr. Kirkwood: To ask the Secretary of State for Education and Science when he intends to issue a consultation document on the keeping and disclosure of records concerning students in further education establishments; and when he intends to table regulations.

Mr. Jackson: My right hon. Friend plans to issue a consultation paper on this subject later this year and will deal then with the making of regulations.

Mr. Kirkwood: To ask the Secretary of State for Education and Science when he intends to issue a circular to local education authorities on the keeping and disclosure of pupil records; and when he now expects regulations to be tabled in Parliament.

Mrs. Rumbold: Our intention is to make regulations by the end of 1988. Guidance will be issued at the same time to local education authorities.

Primary and Secondary Schools (Expenditure)

Mr. McLoughlin: To ask the Secretary of State for Education and Science if he will show the amount spent per pupil on education in *(a)* primary schools and *(b)* secondary schools in the counties of Staffordshire and Derbyshire.

Mr. Dunn: The latest information is provided in the table.

Net institutional recurrent expenditure[1] per pupil—1986-87

	Primary Schools £	Secondary Schools £
Staffordshire	878	1,257
Derbyshire	877	1,304

Note:

[1] Net institutional recurrent expenditure covers the cost of salaries and wages, premises and certain supplies and services. It does not include the cost of school meals, central administration and inspection, debt charges or revenue contributions to capital outlay.

PRIME MINISTER

Church Lawford

Q27. **Mr. Pawsey:** To ask the Prime Minister if she has any plans to make an official visit to Church Lawford, near Rugby.

The Prime Minister: I have at present no plans to do so.

NHS Hospital, Bradford

Q41. **Mr. Cryer:** To ask the Prime Minister when she next expects to pay an official visit to a National Health Service hospital in Bradford.

The Prime Minister: I have at present no plans to do so.

West Berlin (Bomb Alert)

Q69. **Mr. Dalyell:** To ask the Prime Minister if she will discuss with President Reagan the statements of Secretary of State Schultz and Secretary Weinberger that there was a bomb alert in West Berlin on 14 April 1986, in the light of the statement by the duty head of the United States military police in Berlin, Major Ruth La Fontaine, that there was no such alert; and if she will make a statement.

The Prime Minister: No.

West Berkshire

Q77. **Mr. Michael McNair-Wilson:** To ask the Prime Minister when she next intends to visit west Berkshire.

The Prime Minister: I have at present no plans to do so.

Agricultural and Industrial Support

Mr. Ralph Howell: To ask the Prime Minister if, on the same basis as the reply to the hon. Member for Norfolk, North on 16 March 1987, *Official Report*, columns *425-26*, she will show the cost of agricultural support for each year since 1960 at 1988-89 prices, and in real terms; and how much has been paid out, at 1988-89 prices and in real terms to *(a)* the motor industry, *(b)* the coal industry, *(c)* the steel industry, *(d)* the shipbuilding industry and *(e)* the aircraft industry; and if she will also show the total amount paid to industry as a whole for each year since 1960.

The Prime Minister: The table sets out the public expenditure cost of supporting agriculture as compared with the public expenditure cost of support to manufacturing industry over the period since 1977. The presentation is not identical with that on previous occasions. Because many industrial support schemes, such as support for innovation, operate across industries, disaggregation into individual industries is not possible. However estimates are made by the Central Statistical Office for manufacturing, mining and construction taken as a whole. These figures have been set alongside comparable figures for agriculture, forestry and fishing. Data prior to 1977 are not available on a consistent basis because of changes in industrial classifications. On these figures, support for agriculture as a proportion of its

contribution to value added is about 20 times that provided to manufacturing industry. The figures for support to agriculture in the United Kingdom relate solely to amounts financed by the Government and by the European Community budget and do not include costs to the consumer of holding food prices above world prices.

	General government expenditure on		Gross domestic product arising from		General government expend as percentage of GDP in each sector	
	Agriculture forestry and fishing £ million	[1] Manufacturing £ million	Agriculture forestry and fishing £ million	[1] Manufacturing £ million	Agriculture forestry and fishing Per cent.	[1] Manufacturing Per cent.
1977	1,059	1,582	3,353	45,892	31·6	3·4
1978	1,121	2,051	3,590	52,795	31·2	3·9
1979	1,163	2,487	3,922	59,448	29·7	4·2
1980	1,633	2,683	4,303	65,170	38·0	4·1
1981	1,688	3,467	4,837	66,972	34·9	5·2
1982	2,000	2,766	5,530	72,555	36·2	3·8
1983	2,472	2,662	5,365	76,985	46·1	3·5
1984	2,194	2,423	6,222	83,108	35·3	2·9
1985	2,725	2,265	5,627	91,457	48·4	2·5
1986	2,397	1,856	5,902	99,172	40·6	1·9

[1] Including mining and mineral resources and construction.

Source: United Kingdom National Accounts 1987 (CSO). Tables 2.1 and 9.4.

Civil Servants

Mr. Ron Davies: To ask the Prime Minister what advice is given to Departments about the promotion within executive officer and higher executive officer grades of persons who are already members of or intend to stand as candidates for membership of local councils; and what restriction is placed on their promotion.

The Prime Minister: The rules governing political activities by civil servants are set out in the Civil Service pay and conditions of service code (paragraphs 9923 to 9957), a copy of which is available in the House of Commons Library. Promotion is solely on merit in accordance with the general principles of fair and open competition. The grades referred to fall in the category of civil servants who need to apply for departmental permission to take part in local political activities, under the provisions set out in paragraphs 9929-9932 and 9934.

Mr. Ron Davies: To ask the Prime Minister what functions and roles are restricted to those who are not members of, or candidates for, local councils within the Departments of the Environment and Transport at executive officer and higher executive officer grades.

The Prime Minister: There are many posts in the Department of Environment and the Department of Transport which could not appropriately be held by officers who are members of, or candidates for, local councils, because it is important that the staff concerned should be seen to be politically impartial. All applications for permission to take part in local political activities are dates considered on a case by case basis, as is the posting of officers who have received such permission.

I also refer the hon. Gentleman to the reply I am giving him today to another question.

Engagements

Ms. Ruddock: To ask the Prime Minister if she will list her official engagements for Thursday 17 March.

Mr. Harry Greenway: To ask the Prime Minister if she will list her official engagements for Thursday 17 March.

Mr. Stern: To ask the Prime Minister if she will list her official engagements for Thursday 17 March.

Mr. Pike: To ask the Prime Minister if she will list her official engagements for Thursday 17 March.

The Prime Minister: This morning I presided at a meeting of the Cabinet and had meetings with ministerial colleagues and others. In addition to my duties in the House I shall be having further meetings later today.

WALES

Welsh Development Agency

Mr. Nicholas Bennett: To ask the Secretary of State for Wales what was the total expenditure in cash terms and at constant 1988 prices of the Welsh Development Agency on the tourism industry in each year since the establishment of the Welsh Development Agency; and what percentage these figures represent of the total expenditure of the Welsh Development Agency in each of these years.

Mr. Peter Walker: The Welsh Development Agency's contribution to the development of the tourism industry is mainly indirect through key programmes such as land reclamation, environmental improvement and investment.

Since the agency's inception, tourism-related projects costing in the order of £20 million have been completed or are in progress. This is equivalent to about 3 per cent. of total mainstream Welsh Development Agency spending over the same period. A broad estimate of tourism-related expenditure at 1988 prices is £32 million or 3·5 per cent. of total spending since 1976. Comparable information is not available for individual financial years.

NHS (Land)

Mr. Nicholas Bennett: To ask the Secretary of State for Wales what is the total amount and value of surplus land owned by each Welsh district health authority; and how much land has been disposed of by each authority between *(a)* 1974 and 1979 and *(b)* 1979 and 1987.

Mr. Grist: The amount of surplus land held and disposed of by district health authorities in Wales in the years in question is as follows:

District	Surplus land held as at 31 March 1987 (acres)	Surplus Land Disposed 1974-1979 (acres)	1979-1987 (acres)
Clwyd	100	5	677
East Dyfed	12	37	35
Gwent	30	43	187
Gwynedd	99	100	5
Mid Glamorgan	30	18	234
Pembrokeshire	1	122	1
Powys	81	Nil	79
South Glamorgan	23	37	10
West Glamorgan	13	9	38

The value of surplus land currently held is not available centrally.

Exports

Dr. Thomas: To ask the Secretary of State for Wales to what extent he has been able to participate in spearheading export drives for products made in Wales since June 1987.

Mr. Peter Walker: On 26 June 1987 I launched a public awareness campaign of the exporting services offered through the Welsh Office. I have also decided to provide staff reinforcement to the export branch to improve the service to Welsh exporters.

Since then, I have on several occasions spoken to industrialists both individually and collectively about the need to increase the level of Welsh exporting. I have set in motion plans for two overseas trade missions which will be led by me and will later this year take Welsh business men to explore new opportunities in Russia and Saudi Arabia.

Tomorrow I am giving an exporting breakfast in the St. David's hall Cardiff, and next week I will host a similar event in north Wales. I have also arranged that later this year a series of seminars on individual markets will visit west, mid and north Wales. Towards the end of the year I will hold seminars on the theme of the single European market in Cardiff and Wrexham.

ATTORNEY-GENERAL

Conveyancing

Mr. Nicholas Bennett: To ask the Attorney-General what representations he has received concerning delays in conveyancing procedures; and if he will make a statement.

The Attorney-General: From time to time the Lord Chancellor receives representations from hon. Members and others about delays in conveyancing procedures. Through its practice recommendations, explanatory guides and consultation papers the Conveyancing Standing Committee, set up in 1985 by the Law Commission at the Government's request, seeks to promote changes in practice and procedure to make conveyancing simpler, cheaper, quicker and more effective.

ENERGY

Margam Pit

Mr. Nicholas Bennett: To ask the Secretary of State for Energy what discussions have taken place between his Department, British Coal, the National Union of Mineworkers and the National Association of Colliery Overmen, Deputies and Shotfirers concerning the proposed Margam pit; and if he will make a statement.

Mr. Michael Spicer: This matter is for discussion between the management and unions. British Coal has kept me informed of developments. It also consulted my right hon. Friend's predecessor when he was Secretary of State about the project. British Coal reached the view that because of the high capital cost the project could be viable only if flexible working was introduced. My right hon. Friend's predecessor agreed with this assessment. My right hon. Friend and I fully support his view and hope that working arrangements can be agreed and the project can proceed as planned.

British Nuclear Forum (Contracts)

Mr. Ashdown: To ask the Secretary of State for Energy what percentage of contracts over £1 million awarded by the Central Electricity Generating Board, Nirex, British Nuclear Fuels Ltd., and the United Kingdom Atomic Energy Authority went to members of the British Nuclear Forum; and if he will list the firms to which these went, together with the contract values.

Mr. Michael Spicer: These are commercial matters for the bodies concerned.

Pressurised Water Reactors

Mr. Ronnie Campbell: To ask the Secretary of State for Energy what are the schedules and time scales for building each of the six proposed pressurised water reactors; and where it is proposed to site them.

Mr. Michael Spicer: Consent for the Sizewell B PWR was granted in March 1987. The CEGB applied in August 1987 for consent to construct a PWR at Hinkley Point C. A public inquiry will be held, following objections from local planning authorities.

No other applications to build nuclear power stations have been received. The timing of applications and the choice of sites are matters for the CEGB.

Renewable Energy Sources

Mr. Ronnie Campbell: To ask the Secretary of State for Energy if he will make it his policy to remove current constraints on renewable energy sources to enable them to compete on equal terms with nuclear power sources for the reserved percentage of electricity generation.

Mr. Michael Spicer: It is the Government's policy that there should be no constraints on renewable energy sources which would handicap them in competing with other fuels in supplying electricity to the grid.

British Coal (Enterprise) Ltd.

Mr. Boyes: To ask the Secretary of State for Energy how many jobs have been created in the Houghton and Washington constituency by British Coal (Enterprise) Ltd.

Mr. Michael Spicer: This is a matter for British Coal (Enterprise) Ltd. and I shall ask the chairman to write to the hon. Member.

British Coal

Mr. Meale: To ask the Secretary of State for Energy if he will list the names of all private firms contracted to British Coal, stating their type of work and areas covered.

Mr. Michael Spicer: This is a matter for the British Coal Corporation.

Coal Products Limited

Mr. Neil Hamilton: To ask the Secretary of State for Energy whether he has reached a decision about the capital reconstruction of the British Coal Corporation's subsidiary, Coal Products Limited; and if he will make a statement.

Mr. Parkinson: In recent years the British Coal Corporation's (BCC's) coal derivatives subsidiary, Coal Products Limited, has incurred heavy losses, particularly as a result of the NUM strike in 1984-85. Since 1984-85 its cumulative losses have exceeded its capital of £100 million. At the end of March 1987 they stood at £143 million.

These losses were funded by British Coal, with the Government's consent, largely in the form of loans. It is clear, however, that there is no realistic prospect that BCC will recover this money, and I have therefore agreed that it has to be written off by means of a waiver of the loans due to BCC and by cancellation of the company's £22·5 million preference share capital.

I am pleased to report, however, that the management of Coal Products has now carried out a vigorous and fundamental reconstruction of its business; substantial progress has been made to eliminate loss-making activities and to make the company viable. The management is determined that the company should establish a profitable track record on normal commercial terms with BCC.

Apart from any non-deficit grants for which it might be eligible, it is intended that neither the Government nor BCC will provide further support, either by injecting further loans or capital into the company, or by way of further guarantees.

EMPLOYMENT

Loan Guarantee Scheme

Mr. Boyes: To ask the Secretary of State for Employment what plans are being considered further to develop the loan guarantee scheme for inner city investment and development.

Mr. Cope: One of this Government's principal aims has been to encourage the establishment and development of businesses in the inner city areas. As part of the action for cities initiative launched on Monday 7 March 1988 we have increased the guarantee available under the loan guarantee scheme to businesses based or wishing to be based in the 16 inner city task force areas from 70 per cent. to 80 per cent. I hope that this increase in the guarantee will make it easier for businesses in inner city areas to take advantage of the scheme.

Construction Industry (Fatalities)

Mr. Heffer: To ask the Secretary of State for Employment how many fatalities of self-employed persons and illegally employed persons took place whilst carrying out work covered by the construction regulations of the Factories Act in the years 1985, 1986 and 1987.

Mr. Nicholls: The table gives the available information for reported fatalities of those self-employed persons in the construction industry from 1985 to March 1987. Accidents to illegally employed persons cannot be distinguished in the records.

Fatalities of self-employed persons in the construction industry[1]

Year	*Number*
1985	22
1986 January-March	2
1986-87[2]	27

Notes:

[1] As defined by division 5 of the 1980 standard industrial classification.

[2] Year commencing 1 April 1986. More recent information is not yet available.

In addition, the Health and Safety Executive knows of other fatal accidents to self-employed persons engaged in construction work outside the construction industry. For 1985 the number was 1; for 1986-87 it was also 1.

Wages (Underpayment)

Mr. Wray: To ask the Secretary of State for Employment what information he has on the distribution between age groups of cases of illegal underpayments.

Mr. Nicholls: I regret that the information requested is not available.

Mr. Wray: To ask the Secretary of State for Employment how many cases of illegal underpayment of workers by their employers there were in each year since 1974.

Mr. Patrick Nicholls: The numbers of workers found to be underpaid under wages council legislation were as follows:

	Number
1974	15,368
1975	22,604
1976	24,831
1977	26,920
1978	22,671
1979	22,457
1980	28,373
1981	24,117
1982	20,406
1983	20,832
1984	18,043
1985	16,948
1986	15,533
1987	9,129

Mr. Goodlad: To ask the Secretary of State for Employment how many cases of underpayment the wages inspectorate investigated in the north-west division in each

of the past five years; how many were the results of complaints by staff; how many were the results of routine spot checks; and what were the outcomes.

Mr. Nicholls *[pursuant to his reply, 15 February 1988, c. 472]:* In my earlier reply I undertook to give information for 1987. This is as follows:

Outcome of checks of pay carried out at establishments in north-west division, 1987

	Number
Checked by visit (routine)	2,267
Found to be underpaying	254
Checked by visit (complaint)	440
Found to be underpaying	287

Member's Correspondence

Mr. Pawsey: To ask the Secretary of State for Employment, pursuant to his answer of 25 February, *Official Report*, column *293*, if he will now reply to the letter from the hon. Member for Rugby and Kenilworth dated 3 December 1987.

Mr. Lee: I have now written to my hon. Friend.

Small Businesses

Mr. Tony Lloyd: To ask the Secretary of State for Employment if, pursuant to his answer to the hon. Member for Stretford of 1 March, *Official Report*, column *543*, he will place in the Library copies of the report of the results of the surveys containing evidence that some employers are reluctant to recruit additional staff because of employment protection legislation; if he will list the surveys in the *Official Report*; and if he will give details of his assessment of the total national job loss caused.

Mr. Nicholls: Results of two studies by this Department were published as Research Papers 6 and 53 and placed in the Library. It is not possible to estimate the effect on job opportunities since the employment legislation is one of many factors to be considered by an employer.

Hotel and Catering Industry (Wages)

Mr. Speller: To ask the Secretary of State for Employment, how many cases of underpayment in the hotel and catering industry the wages inspectors investigated in 1987; how many were the result of complaints by staff; and how many were the result of routine spot checks.

Mr. Nicholls *[pursuant to his reply, 2 February 1988, c. 558]:* In my earlier reply I undertook to provide some additional information. This is as follows.

In 1987, wages inspectors visited 1,311 establishments in the hotel and catering trades to investigate complaints. Underpayments were found at 780. Inspectors also visited 6,932 establishments to carry out routine checks. Underpayments were found at 892.

ENVIRONMENT

Direct Labour Building Departments

Mr. Latham: To ask the Secretary of State for the Environment whether he will list by date all cases in which he or his predecessors have used their restrictive powers under the Local Government, Planning and Land Act 1980 in respect of local authority direct labour building departments; what were the reasons for the exercise of powers in each case; and what was the outcome in each case.

Mr. Chope: The table lists the 20 occasions on which, following serious failures to meet the required financial objectives, my right hon. Friend has directed an authority to prepare a special report under section 17(4) of the 1980 Act, and the action taken as a result. In three cases closure directions have been made. In 10 others the council has been informed that no further action will be taken apart from careful monitoring of future performance. In the other seven no decision has yet been taken.

Authority	*Description of work concerned*	*Date special report requested*	*Action taken and Date*
Brent	Major construction	7 May 1985	Council informed no further action — 20 February 1986
Greenwich	Major construction	7 May 1985	Council informed no further action — 10 April 1986
Haringey	Major and minor construction	7 May 1985	Council directed to cease using DLO — 5 March 1986
St. Helens	Major and minor construction	7 May 1985	Council informed no further action — 21 January 1986
Hammersmith and Fulham	Maintenance and highways	22 October 1985	Council informed no further action — 25 March 1986
Bristol	Maintenance, highways and minor construction	1 April 1986	Council informed no further action — 28 October 1986
Newham	Major construction	1 April 1986	Council directed to cease using DLO — 4 November 1986
Wigan	Maintenance	1 April 1986	Council informed no further action — 28 October 1986
Liverpool	Major and minor construction	13 May 1986	No decision taken yet
Hackney	Major and minor construction	17 October 1986	No decision taken yet
Lambeth	Major construction	18 February 1987	Council directed to cease using DLO — 4 August 1987
Lambeth	Minor construction	4 August 1987	No decision taken yet
Barnsley	Maintenance	18 February 1987	No decision taken yet
Hull	Major construction	23 March 1987	Council informed no further action — 5 August 1987
Camden	Major construction	23 March 1987	Council informed no further action — 5 August 1987
Waltham Forest	Maintenance and highways	22 June 1987	Council informed no further action — 26 January 1988
Bath	Maintenance	22 June 1987	Council informed no further action — 17 November 1987
Three Rivers	Maintenance	31 July 1987	No decision taken yet
Watford	Maintenance	6 August 1987	No decision taken yet
Bolton	Maintenance	20 January 1988	No decision taken yet

Football Matches (Attendances)

Mr. Heffer: To ask the Secretary of State for the Environment what information he has as to how many people attended all association football league and cup matches in England and Wales, from the commencement of the football season up to and including 29 February.

Mr. Moynihan: Information held by the Football Association and the Football league shows the following attendances at league and FA cup matches from the beginning of the current season up to 29 February 1988:

	Million
League matches	12·77
Football Association Challenge cup	[1]1·72

[1] Up to and including fifth round.

Figures for the three cup competitions run by the Football League are available only up to 31 January 1988 and are as follows:

	Million
Littlewoods Challenge Cup	1·34
Simod Cup	0·17
Sherpa Van Trophy	0·18

GLC Heritage Collection

Mr. Tony Banks: To ask the Secretary of State for the Environment what information he has regarding the disposal of the items held by the London residuary body termed the GLC Heritage Collection.

Mr. Chope: I understand that the board of the London residuary body has made a decision to transfer most of the artefacts to the Greater London record office, where they will be available for public inspection. Other artefacts will be transferred to successor bodies such as the London fire and civil defence authority and the Thames water authority. Pending completion of agreements, the artefacts are in secure storage.

GLC Dais (Badges of Office)

Mr. Tony Banks: To ask the Secretary of State for the Environment what information he has regarding the present location of the badges of office previously worn by members of the GLC dais.

Mr. Chope: The badges of office of the former chairman, vice-chairman and deputy-chairman are in secure storage at county hall pending their eventual transfer to the Greater London record office.

Chlorofluorocarbons and Halogens

Mr. Wray: To ask the Secretary of State for the Environment what information he has as to how many research projects on the impact of chlorofluorocarbons and halogens upon the environment and, specifically, the ozone layer are at present being carried out in the United Kingdom.

Mr. Moynihan: I listed in my reply to a question by the hon. Member on 2 November 1987, column *437*, the establishments funded by the Department, and the stratospheric ozone research topics on which they are engaged. In addition, the Department co-operates closely with the programmes supported by the Meteorological Office, the Natural Environment Research Council, the Science and Engineering Research Council, the Department of Trade and Industry and the Chemical Manufacturers Association.

Privately Rented Accommodation

Mr. Neil Hamilton: To ask the Secretary of State for the Environment what information he has as to the amount by which the supply of privately rented accommodation in the Greater Manchester area has declined in the past 10 years; and what indications there are that demand exceeds supply.

Mrs. Roe: No statistics for Greater Manchester are kept, but nationally private rented dwellings as a proportion of the total declined from 12 per cent. in 1979 to 8 per cent. in 1987.

We have no information on part two of the question.

County Rate Precepts

Mr. McLoughlin: To ask the Secretary of State for the Environment if he will list the county rate precepts in order, from the highest to the lowest.

Mr. Chope: Following is a list of the county precepts for 1988-89:

County	*Precept (p)*
Derbyshire	297·50
Cleveland	282·00
Humberside	261·00
Cumbria	260·00
Nottinghamshire	253·00
Avon	246·50
Bedfordshire	246·40
Durham	246·00
Northumberland	[1]244·50
Hertfordshire	240·40
Oxfordshire	238·60
Essex	235·00
Lancashire	234·00
Cheshire	232·00
Northamptonshire	229·00
Buckinghamshire	227·70
Isle of Wight	227·23
Warwickshire	227·10
Somerset	224·00
Leicestershire	221·20
Wiltshire	219·30
Gloucestershire	217·30
East Sussex	217·10
North Yorkshire	217·00
Cambridgeshire	216·00
Staffordshire	215·00
Devon	209·75
Cornwall	207·70
Lincolnshire	204·00
Suffolk	204·00
Dorset	203·00
Surrey	202·70
Hampshire	200·30
Shropshire	200·00
Berkshire	193·60
Kent	192·00
West Sussex	192·00
Norfolk	190·90
Hereford and Worcester	185·00

[1] Includes Northumbria police authority's precept of 14.40p

Mr. McLoughlin: To ask the Secretary of State for the Environment if he will provide a list showing for those county councils which changed control in 1981 their county precept *(a)* in 1981 and *(b)* 1989.

Mr. Chope: Following is a list of precepts for the counties which changed political control in 1981:

County	*Precept 1981-82 (p)*	*Precept 1988-89 (p)*	*Increase (Percentage)*
Avon	120·60	246·50	104
Bedfordshire	122·60	246·40	101
Berkshire	112·00	193·60	73
Cheshire	126·00	232·00	84
Cleveland	140·00	282·00	101
Cumbria	131·00	260·00	98
Derbyshire	111·00	297·50	168
Gloucestershire	120·00	217·30	81
Humberside	107·00	261·00	144
Isle of Wight	113·50	227·23	100
Lancashire	121·50	234·00	93
Leicestershire	101·50	221·20	118
Northamptonshire	117·00	229·00	96
Northumberland	125·00	[1]244·50	96
Nottinghamshire	109·00	253·00	132
Staffordshire	112·50	215·00	91
Warwickshire	116·55	227·10	95

[1]The 1988-89 precept for Northumberland includes the Northumbria police authority's precept of 14·40p.

Merseyside Development Corporation

Mr. Frank Field: To ask the Secretary of State for the Environment if he will list the members of the Merseyside Development Corporation.

Mr. Trippier: The members of the Merseyside Development Corporation board are:

Mr. Philip Carter—*Chairman*
Mr. John Smith CBE—*Deputy Chairman*
Professor Graham Ashworth
Mr. Brian Thaxter
Professor Patrick Minford
Mr. Clive Lewis, FRICS, FSVA
Councillor Thomas Glover
Councillor John Hale
Dr. John Ritchie.

Public Health Consultants (Medical Assessments)

Mr. Brandon-Bravo: To ask the Secretary of State for the Environment what consideration he has given to the recommendation in the Acheson report that public health consultants should no longer undertake medical assessments on behalf of housing departments; and if he will make a statement.

Mr. Newton: I have been asked to reply.

We are currently studying all the recommendations of this report. It would not be appropriate for me to comment on any one of them at this stage. As my right hon. Friend indicated in his reply to my hon. Friend the Member for Sevenoaks (Mr. Wolfson) on 14 January 1988, at column *401*, we hope to make a further announcement on implementation in the near future.

Chlorofluorocarbons

Mr. Fraser: To ask the Secretary of State for the Environment whether he will introduce legislation to compel prominent labelling of products containing chlorofluorocarbons.

Mr. Atkins: I have been asked to reply.

I refer to my reply to the hon. Member for the City of Durham (Mr. Steinberg) on 5 November 1987 at column *802*.

Market forces also operate for the very wide range of other products which contain chlorofluorocarbons and for which in many cases there is no suitable alternative.

FOREIGN AND COMMONWEALTH AFFAIRS

Chemical Weapons

Mr. Cohen: To ask the Secretary of State for Foreign and Commonwealth Affairs on what date discussions were first *(a)* proposed and *(b)* commenced between Her Majesty's Government and the Soviet Administration with a view to achieving an agreement on chemical weapons; and if he will make a statement.

Mr. Mellor: Both we and the Soviet Union are members of the 40 nation conference on disarmament in Geneva, where negotiations for a comprehensive and verifiable global chemical weapons ban are taking place. British and Soviet officials have met frequently since July 1985 to discuss progress at these negotiations.

Mr. Cohen: To ask the Secretary of State for Foreign and Commonwealth Affairs on what date he was first notified by the United States Administration that they were going to commence production of binary chemical weapons.

Mr. Mellor: The United States proposal to commence production of binary chemical weapons was contained in legislation passed by Congress in May 1985. The United States Government have kept us fully informed of their plans.

Torture Convention (Ratification)

Mr. Win Griffiths: To ask the Secretary of State for Foreign and Commonwealth Affairs when he expects the United Kingdom to be in a position to ratify the European convention against torture.

Mrs. Chalker: We hope to ratify the convention in the near future.

Panama

Mr. Tony Banks: To ask the Secretary of State for Foreign and Commonwealth Affairs if any requests have been received from the United States' authorities for co-operation in actions being taken against the Government of Panama; and if he will make a statement.

Mr. Eggar: We have not been asked by the United States authorities to co-operate in actions being taken against the Government of Panama.

Mr. Tony Banks: To ask the Secretary of State for Foreign and Commonwealth Affairs what is the policy of Her Majesty's Government in respect of current United States' actions towards Panama; and if he will make a statement.

Mr. Eggar: Relations between the United States and Panama are matters for the two Governments concerned.

Hotels (Fire Safety)

Dr. Glyn: To ask the Secretary of State for Foreign and Commonwealth Affairs (1) what action he is taking with the Bulgarian Government to inquire into the fire precautions in the Hotel Moussala following the fire of 22 February; and if he will make a statement;

(2) what action he is taking as the result of the fire which occurred on 22 February at the Hotel Moussala in the resort of Borovets, Bulgaria, to inquire into the minimum fire standards required by tour operators in hotels into which they book their clients overseas.

Mr. Eggar: The Bulgarian Government have appointed a special commission to investigate the fire. A report should issue within 60 days of the event.

Her Majesty's embassy in Sofia has requested a copy of the report, and has sought the assurance of the Bulgarian Government that any recommendations for improvements to safety procedures will be implemented without delay.

The consular department of the Foreign and Commonwealth Office raised the matter at a meeting with the tour operators study group (TOSG) on 15 March 1988. The TOSG informed officials that they had sent a message to some 50 Governments, including the Bulgarian Government, seeking an assurance that local fire safety regulations will be fully implemented.

Military Training (Foreign Students)

Mr. Hinchliffe: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will list the names of countries currently sending students to Britain under the military training assistance programme.

Mr. Mellor: The countries which have sent students to the United Kingdom for military training in 1987-88, whose costs have been wholly or partially paid for from the United Kingdom military training assistance scheme are:

Algeria
Antigua
Bahamas
Bangladesh
Barbados
Belize
Botswana
Brazil
Burma
Cameroon
China
Colombia
Congo
Cyprus
Djibouti
El Salvador
Egypt
Fiji
Gambia
Ghana
Greece
Guyana
India
Indonesia
Ireland
Ivory Coast
Jamaica
Jordan
Kenya
Korea
Lebanon
Lesotho
Malaysia
Malawi
Maldives
Malta
Mauritius
Morocco
Mozambique
Nepal
Nigeria
Pakistan
Philippines
Portugal
Senegal
Sierra Leone
Singapore
Somalia
Spain
Sri Lanka
St. Vincent
Sudan
Swaziland
Tanzania
Thailand
Tonga
Trinidad and Tobago
Tunisia
Turkey
Uganda
Uruguay
Venezuela
West Samoa
Yemen Arab Republic
Zaire
Zambia
Zimbabwe

Refugees (Visas)

Mr. Meale: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will raise within the Council of Europe France's revocation of the Council of Europe agreement of 1959 on the abolition of visas for refugees travelling within EEC states.

Mrs. Chalker: No. The French acted in accordance with article 7 of the agreement on the abolition of visas for refugees.

DNA Testing (Islamabad)

Mr. Madden: To ask the Secretary of State for Foreign and Commonwealth Affairs what representations have been made by the ICI subsidiary responsible for the commercial development of DNA testing about current arrangements at the British embassy at Islamabad for blood samples to be collected.

Mr. Eggar: No formal representations from ICI have been received.

Mr. Madden: To ask the Secretary of State for Foreign and Commonwealth Affairs on how many days in each month the British embassy in Islamabad makes arrangements to take samples in connection with DNA tests; if there are plans to increase the number of days; how many blood samples have been taken in the last two years, to date; and if he will make a statement.

Mr. Eggar: On average the British embassy in Islamabad arrange for two daily DNA testing sessions each month. Since DNA tests commenced sessions have taken place as follows:

October 1987 — 1 Day
November 1987 — 4 Days
December 1987 — Nil
January 1988 — 1 Day
February 1988 — 1 Day
March 1988 — 4 Days

There are no plans to increase the number of sessions each month. Including the pilot scheme, 218 blood samples have been taken from mid-1987, when the local facility became available, to date.

Mr. Madden: To ask the Secretary of State for Foreign and Commonwealth Affairs how many people have applied to the British embassy in Islamabad to offer blood samples in connection with DNA tests; what is the average waiting time for a person awaiting an appointment to offer blood; and what action is being taken to reduce waiting times.

Mr. Eggar: No records of people applying direct to the British embassy in Islamabad have been kept, but they are few in number. It is more common for the sponsor to initiate action with Cellmark in the United Kingdom. The latter forwards lists to the embassy. An average of five weeks then elapses before the appointment. This period could be reduced only at the expense of other work.

HOME DEPARTMENT

Dr. Alan Clift

7. **Mr. Sedgemore:** To ask the Secretary of State for the Home Department if he will list the convicted prisoners whose convictions were found to be unsafe following the dismissal of Dr. Alan Clift from the Home Office Forensic Service, giving in each case the date of their release.

Mr. John Patten: Nine persons in whose cases Dr. Clift gave evidence had their convictions quashed at various times between 1978 and 1984. Some were released on completion of their sentences, some on licence, and some at the time their convictions were quashed. I shall write to the hon. Gentleman with the further details which he seeks. Copies of the letter will be placed in the Library.

50. **Mr. Harry Barnes:** To ask the Secretary of State for the Home Department if he will list all statements made, following the dismissal of Dr. Alan Clift, by his Department's Ministers on the safety of convictions obtained as a result of his evidence.

Mr. John Patten: Dr. Cliftwas prematurely retired on 1 March 1982. Since that date, Ministers of this Department have answered questions or made statements on matters related to the safey of convictions in cases in which he gave evidence on the following occasions (all references are to *Official Reprt*).

Date	*Section*	*Column number*
14 July 1983	Oral Answers	1016
1 December 1983	Oral Answers	982
19 January 1984	Oral Answers	439-440
26 January 1984	Written Answers	*625-27*
7 February 1984	Written Answers	*518-19* (three questions)
13 February 1984	Written Answers	*7*
17 February 1984	Written Answers	*334* (two questions)
1 March 1984	Written Answers	*279-80*
6 June 1984	Written Answers	*170-71*
21 June 1984	Written Answers	*218*
24 July 1984	Written Answers	*586-87*
31 July 1984	Written Answers	*220-21* (two questions)
15 November 1984	Written Answers	*303*
15 November 1984	Adjournment Debate	886-94
27 November 1984	Written Answers	*418-19*

Crime Statistics

12. **Mr. David Nicholson:** To ask the Secretary of State for the Home Department what proportion of crime in 1987 was accounted for by theft of or from cars; what were the comparable figures for the five previous years; and if he will make a statement.

Mr. John Patten: In the last five years, about a quarter of all recorded crime has been theft of or from vehicles. In the first nine months of 1987, it was 26 per cent., but thefts of vehicles fell, while thefts from vehicles increased. We expect the full year figures to reflect this pattern. Many of these offences can be prevented. We believe that 20 per cent. of motorists do not always regularly lock their cars.

22. **Mr. Chapman:** To ask the Secretary of State for the Home Department if he will make a statement about the level of crime in the Metropolitan police area in 1987 and the previous year.

Mr. John Patten: The Commissioner of the Metropolitan Police has reported that in 1987 there were, in total, 4 per cent. fewer crimes recorded in the Metropolitan police district than in 1986. There were falls in recorded offences of rape, autocrime and burglary. Recorded offences of robbery and violence against the person increased although they still formed less than 6 per cent. of total recorded crime in 1987.

Gambling Machines

15. **Dr. Reid:** To ask the Secretary of State for the Home Department if he has received any representations regarding the current review on the abuse of gambling machines.

Mr. John Patten: Yes. In the course of our review of the law on amusement arcades, we have received representations from a wide range of organisations and individuals.

43. **Mr. Dunnachie:** To ask the Secretary of State for the Home Department if he will make a statement on the representations made to him regarding his review on the abuse of gambling machines.

Mr. John Patten: I refer the hon. Member to the reply given on 4 March to questions from my hon. Friend the Member for Taunton (Mr. Nicholson) at column *722*, and to replies I gave today to questions from my hon. Friend the Member for Birmingham, Hall Green (Mr. Hargreaves) and the hon. Member for Motherwell, North (Dr. Reid).

52. **Mr. Andrew Hargreaves:** To ask the Secretary of State for the Home Department what representations he has received on the positioning of fruit or other gambling machines in fast food outlets where children and young teenagers congregate; and if he will make a statement.

Mr. John Patten: In the course of our review of the law on amusement arcades we have received representations that additional restrictions are required on amusement-with-prizes machines wherever they are provided. The suggestion most frequently made in these representations is that access to places providing the machines or use of the machines themselves should be restricted to people aged over 16 or 18 years. It has also been represented to us that the current law is adequate. Under that law, local authorities already have power to ban the machines from premises other than amusement arcades and may pass a

resolution limiting the machines to a particular class of premises or limiting the number of machines on any premises.

We hope to be able to reach conclusions on our review in due course.

Solicitors (Client Information)

16. **Mr. Archer:** To ask the Secretary of State for the Home Department how many cases have occurred since 1972 where solicitors have been found to have passed on to a third party or parties, from clients now in police custody, information which has interfered in the police investigation of the case or any subsequent prosecution.

Mr. Douglas Hogg: I regret that this information is not available.

Tamils

17. **Mr. Fearn:** To ask the Secretary of State for the Home Department what information he has received regarding the treatment in Sri Lanka of Tamils deported from the United Kingdom during the last month; and if this will be taken into account when decisions on future deportations are made.

Mr. Renton: There is no obligation under the United Nations convention on refugees to monitor the treatment of unsuccessful asylum seekers after return to their country of origin, and we have no mechanism for doing so. I understand, however, from our High Commission in Colombo that Tamils recently returned there have not been harassed in any way on arrival and that one has specifically stated that he has encountered no problems since his return.

So far as future cases are concerned, each will be considered on its merits in the light of all the relevant circumstances.

Television Licences

18. **Mr. Holt:** To ask the Secretary of State for the Home Department how many television licence evaders in Cleveland were prosecuted in each of the past 10 years.

Mr. Renton: The readily available information is as follows:

	Number
1979-80	1,762
1980-81	1,852
1981-82	2,451
1982-83	2,587
1983-84	2,001
1984-85	1,983
1985-86	2,181

The figures have been supplied by the national television licence records office, which instigates all prosecutions for television licence evasion.

19. **Mr. Skinner:** To ask the Secretary of State for the Home Department what recent representations he has received calling for legislation providing free television licences for all pensioners; and if he will make a statement.

Mr. Renton: Since 1 January this year, one petition forwarded by an hon. Member has been received and three hon. Members and 17 members of the public have written seeking free television licences for pensioners.

28. **Mr. Latham:** To ask the Secretary of State for the Home Department whether he is now in a position to announce his decision on applications for concessionary television licences, following the Kirklees judgment.

Mr. Renton: We hope to do so shortly.

Fraud

20. **Mr. Campbell-Savours:** To ask the Secretary of State for the Home Department what proposals he has for reforming the law in relation to fraud.

Mr. John Patten: Provisions giving effect to the main recommendations of the Roskill committee on fraud trials have been either enacted in the Criminal Justice Act 1987 or included in the current Criminal Justice Bill.

London (Parking Control)

21. **Mr. Bowis:** To ask the Secretary of State for the Home Department what steps he is taking to transfer responsibility for parking control and enforcement from the Metropolitan police to the London boroughs; and if he will make a statement.

Mr. Douglas Hogg: The possibility of giving local authorities, including those in London, more responsibility for the enforcement of parking regulations is among the matters being considered by a working party of representatives from the Home Office, Department of Transport, police and local authority associations. We hope to receive their report in the autumn.

Day Fine System

23. **Ms. Quin:** To ask the Secretary of State for the Home Department if he has given further consideration to the introduction of a day-fine system.

Mr. John Patten: We have no plans for legislation to introduce a formal day-fine system, but we are setting up experiments to see whether mean assessment can be improved so that fines can be linked more closely to the capacity of less well-off offenders to pay them.

Hampshire Constabulary

24. **Mr. Hunter:** To ask the Secretary of State for the Home Department if he will reconsider his decision not to increase further the establishment of the Hampshire constabulary.

Mr. Douglas Hogg: As indicated in my reply of 15 February at column *437* to an earlier question from my hon. Friend, further consideration will be given to the application for an increase in the establishment of the Hampshire constabulary in 1988-89.

Commercial Radio Stations

25. **Mr. Jack:** To ask the Secretary of State for the Home Department what representations he has received on the obligations of commercial radio stations to include news in their programming under his proposed new arrangements for broadcasting; and if he will make a statement.

Mr. Renton: Some comments on the radio Green Paper published last year suggested that commercial stations

should continue to be required to include in their broadcasts a certain amount of news. We have, however, taken the view that stations should be able to decide for themselves on the basis of their own judgment of listeners' wishes how much, if any, news to provide and in what form. The legislative proposals we shall bring before Parliament will however include a provision requiring that any news that is broadcast by a licensed station must be presented with accuracy and impartiality.

Child Abuse Trials (Video Evidence)

26. **Mr. Butler:** To ask the Secretary of State for the Home Department what representations he has received seeking the possibility of the use of pre-recorded video evidence in court of children in abuse cases.

Mr. John Patten: Two thirds of those who responded to our consultation paper issued last May on the use of video technology at the trials of alleged child abusers expressed some support for the wider use of video recordings. Since then we have also received a small number of letters of support from some hon. Members and members of the public. Recently I met a deputation led by the noble Baroness Faithfull, and one from the Police Federation led by my hon. Friend the Member for Bury St. Edmunds (Sir E. Griffiths) and in each case had useful discussions on the issue.

Autocrime

27. **Mr. Greg Knight:** To ask the Secretary of State for the Home Department what plans he has for seeking to reduce car crime.

Mr. John Patten: Last November, the Home Office standing conference on crime prevention set up a working group to consider the prevention of car crime. Austin-Rover, who are represented on the working group, have offered to produce a thief-proof concept car, incorporating a range of the latest technology in car security, for display at this year's standing conference in December.

Three parts of a British Standard on vehicle security (mechanical locking systems, security of in-car entertainment equipment, and window etching) have been published and further parts are due to be published shortly. We are seeking to have the British Standard adopted as a European Community directive.

Our new crime prevention publicity campaign launched earlier this month includes information on car crime and the scope for preventing it.

Litter

29. **Dr. Michael Clark:** To ask the Secretary of State for the Home Department if he will call for a report from the Commissioner of Police of the Metropolis on the priority accorded by the Commissioner to the detection or prevention of litter offences.

Mr. Douglas Hogg: The Government are concerned about the effect of litter on the environment. We do not regard this problem as one to which the primary response should be enforcement of the law by the police. Nevertheless, I understand from the Commissioner that his officers have been made aware of the provisions of the Litter Act and that the detection and prevention of litter offences are accorded as much priority as is compatible with other demands placed upon the Metropolitan police.

Olympic Games (Shooting Disciplines)

30. **Sir John Farr:** To ask the Secretary of State for the Home Department if he will take steps to assess whether the provisions of the Firearms Bill will prevent British participation in all the shooting disciplines in international events, such as the Olympics; and if he will make a statement.

Mr. Douglas Hogg: We have met representatives of shooting organisations with an interest in rifle shooting to assess the effects that the Government's proposals to prohibit high-powered, self-loading rifles will have on British participation in international shooting competitions. I understand that full bore self-loading rifles are not used in any of the Olympic disciplines, or in international competitions organised by the Union International de Tir. Although some international "practical" rifle competition take place, the number of British shooters is limited. The Bill does not otherwise affect British participation in international events.

Drug Trafficking

31. **Mr. Sackville:** To ask the Secretary of State for the Home Department what further progress has been made in his campaign to prevent trafficking in cocaine and other illegal drugs.

Mr. Douglas Hogg: The Government continue to attach the highest priority to our comprehensive strategy aimed at tackling both the demand for and supply of drugs. The strategy is co-ordinated by the interdepartmental ministerial group on the misuse of drugs which I chair.

We are playing a leading role in drawing up a new United Nations convention on drug trafficking, and continue to encourage improved international co-operation (for example, by signing last month a memorandum of understanding with the Soviet Union). We provide development aid and bilateral assistance to producer and transit countries for crop substitution measures and to combat drug production and trafficking. In addition, the Home Office programme for drug-related enforcement projects overseas will increase from £0·5 million to £2 million per year as from 1988-89, some of which will be targeted on coca producing countries in South America. We plan to add to our existing network of customs and police drug liaison officers at strategic points abroad.

We have strengthened domestic enforcement by both customs and police and will be providing increased resources to the national drug intelligence unit in 1988-89. Since the Drug Trafficking Offences Act 1986 came into force a year ago, some £7 million in assets has been frozen and substantial sums confiscated. We are now seeking reciprocal agreements with other countries to make these powers even more effective and the first such agreement with the USA was signed last month.

Chief Constables (Meeting)

32. **Mr. David Porter:** To ask the Secretary of State for the Home Department when he next expects to meet representatives of the non-metropolitan chief constables; and what subjects he expects to discuss.

Mr. Douglas Hogg: My right hon. Friend plans to meet representatives of the Association of Chief Police Officers in the near future to discuss a number of topics, including prisoners held in police cells.

Immigration Policy

33. **Mr. Marlow:** To ask the Secretary of State for the Home Department on what basic principles he bases his immigration policy.

Mr. Renton: In broad terms, the basic principles of the Government's immigration policy are to allow genuine visitors and students to come here; to give effect to the free movement provisions of European Community law; subject to that, to restrict severely the numbers coming to live permanently in this country or for employment, but to continue to admit the spouses and minor dependent children of those already settled here, provided they satisfy the requirements of the immigration rules. These principles are to be pursued firmly but fairly with the efficient use of resources.

Broadcasting (White Paper)

34. **Mr. Leigh:** To ask the Secretary of State for the Home Department when he proposes to publish a White Paper on the future of broadcasting.

Mr. Renton: We intend to publish a White Paper within a few months.

Identity Cards

35. **Mr. Andrew MacKay:** To ask the Secretary of State for the Home Department if he will consider introducing identity cards in the United Kingdom.

Mr. Douglas Hogg: No. This question has been considered from time to time, but we are not persuaded that there is a sufficiently strong case for reintroducing identity cards.

Homicide

36. **Mr. Nicholas Bennett:** To ask the Secretary of State for the Home Department what was the total number of homicides in 1958, 1968, 1978 and 1987.

Mr. John Patten: The information up to 1986 is published in table 4.1 of "Criminal Statistics, England and Wales, 1986" (Cm. 233), a copy of which is in the Library. Corresponding information for 1987 is not yet available.

Lunar House (Post Room)

37. **Mr. Ian Bruce:** To ask the Secretary of State for the Home Department when he now expects the post room to be cleared at Lunar house; and what proposals he has to remove the delays to the processing of passports and naturalisation papers.

Mr. Renton: I refer my hon. Friend to the announcement which I made on 16 February at column 863.

Shops Act 1950

38. **Mr. Tim Smith:** To ask the Secretary of State for the Home Department if he has any plans to seek to amend the Shops Act 1950.

Mr. Renton: We are considering how best the law can be amended to bring sense and consistency to the present situation on Sunday trading.

Child Homicide (Sentences)

39. **Mr. Anthony Coombs:** To ask the Secretary of State for the Home Department what representations he has received regarding the minimum sentencing of offenders convicted of child homicide; and if he will make a statement.

Mr. John Patten: We receive many letters about sentencing policy, some of which propose the introduction of minimum sentences. There is a mandatory sentence of life imprisonment for murder. In exercising discretion over the release of offenders sentenced to life imprisonment, my right hon. Friend follows his predecessor's policy under which sexual or sadistic murderers of children can expect to serve at least 20 years in custody. The maximum penalty for manslaughter of infanticide is also life imprisonment: the circumstances of such offences vary considerably; and statutory minimum sentences would be an unjustifiable interference with judicial discretion.

Gwent Police Force

40. **Mr. Flynn:** To ask the Secretary of State for the Home Department if he will make a statement on the manning of the Gwent police force.

Mr. Douglas Hogg: My right hon. Friend approved an increase of eight posts in the Gwent constabulary with effect from 1 January 1988, bringing it up to 986. Gwent police authority has applied for an increase of a further 42 posts for 1988-89. This application will be considered, along with others in the light of advice from Her Majesty's inspectors of constabulary.

Exeter Prison

41. **Mr Speller:** To ask the Secretary of State for the Home Department how many persons Exeter prison is designed to accommodate; how many were held there on the first days of January and February; how many of them were on remand awaiting trial and sentence; and if he will make a statement on the future of Exeter prison.

Mr. Douglas Hogg: The certified normal accommodation of Exeter prison, including the remand centre, is 307. On 1 January the prison held 461 prisoners of whom 266 were sentenced, 62 were convicted but unsentenced and 133 were unconvicted. On 1 February the figures were 495, 305, 27 and 163 respectively. Refurbishment work currently in progress on the prison's D wing is due to be completed at the end of this year. That will enable 40 places to be brought back into use.

Butane Gas

42. **Mr. Alex Carlile:** To ask the Secretary of State for the Home Department if he has any proposals for changes in the law affecting the sale of butane gas canisters and other substances used for sniffing to children and young persons; amd if he will make a statement.

Mr. John Patten: The Government supported the passage through Parliament of the Intoxicating Substances (Supply) Act 1985, which penalises a person

who supplies (or offers to supply) a substance, knowing or having reasonable cause to believe that it is likely to be inhaled by somebody under the age of 18 to achieve intoxication. We have no plans to amend this Act, but we will continue to encourage voluntary co-operation by retailers in controlling the supply of volatile substances to young people.

Independent Broadcasting Authority

44. **Dr. Thomas:** To ask the Secretary of State for the Home Department when he last met the chairman of the Independent Broadcasting Authority; and what matters were discussed.

Mr. Renton: My right hon. Friend last met the chairman of the IBA on 19 January to discuss the Government's proposals for the future of commercial radio.

Telephone Tapping

45. **Mr. Cryer:** To ask the Secretary of State for the Home Department when he expects to receive the next review of telephone tapping; and if he will make it his policy to publish the review.

Mr. Hurd: I expect my right hon. Friend the Prime Minister to present Lord Justice Lloyd's next annual report to the House later this month. As was the case last year, the report will be published and copies will be placed in the Library.

Victim Support Schemes

46. **Mr. Burt:** To ask the Secretary of State for the Home Department if he will make a statement on the results of his Department's funding for local victim support schemes.

Mr. John Patten: We are making available up to £11 million over the next three financial years for the benefit of local victims support schemes. We have made 155 awards to enable local schemes to employ paid co-ordinators, and 54 awards to help schemes meet running costs. We are also sponsoring three projects aimed at developing improved support for the families of murder victims, children as victims, and victims of racial harassment.

Crime Prevention

47. **Mr. Brazier:** To ask the Secretary of State for the Home Department whether Her Majesty's Government will take steps to improve co-operation against crime between the United Kingdom and other Western European countries.

Mr. John Patten: We are committed to strengthening the United Kingdom's effectiveness in the fight against international crime, and are taking forward a number of initiatives. The Drug Trafficking Offences Act 1986 enhances international co-operation by providing for the seizure of the profits of drug trafficking wherever it takes place. The extradition of people accused or convicted of serious crimes abroad is also a vital weapon: the reforms contained in the Criminal Justice Bill will, if enacted, enable the United Kingdom to accede to the European convention on extradition, the principal extradition arrangement in western Europe. At the level of operational co-operation the United Kingdom police participate in the International Police Organisation (Interpol). In other international organisations such as "Trevi" we continue to play a leading role in strengthening and improving co-operation against terrorism.

For the future, we published on 24 February a discussion paper on international mutual assistance in criminal matters, copies of which are in the Library. The paper is based on the report of an official working group which endorsed proposals for amending the law to enable the United Kingdom to participate in mutual assistance treaties and conventions (including the European convention on mutual assistance). Such participation would allow our prosecuting authorities to obtain evidence from abroad for use in criminal proceedings here, and enable us to provide similar facilities for other countries.

49. **Mr. Stevens:** To ask the Secretary of State for the Home Department what plans he has for encouraging new crime prevention schemes.

Mr. John Patten: On 7 March my right hon. Friend announced the safer cities programme, under which it is intended to establish 20 crime prevention projects in high crime inner city areas over the next three years. After the necessary local consultation has taken place, a further announcement will be made about the location of the first of these projects

On 9 March we launched a new crime prevention publicity campaign. A central feature of the campaign is a handbook entitled "Practical Ways to Crack Crime". This offers a wide range of advice and information to individuals and organisations about what they can do to help prevent crime against themselves and their communities, including advice about how to join or start up local crime prevention schemes.

We hope to make a further announcement shortly about the formation of a national organisation to support local crime prevention and initiatives.

Commissioner of Police of the Metropolis

48. **Mr. Evennett:** To ask the Secretary of State for the Home Department when he last met the Commissioner of Police of the Metropolis; and what was discussed.

Mr. Douglas Hogg: My right hon. Friend last met the Commissioner on 4 February at a luncheon when they talked about a number of policing issues.

Prison Service

51. **Mr. Soames:** To ask the Secretary of State for the Home Department if he will make a statement on industrial relations in the prison service.

Mr. Douglas Hogg: The national executive committee of the Prison Officers' Association has expressed concern about certain aspects of the new working practices introduced under fresh start and about manpower resources. Following a national ballot in favour of industrial action, it instructed its members not to complete a form required by management in connection with the control and allocation of staff hours. Talks are being held between officials and members of the NEC and some progress has been made. We urge the POA NEC now to recommend all industrial action be suspended in view of

the progress. Local action is currently taking place over manpower issues surrounding the introduction of fresh start at Wormwood scrubs and Pentonville. The prison population at those establishments has been reduced and the numbers held in police cells has risen.

The fresh start working arrangements represented a major change for the prison service. No one doubted that the change would be difficult to achieve but a good start has been made and a recent study confirms that we are moving in the right direction. We are determined to see the task through to completion. We remain committed to achieving these crucial goals in the spirit of constructive collaboration with prison service trade unions.

Marriage Agencies

Mr. Allen Adams: To ask the Secretary of State for the Home Department if he has any proposals to change the laws governing the control of agencies that advertise marriage arrangements between male British nationals and women from overseas, especially the Phillipines.

Mr. John Patten: We have no plans at present to introduce legislation to control marriage agencies.

Consultative Documents

Mr. Kirkwood: To ask the Secretary of State for the Home Department if he will make it his policy that responses received to consultative documents issued by his Department be made publicly available by placing these in his Department's library, except where the respondent has specifically asked that this not be done; and if he will arrange for this procedure to be made clear when future consultative documents are issued.

Mr. Hurd: No. There would be practical difficulties in arranging for inspection in this way in my Department. But in keeping with our policy of promoting greater openness in Government, I shall continue to look for ways in which more information about the work of the Department, and the measures it introduces, can be made publicly available.

Prisons (Syringes)

Mr. Cohen: To ask the Secretary of State for the Home Department in how many prisons syringes have been discovered in the last year; what was the number for each prison; how many were discovered to contain the AIDS virus; and if he will make a statement.

Mr. Douglas Hogg: During 1987, finds of syringes were reported in the following 13 establishments:

	Number
HMP Bedford	3
HMP Bristol	1
HMYCC Castington	1
HMP and YCC East Sutton Park	1
HMP and YCC Exeter	1
HMP Holloway	1
HMP Liverpool	2
HMP Manchester	5
HMP Preston	2
HMP Reading	2
HMP Shepton Mallet	4
HMYCC Thorn Cross	1
HMP Wandsworth	3
TOTAL	27

In addition, seven syringes were found in a visitor's bag at Brixton. It is not normally the practice to have such items tested for HIV antibody.

Prisoners (Transfer to Northern Ireland)

Mr. Cohen: To ask the Secretary of State for the Home Department how many requests for transfer to Northern Ireland prisons were received from prisoners serving their sentences in England and Wales during 1986 and 1987; and how many were granted.

Mr. Douglas Hogg: In 1986, 25 requests for permanent transfer were received, two of which were granted; in 1987, 31 such requests were received and three were granted. A number of these requests are still being considered by the Home Office and the Northern Ireland Office.

Metropolis (Access to Streets)

Mr. Austin Mitchell: To ask the Secretary of State for the Home Department, pursuant to his answer of 4 March, *Official Report*, column 725, on Downing street, what other streets in the metropolis have had similar permanent restrictions placed on their use for the reasons given in respect of Downing street.

Mr. Douglas Hogg: I am informed by the commissioner that access to no other streets has been similarly restricted.

Downing Street (Access)

Mr. Austin Mitchell: To ask the Secretary of State for the Home Department, pursuant to his answer of 4 March, *Official Report*, column 725, on Downing street, the decision of the commissioner was made after consultation with, or application by, the residents of Downing street.

Mr. Douglas Hogg: The decision was made after consultation with the Prime Minister's office.

Remand Prisoners

Mr. Skinner: To ask the Secretary of State for the Home Department how many prisoners are being kept on remand in prisons more than 20 miles from their families' homes.

Mr. Douglas Hogg: The information requested is not readily available and could be obtained only at disproportionate cost.

Civil Defence

Mr. Gerald Bowden: To ask the Secretary of State for the Home Department if he proposes to publish the conclusions of his review, of the role of the civil defence college, Easingwold.

Mr. John Patten: The results of the review are under consideration; no decision has yet been taken on publication.

Mr. Gerald Bowden: To ask the Secretary of State for the Home Department, pursuant to his answer to the hon. Member for Eastbourne (Mr. Gow) of 10 July, *Official Report*, columns *307-8*, if the review of the United Kingdom warning and monitoring organisation will take into account the need for the introduction of measures to alert the public against local peace time emergencies.

Mr. John Patten: The review is principally concerned with wartime arrangements, but their possible relevance to peacetime emergencies is also being considered.

Mr. Gerald Bowden: To ask the Secretary of State for the Home Department, pursuant to his answer to the hon. Member for Eastbourne (Mr. Gow) of 10 July, *Official Report*, columns *307-8*, when the review of the United Kingdom warning and monitoring organisation will be complete; and if the conclusions will be published.

Mr. John Patten: The review is expected to be completed in the next few months, and consideration will then be given to the extent to which its conclusions can be made available.

Football Matches (Arrests)

Mr. Heffer: To ask the Secretary of State for the Home Department what information he has as to how many arrests there have been *(a)* inside football grounds and *(b)* outside football grounds arising from football matches during the current season.

Mr. Douglas Hogg: There were 2,297 arrests arising from Football League matches up to 31 October 1987, the latest date for which figures are available for this season. The figures do not distinguish between arrests occurring inside and outside football grounds.

National Identification Bureau

Mr. Hunter: To ask the Secretary of State for the Home Department why the name of a constituent of the hon. Member for Basingstoke, the name of whom has been forwarded to him, whose conviction by court martial was quashed by the Courts Martial Appeals Court in 1963, has not been removed from the criminal records of the national identification bureau.

Mr. Douglas Hogg: As my noble Friend Lord Ferrers explained to the hon. Member in his letter of 9 March 1988, the conviction of his constituent by court martial has been retained on the records of the national identification bureau because it has not been notified of the result of any appeal. The bureau is now seeking further information from the prosecuting authority, following my hon. Friend's representation on behalf of his constituent.

Mr. Hunter: To ask the Secretary of State for the Home Department what individuals, organisations or authorities have, since 1963, had access to the criminal records of the national identification bureau; and in what circumstances.

Mr. Douglas Hogg: The national identification bureau does not release details of criminal records to outside organisations except where disclosure is clearly in the public interest. On this basis, such information may be released, from time to time, depending on the particular circumstances of the case, to any of the following organisations:

Central Government Departments
Local Authorities
Foreign Governments (under Interpol arrangements)
Police Forces
Prosecuting Authorities
Courts
Judges
Magistrates
Prison Service
Probation Service
Hospitals
Banks
Lawyers
Research Organisations
British Telecom
British Broadcasting Corporation
Civil Aviation Authority
Post Office
Police Complaints Authority
General Medical Council and other similar professional organisations
Official Receiver
Traffic Commissioners
Criminal Injury Compensation Board
Crown Agents
Crown Estate Commissioners
National Museums and Galleries
Royal Mint
United Kingdom Atomic Energy Authority

Information is also released on application to individuals under the subject access provisions of the Data Protection Act 1984.

Citizenship

Mr. Tony Banks: To ask the Secretary of State for the Home Department what has been the total number of applications received for British citizenship by *(a)* adults and *(b)* children in each of the last five calendar years; and in each category how many were granted.

Mr. Renton: The number of applications received in caseworking groups in the years 1983-1986 is shown in the table.

	Adults	*Minors*
1983	70,416	9,433
1984	33,857	8,136
1985	41,905	10,666
1986	45,885	11,598

We estimate that about 290,000 applications were received in 1987.

Figures for grants of citizenship in 1983 to 1986 were published in table 2 of Home Office statistical bulletin "Citizenship Statistics, United Kingdom 1986" (Issue 29/87). Provisional figures for 1987 indicate that grants of citizenship were made to 55,600 adults and 9,200 minors. Final figures for 1987 will be published later this year.

Meridian

Mr. Kaufman: To ask the Secretary of State for the Home Department if he has sent to the Secretary of State for Social Services correspondence with regard to Meridian referred to in his letter of 5 October 1987 to the right hon. Member for Manchester, Gorton, stating that he was sending this correspondence to that Secretary of State.

Mr. Hurd: A check with records held in the Department indicates that, as the right hon. Member was notified on 5 October 1987, the correspondence was forwarded to my right hon. Friend the Secretary of State for Social Services. As the right hon. Member will know from my right hon. Friend's reply of 14 March at column *470*, his Department has been unable to trace the correspondence despite extensive inquiries and he has therefore undertaken to look into the matter immediately on receipt of a copy of the correspondence.

Lincoln Prison

Mr. Tony Lloyd: To ask the Secretary of State for the Home Department if, pursuant to his reply of 8 March, *Official Report*, column *111*, he will give details of the number of prisoners currently held in the remand wing of Lincoln prison; if he will give the number of urinals and water closets normally available and in use, and presently available and in use in Lincoln prison; if he will give details of the arrangements presently in operation for prisoners on remand in Lincoln prison to use urinals and water closets; and if he will make a statement.

Mr. Douglas Hogg: On 15 March 1988, a total of 103 prisoners were in the remand wing of Lincoln prison. Prior to the commencement of the present refurbishment work on the toilet facilities in Lincoln prison there were 16 urinals and 31 water closets available and in use by prisoners (four urinals and eight water closets being situated in the remand wing). As a result of the refurbishment so far completed there are 28 urinals and 34 water closets available and in use (two urinals and four water closets being in the remand wing). Refurbishment of toilet facilities is in progress on two floors of the remand wing and, while this work continues, prisoners from these floors will use the facilities available on the other two floors of the remand wing and in the adjacent B wing.

DNA Testing

Mr. Madden: To ask the Secretary of State for the Home Department when he proposes to publish the feasibility study into DNA testing; and what are the broad conclusions of the study, including recommendations about establishing funding arrangements to enable those with limited financial resources to take DNA tests.

Mr. Renton: Officials have been consulting the scientists concerned on the text of a draft report. We expect the report to be published shortly.

Victims of Crime

Mr. Franks: To ask the Secretary of State for the Home Department what action the Government are taking to improve the treatment of the victims of crime.

Mr. John Patten: The Criminal Justice Bill will strengthen the arrangements for victims to obtain compensation, will extend anonymity for rape victims and will enable children under 14 to give evidence by live closed circuit television link. We are making available up to £11 million over the next three financial years for the benefit of local victims support schemes. More than 200 awards have been made to local victims schemes as a result of our substantial new programme of funding. We shall shortly be issuing advice to police forces on further ways of helping victims. We shall also produce new leaflets advising victims on compensation and victims support and on attending court.

Party Conferences (Police Costs)

Mr. Pike: To ask the Secretary of State for the Home Department what recent representations he has received regarding the funding of additional police costs in respect of national annual party political conferences.

Mr. Douglas Hogg: We have received recent representations from seven hon. Members, one local council, one police authority, one constituency Labour party and one chamber of commerce about the funding of police costs of national annual party political conferences in a number of areas.

We have considered all these representations carefully but have concluded that we would not be justified in departing from normal police funding arrangements in these cases.

Passports

Mr. Riddick: To ask the Secretary of State for the Home Department when he intends to seek parliamentary approval to replace the British passport with a European passport as planned for 1992; and if he will make a statement.

Mr. Renton: British passports are not being replaced with a European one. Rather, a new version of the British passport, machine-readable and in a common format agreed in 1981 with other member states of the European Community, will start to appear from this July when the Glasgow passport office is computerised. By the end of 1989 all six passport offices in the United Kingdom should be issuing British passports in the new format. Prototypes of the new passport and an explanatory note were placed in the Library in July 1984, and supplemented in December 1987 with updated versions of both.

Mrs. Sherbanu Dharas

Mr. Tony Banks: To ask the Secretary of State for the Home Department when he intends to reply to the letter sent to him on 7 December 1987 by Councillor Mike Jackson in respect of Mrs. Sherbanu Dharas.

Mr. Renton *[holding answer 3 March 1988]:* A reply has now been sent to Councillor Jackson.

SCOTLAND

South of Scotland Electricity Board

Mr. Dunnachie: To ask the Secretary of State for Scotland when he last met the chairman of the South of Scotland Electricity Board; and what matters were discussed.

Mr. Lang: My right hon. and learned Friend meets the chairman of the South of Scotland Electricity Board from time to time to discuss a wide range of matters affecting the electricity supply industry.

Pupils (Records)

Mr. Kirkwood: To ask the Secretary of State for Scotland (1) when he intends to issue a circular to local education authorities on the keeping and disclosure of pupil records; and when he expects to table regulations in Parliament;

(2) when he intends to issue a consultation document on the keeping and disclosure of records concerning students in further education establishments; and when he expects regulations to be tabled in Parliament.

Mr. Michael Forsyth: My right hon. and learned Friend will honour the undertaking given to the hon. Member in April 1987 and will make regulations dealing with access to education and social work records, if possible by the end of 1988.

Councils of Social Service

Mr. Home Robertson: To ask the Secretary of State for Scotland if he will make a statement on the funding of local councils of social service in rural Scotland, showing the amount paid to each local council of social service from public funds and the overall total paid to individual councils and to the Scottish Council for Voluntary Organisations in each of the last five years and for the coming year; and if it is his policy that these councils should be financed from *(a)* central or *(b)* local government.

Mr. Michael Forsyth: My right hon. and learned Friend continues to attach importance to the claims of local councils of social service operating in rural areas in the allocation of grant assistance, under the Social Work (Scotland) Act 1968, to voluntary bodies in the social work field. The amounts of grant paid to individual councils for each year of the five-year period ending 31 March 1988 are in table A.

Total grant to local councils will be increased in 1988-89 to £504,000. That sum will be distributed to existing councils and three or four new councils which are expected to enter the grant arrangements for the first time. Allocations to individual councils will be indicated shortly.

Grant is paid in each case as a percentage of proposed total expenditure and councils are required to find the balance of their income from other sources. They are not required to obtain assistance from local authorities though this is in practice the source from which most additional funding is obtained.

Grants paid to the Scottish Council for Voluntary Organisations during each year of the same five-year period are set out in table B.

The council has been informed that, following the reassessment of priorities which led to the proposed increase in the level of support for local councils, grant for 1988-89, under section 10(1) of the 1968 Act, in respect of headquarters expenditure will be reduced to £250,000. In addition grant, amounting to £28,100, under section 9 of that Act, will be made towards the council's training activities. The council is free to seek additional income from other sources.

Central Government grants paid to local councils of social service

Table A

Council	*1983-84*	*1984-85*	*1985-86*	*1986-87*	*1987-88*
Isle of Arran Council of Social Service	8,011	8,907	8,653	9,275	12,812
Voluntary Action in Badenoch and Strathspey	—	—	—	13,680	17,230
Barra and Vatersay Council of Social Service	6,962	9,642	10,353	16,734	14,611
Berwickshire Association for Voluntary Service	8,402	8,334	8,486	9,079	8,824
Bute Community Links	—	—	—	—	11,247
Association for Community Action (Clackmannan District)	9,953	10,943	11,780	14,372	—
East Lothian Council for Voluntary Service	7,314	7,401	7,524	7,477	7,252
East Sutherland Council of Social Service	5,881	8,567	7,882	8,827	11,040
Ettrick and Lauderdale Association of Voluntary Service	7,188	6,333	7,371	8,506	7,876
Federation of Borders Councils of Social Service	884	1,179	1,240	1,366	1,827
Federation of Voluntary Community Development Organisations in the Highlands and Islands	1,810	1,990	1,782	1,623	2,264
Gordon Rural Action and Information Network	8,272	9,634	10,867	11,749	11,727
Harris Council of Social Service	6,120	7,884	7,510	9,816	10,706
Inverness Voluntary Organisations Group	13,184	13,700	13,690	12,318	6,683
Islay Council of Social Service	10,710	10,924	14,940	14,085	16,190
Association of Local Voluntary Organisations (Lanark)	8,905	7,907	8,485	11,566	9,966
Levenmouth Council of Social Service	1,883	2,581	[1]6,232	[1]14,051	[1]13,955
Lewis Council of Social Service	17,038	16,892	18,242	22,703	19,548
Lochaber Voluntary Organisations Group	—	—	2,100	12,794	14,596
Midlothian Council of Social Service	2,977	3,373	4,309	4,193	3,657
Musselburgh and District Council of Social Service	455	388	—	—	—
The Voluntary Association of Nairn Groups	—	—	3,000	10,319	8,700
Nithsdale Council of Voluntary Service	—	—	4,269	6,971	9,379
North and West Sutherland Council of Social Service	5,810	6,636	6,898	10,007	9,617
Voluntary Services Orkney	12,948	11,435	11,911	17,337	18,411
Perth and Kinross Association of Voluntary Service	9,473	10,554	10,972	10,787	10,959
Ross and Cromarty Council of Voluntary Service	13,122	12,418	13,130	14,871	14,808
Roxburgh Association of Voluntary Service	6,885	8,110	7,988	8,600	10,751
Shetland Council of Social Service	18,524	16,157	16,704	18,680	19,398
Skye and Lochalsh Council of Social Service	13,117	12,078	12,181	16,425	14,853
Speyside and District Council of Social Service	11,074	11,229	12,114	11,969	12,608
Stewartry Council of Voluntary Service	5,139	5,697	7,061	7,541	7,849
Council of Social Service (Stirling District)	15,290	16,683	17,255	18,438	17,339
Tweeddale Association of Voluntary Organisations	5,247	5,669	6,866	6,538	9,325
Uist Council of Social Service	11,834	11,845	16,055	14,711	15,927
West Lothian Council of Social Service	6,354	9,197	10,616	12,421	12,159
Total	260,766	274,287	308,466	389,829	393,464

[1] Payments recorded include urban aid grant.

Table B

Central Government grants paid to Scottish council for voluntary organisations

	1983-84	*1984-85*	*1985-86*	*1986-87*	*1987-88*[1]
Core grant under section 10 of the Social Work (Scotland) Act 1968	312,369	320,205	363,072	353,183	346,986
Payroll giving grant under section 10 of the Social Work (Scotland) Act 1968	—	—	—	33,265	30,201
Training grant under section 9 of the Social Work (Scotland) Act 1968	18,211	15,810	20,549	256,645	29,168
Community Education grant under the Further Education (Scotland) Regulations 1959-79	1,660	1,709	1,000	—	—
Tenants Participatory Advisory Service grant under the Housing (Scotland) Act 1987	42,874	42,616	37,302	21,835	—
TOTAL	375,114	380,340	421,923	433,928	406,355

[1] Estimated to be paid.

Coatbridge Project

Mr. Tom Clarke: To ask the Secretary of State for Scotland when he intends to meet the appropriate local authority, hon. Members representing Monklands and other interested parties, to discuss the funding of the Coatbridge project or its successor project.

Mr. Lang: The funding of the Coatbridge project or any successor project is a matter for the partners in the project. My right hon. and learned Friend plans to visit Coatbridge on 18 March, when he expects to meet many of those with an interest in the project.

Scottish Health Management Efficiency Group

Mr. Galbraith: To ask the Secretary of State for Scotland, pursuant to his answer of 14 March, *Official Report*, column *171*, if he will list the members of the Scottish Health Management Efficiency Group; when it was set up; where it is located; and what is its remit.

Mr. Michael Forsyth: I assume that the hon. Member is referring to the answer I gave to the hon. Member for Edinburgh, Central (Mr. Darling) in the *Official Report* at column *333*.

The present membership of the Scottish Health Management Efficiency Group is as follows:

Mr. J. D. M. Robertson, OBE (Chairman), Chairman, Orkney Health Board;

Mr. D. Adams Jones, Director, Information Statistics Division Common Services Agency;

Dr. C. M. Brough, Chief Administrative Medical Officer, Lothian Health Board;

Mr. F. Clark, General Manager, Lanarkshire Health Board;

Mr. I. G. Dorward, Acting General Manager, Fife Health Board;

Mr. J. M. Eckford, General Manager, Ayrshire and Arran Health Board;

Mr. C. W. Ellis, Chairman, Grampian Health Board;

Miss I. I. Gordon, Deputy Chief Nursing Officer, Scottish Home and Health Department;

Mr. J. R. Hudson, Treasurer, Tayside Health Board;

Mr. L. J. M. Hynd, OBE, Chairman, Forth Valley Health Board;

Mr. K. MacAskill, Chief Work Study Officer, Common Services Agency;

Miss W. R. MacPherson, Chief Area Nursing Officer, Grampian Health Board;

Professor I. W. Percy-Robb, Department of Pathological Biochemistry, Western Infirmary Glasgow;

Mr. L. E. Peterken, General Manager, Greater Glasgow Health Board;

Mr. D. Stevenson, Assistant Secretary, Scottish Home and Health Department;

Mr. R. B. Weatherstone, TD, Chairman, Lothian Health Board;

Dr. D. Steel, Secretary.

The group's secretariat is located at Trinity Park house, Edinburgh.

The group was established in September 1985 with the following remit:

"To plan and co-ordinate arrangements to implement by December 1987 the national review programme proposed by the Efficiency Programmes Group; to make recommendations to the Minister for Education and Health, Health Boards and Common Services Agency on the implementation of review results; to review progress, including the level of savings achieved, by Health Boards and the Common Services Agency in implementing recommendations; to indentify and pursue future priorities for resource savings, to consider other matters relevant to efficiency in the Scottish Health Service; and to report progress."

Simplified Planning Zones

Mr. Tom Clarke: To ask the Secretary of State for Scotland what is the Government's policy in respect of simplified planning zones; how he intends to apply it to Monklands district; and if he will make a statement.

Lord James Douglas-Hamilton: The Government believe that simplified planning zones will help to ease the burden on business, provide a more secure climate in which businesses can plan ahead, assist in generating confidence in the areas designated and stimulate investment and development activity.

It is primarily for planning authorities to come forward with proposals for simplified planning zones and Monklands district council has been quick to respond, by identifying a site in Coatbridge for potential designation as a simplified planning zone.

Forestry

Sir Hector Monro: To ask the Secretary of State for Scotland what is his policy on the location of forestry in Scotland.

Lord James Douglas-Hamilton: My right hon. and learned Friend's policy remains that of encouraging the expansion of forestry in Scotland in suitable locations, so that the economic and social life of rural areas may continue to benefit from forestry activity, with suitable environmental safeguards so as to protect Scotland's natural beauty and wildlife. The new tax and grant arrangements will offer scope for more people to invest in forestry and will increase the incentive to plant in lowland areas.

The present consultation arrangements for forestry planting grant, whose effectiveness will be enhanced under the proposed new grant regime, ensure that any significant planting proposal which is the subject of an unresolved objection from the local authority or, in respect of specially protected areas, from the statutory conservation agencies, is referred to the Secretary of State before any decision is taken to pay grant. My right hon. and learned Friend currently has before him proposals on forestry from the Countryside Commission for Scotland and from the Convention of Scottish Local Authorities and will be considering in that context whether there is scope for further improvement in the present arrangements.

Private Medical Projects

Mr. Galbraith: To ask the Secretary of State for Scotland if he will give, for each year since 1979, the amount of assistance given by the Scottish Development Agency to private medical projects.

Mr. Lang *[holding answer 22 February 1988]:* The information is given in the following table:

Year	*Assistance Given* £	*Number of Companies/ Individuals Assisted*
1979-80	—	—
1980-81	—	—
1981-82	—	—
1982-83	—	—
1983-84	101,500	3
1984-85	90,000	2
1985-86	139,000	4
1986-87	180,000	4
1987-88	—	—

The projects identified above comprise nursing or residential homes where one or more medically qualified staff are involved.

Financial support was provided by way of loan and/or equity as appropriate.

The agency is also active in supporting Scottish companies which provide goods and services in the health care sector; for example, medical instrumentation and drug delivery systems.

NATIONAL FINANCE

Gross Domestic Product

Mr. Barry Field: To ask the Chancellor of the Exchequer when he last reviewed the allowance of 1¼ per cent. of the expenditure measure of gross domestic product to take account of *(a)* tax evasion and *(b)* self employment.

Mr. Major: A "net allowance for evasion", equal to 1¼ per cent. of the expenditure-based measure of gross domestic product (GDP) since 1981, is added to the income-based measure of GDP. This allowance represents the extent to which expenditures which are not concealed from statistical sources result in factor incomes (mainly of the self-employed) which are concealed. The allowance is necessary to ensure the conceptual equivalence of the two measures of GDP. The basis of the assessment, which is examined regularly, is described in "United Kingdom National Accounts: Sources and Methods" (paragraphs 3.32 to 3.36).

Economic Statistics

Mr. Barry Field: To ask the Chancellor of the Exchequer (1) what steps he intends to take to improve the economic statistics published by his Department;

(2) if he will list the measures taken to improve the accuracy of his Department's economic statistics since 1981.

Mr. Major: Steps are constantly being taken to improve Treasury statistics.

Vote Bundle (Printing)

Miss Emma Nicholson: To ask the Chancellor of the Exchequer if he will make a statement on the printing of the Vote bundle.

Mr. Brooke: Since Wednesday 2 March, all amendments and proceedings have appeared in printed form. This represents a substantial achievement by Her Majesty's Stationery Office, given the volume of overnight printing. The printed Vote bundle distributed on 3 March is believed to be the largest in the history of the House of Commons.

Banking Act 1987

Mr. David Shaw: To ask the Chancellor of the Exchequer when section 38 of the Banking Act 1987 will come into force.

Mr. Lilley: The Treasury has now made the commencement order for section 38 of the Banking Act 1987 to come into effect on 1 April. This section requires authorised institutions to report large credit exposures to the Bank of England. Exposures to a single borrower or group of connected borrowers above 10 per cent. of a bank's capital base must be reported after the event; proposed exposures above 25 per cent. of capital must be reported before the event. The main provisions of the Act came into force on 1 October 1987, and the date for implementing section 38 was announced at that time.

Importers' Details (Disclosure)

Mr. David Davis: To ask the Chancellor of the Exchequer if he will announce the Government's decision on the question of disclosure of importers' details, on which the Government consulted interested parties in 1987.

Mr. Lilley: The Government intend to legislate in the 1988 Finance Bill to permit disclosure by sale of the names and addresses of importers. This follows the public consultation announced in last year's Budget debate in which a majority of those asked were in favour of the steps being taken. Customs and Excise will provide marketing agents monthly with the names and addresses of importers as shown on import declarations. The names will be listed against each of the nine digit commodity codes as published in the integrated tariff of the United Kingdom. The charge to marketing agents will be set at a level to cover Customs' costs. The marketing agents will be free to publish the information in a form and at a price attractive to their customers. The current arrangements known as suppressions will be continued. It is hoped to implement the arrangements from January 1989. This proposal should add significantly to the free flow of information on

which competitive and efficient markets rely. Both industry and customers should benefit through improvements in the effectiveness of marketing, market research and product development.

SOCIAL SERVICES

1991 Census (Ethnic Origin)

53. **Mr. Bernie Grant:** To ask the Secretary of State for Social Services when he will make a decision on the inclusion of an ethnic origin question in the 1991 census; and if he will make a statement.

Mrs. Currie: Proposals on the content of the 1991 census will be published as a White Paper later this year. It is planned to test the proposed questionnaire in early 1989 and thereafter to lay before Parliament a draft Order in Council prescribing the content of the census.

AIDS

Mr. Cohen: To ask the Secretary of State for Social Services what proposals the chief medical officer made to the recent world conference on AIDS on facing up to the spread of the virus within prisons and after a prisoner is released.

Mr. Newton: The chief medical officer addressed the world summit on "Modes of transmission of HIV as a basis for prevention strategies". The purpose of his speech was to draw attention to problems that need to be addressed in this area, including that of HIV infection among prisoners, and not to make specific proposals.

Hospital Capital Programme

Mr. Nicholas Bennett: To ask the Secretary of State for Social Services what was the hospital capital programme, in cash and constant prices, together with the percentage increase or decrease over the preceding year, in each year since 1974-75.

Mr. Newton: Capital expenditure by regional and special health authorities, in the form requested by my hon. Friend, is given in the table.

Regional and Special Health Authorities Capital Expenditure (England)

Year	*Expenditure*[1] *(cash) £ million*	*Percentage Change over previous year*	*Expenditure at constant prices*[2] *£ million*	*Percentage Change over previous year*
1974-75	267·5	—	935·7	—
1975-76	331·7	+24·0	923·5	−1·3
1976-77	334·5	+0·8	822·7	−10·9
1977-78	316·0	−5·5	682·4	−17·1
1978-79	367·4	+16·3	716·6	+5·0
1979-80	416·4	+13·4	694·9	−3·0
1980-81	563·2	+35·3	792·8	+14·1
1981-82	671·4	+19·2	860·6	+8·6
1982-83	686·4	+2·2	820·4	−4·7
1983-84	713·9	+4·0	815·3	−0·6
1984-85	795·4	+11·4	869·5	+6·7
1985-86	891·8	+12·1	920·1	+5·8
1986-87[3]	936·3	+5·0	936·3	+1·8

Source:

[1] Annual accounts of Regional, District and Special Health Authorities as submitted to the Department.

[2] Constant prices arrived at by using GDP Deflator.

[3] Latest year available.

Park Lane Hospital

Mr. Alton: To ask the Secretary of State for Social Services when he expects to receive the report of the review of security at Park lane hospital; and if he will make it his policy to publish the report's conclusions in the *Official Report*.

Mr. Newton: The review team will be reporting to hospital management and the Department in August this year. Security arrangements at the hospital are not made public so as not to prejudice their effectiveness. It will not, therefore, be our intention to publish the findings of the review.

Community Health Councils

Mr. Pawsey: To ask the Secretary of State for Social Services what is the annual cost of community health councils.

Mrs. Currie: The total cost of community health council expenditure in 1986-87, the latest available figure, was £7·2 million. This figure includes staffing, premises and other costs.

Fraud

Mr. Cummings: To ask the Secretary of State for Social Services what is the estimated cash saving accrued to his Department in the last year as a result of the activities of his Department's benefit fraud investigators in the Seaham and Peterlee areas during that period; and if he will make a statement.

Mr. Portillo: Estimated benefit savings achieved in the year ended 9 February 1988 were £260,000.

Urgent Cases

Mr. Redwood: To ask the Secretary of State for Social Services if he has any plans to introduce new consultant,

senior registrar or other senior posts in general surgery, ear, nose and throat, traumatic and orthopaedic and gynaecology, where the waiting lists are urgent.

Mr. Newton: Government policy is that new consultant posts should be set up to meet the needs of patient care as determined by health authorities in the light of the Government's broad priorities. Currently consultant expansion is averaging 2 per cent. per annum over all specialties. In addition, the Government are funding centrally 100 new posts targeted on specialties with particular problems of structural imbalance, including general surgery and traumatic and orthopaedic surgery.

Amenity Beds

Mr. Redwood: To ask the Secretary of State for Social Services what efforts are being made to promote amenity beds.

Mrs. Currie: Existing instructions to health authorities are for amenity beds to be offered routinely to National Health Service patients when they are given a date for admission.

We are currently seeking powers in the Health and Medicines Bill to enable health authorities to charge for amenity beds on a commercial basis. Later in the year we will issue guidance to promote the use of amenity beds under these new powers.

Surgical Treatment

Mr. Redwood: To ask the Secretary of State for Social Services if the new senior posts, one rank below consultant, carry the right to sole responsibility for a patient for surgical treatment without the necessity of reference to a consultant.

Mr. Newton: The new staff grade is a non-training grade intended for doctors who do not wish or are unable to train for consultant status. The staff doctor will be clinically responsible to a nominated consultant for all tasks and duties of the post although the degree to which these are delegated will be a matter for consultants' clinical judgment.

Community Care

Mr. Sheerman: To ask the Secretary of State for Social Services (1) what sum has been spent or budgeted for in each of the district health authorities for the training and preparation of staff for the shift to the provision of care in the community;

(2) what sum has been spent and budgeted for in each of the district health authorities for the purpose of preparing patients for the shift into care in the community.

Mr. Newton: The information requested is not available centrally.

Nurses

Mr. Kirkwood: To ask the Secretary of State for Social Services what is his estimate, for each regional health authority, and for the United Kingdom as a whole, in the last year for which figures are available, of how many National Health Service nurses left the Health Service for *(a)* private hospitals, and *(b)* private residential homes; and how many rejoined the National Health Service from the private sector.

Mr. Newton: The information is not collected centrally.

Recently published research estimated that, in 1985, the annual number of nurses joining the private health care sector direct from the NHS was 1,474. This represents approximately seven nurses per district health authority. Annually an estimated 477 nurses rejoin the NHS from the private sector.

Mr. Nicholas Bennett: To ask the Secretary of State for Social Services if he will give the total number of nurses employed *(a)* in the National Health Service and *(b)* in the private sector in each year since 1958, together with the annual turnover rate; and if he will give the equivalent information for other occupational groups within the National Health Service.

Mr. Newton *[holding answer 8 February 1988]:* Such information on staff employed as is available is shown in the tables.

Information on NHS staff employed in England is not available on a consistent basis prior to 1971.

Information on private sector nursing staff is not available prior to 1982.

Information on turnover rates is not available centrally for NHS or private sector. However the most commonly accepted estimate for qualified nursing and midwifery staff leaving the NHS is 10 per cent. a year.

NHS directly employed staff by main staff group[1] at 30 September
Whole time equivalents[2]

England	*1971*	*1972*	*1973*	*1974*	*1975*	*1976*	*1977*	*1978*
Nursing and midwifery (including agency)[3]	285,400	303,200	308,500	314,100	336,600	341,700	343,200	351,000
Medical and dental (including locums)[4]	29,500	30,800	32,300	33,000	34,800	35,900	36,900	37,800
Professional and technical (excluding works)[5]	38,500	40,600	42,600	43,600	46,800	52,500	54,800	57,200
Works professional	4,300	4,600	4,700	4,700	5,000	5,300	5,500	5,600
Maintenance	17,500	17,500	17,000	17,600	19,100	19,700	19,900	19,900
Administrative and clerical	70,400	74,300	77,100	82,800	91,900	98,500	99,000	100,300
Ambulance (including officers)	15,900	16,300	16,600	16,600	17,500	17,200	17,400	17,500
Ancillary[5]	168,000	167,800	165,100	163,400	167,800	173,600	172,800	172,200
Total directly employed (including agency and locums)	629,500	655,000	664,100	675,800	719,500	744,400	749,500	761,500

England	1979	1980	1981	1982	1983	1984	1985	1986
Nursing and midwifery (including agency)[3]	358,400	370,100	391,800	397,100	397,100	397,500	401,200	402,700
Medical and dental (including locums)[4]	39,000	40,200	41,000	41,500	42,300	42,300	43,000	43,200
Professional and technical (excluding works)[5]	60,100	61,900	65,200	67,200	68,700	72,700	74,300	76,100
Works professional	5,600	5,900	6,200	6,100	6,000	6,000	6,100	5,800
Maintenance	20,100	20,600	21,000	21,000	20,800	20,200	19,800	19,100
Administrative and clerical	103,000	105,400	108,800	108,800	110,000	110,300	111,000	111,400
Ambulance (including officers)	17,100	17,800	18,200	18,300	18,400	18,100	18,200	19,000
Ancillary[5]	171,900	172,000	172,200	170,500	166,200	152,200	139,400	124,300
Total directly employed (including agency and locums)	775,300	793,800	824,400	830,600	829,400	819,300	812,900	801,600

Source: DHSS (SR7) Annual censuses of NHS medical and non-medical manpower.

[1] Due to the effects of the 1974 NHS reorganisation figures for the years prior to 1974 are not directly comparable with those for 1974 and later years.

[2] Figures are independently rounded to nearest one hundred (100) whole time equivalents.

[3] Not adjusted to take account of the change in nurses contractual hours—from 42 to 40 per week in 1972, and from 40 to 37·5 per week during 1980-81.

[4] Includes all permanent paid, honorary and locum staff.

[5] On 1 April 1984 operating department assistants transferred from ancillary to professional and technical staff group. Figures not adjusted to take account of this change.

Nursing staff in post—private sector at 31 December
Whole time equivalents[1]

England	1982	1983	1984	1985	1986
	22,620	25,670	29,430	36,080	44,950

Source: DHSS (SR2) SBH 212 returns.

[1] Figures are independently rounded to nearest ten (10) whole time equivalents.

NHS Review

Mr. Spearing: To ask the Secretary of State for Social Services which outside bodies he has invited to submit evidence to his current review of the National Health Service; and what account he proposes to take of the reports of Royal Commission and Select Committees on this or allied topics.

Mr. Moore: We have made it publicly clear that we shall consider carefully any submissions which are put to us. We shall also take into account any relevant reports and other published material.

South East Thames RHA

Ms Ruddock: To ask the Secretary of State for Social Services what was the percentage change in (i) National Health Service funding in real terms and in cash terms and (ii) employment of medical staff from 1978 to 1988 in the South East Thames regional health authority.

Mrs. Currie: The latest available information for hospital and community health services in the South East Thames region is shown in the table.

Percentage change in revenue and medical staff

	Per cent.
Net revenue expenditure 1978 79 to 1986 87[1]	
Cash terms	116·55
Real terms	11·01
Medical staff from 1978 to 1986[2]	8·1

[1] Figures are based on health authorities' summarised income and expenditure accounts adjusted by the Gross Domestic Product deflator

[2] Includes whole time equivalent permanent paid, honorary and locum staff

Ms. Ruddock: To ask the Secretary of State for Social Services if he will list *(a)* the number of private beds and *(b)* the total income from private beds in National Health Service hospitals in 1986-87 for the South East Thames regional health authority.

Mrs. Currie: There were 341 authorised pay beds within the South East Thames region at 31 December 1986. The 1986-87 annual accounts of health authorities in the region show that total income from private patients, under section 65 of the National Health Service Act 1977, was £5,732, 413.

Lewisham and North Southwark DHA

Ms. Ruddock: To ask the Secretary of State for Social Services if he will give the nurse-patient ratio in the Lewisham and North Southwark district health authority for each of the last 10 years.

Mrs. Currie: Information on nursing and midwifery staff and hospital activity levels in Lewisham and North Southwark health authority from 1982 to 1986 is provided in the tables. Prior to 1 April 1982 the authority's predecessor health districts formed part of the Lambeth, Southwark and Lewisham area health authority and district-based figures were not collected centrally. The nursing and midwifery staff figures cover a wide range of Health Service activity, not just those related to hospital activity, and calculation of a nurse-patient ratio would be simplistic and might be misleading.

Nurse and midwifery staff in post: 30 September[1] Lewisham and North Southwark health authority[2]

Year	Number
1982	3,710
1983	3,650
1984	[3]3,840
1985	3,540
1986	3,470

Source: DHSS Annual Census of NHS Non-Medical Manpower.

Notes

[1] Includes agency staff.

[2] All figures are independently rounded to the nearest 10 whole-time equivalents.

[3] Merging of two pay-roll systems, used to calculate staffing figures, likely to have caused some double-counting.

NHS hospitals activity in Lewisham and North Southwark HA

	1982	1983	1984	1985	1986
In-patient cases	55,171	58,130	59,680	60,259	56,493
Day cases	6,227	8,308	5,885	5,036	5,899
New out-patients	102,066	105,401	113,894	112,096	108,031
Total out-patient attendances	532,772	532,546	540,652	529,590	530,467

Health Index

Mr. Robin Cook: To ask the Secretary of State for Social Services which indicators will be included in the health index; who has been consulted about which indicators to include; if he will publish the existing list for wider consultation; if he intends to make additional resources available to (*a*) administer the index and (*b*) collect any additional data which may be required to compile the index.

Mr. Newton: We have asked officials to consider the feasibility of creating a portfolio of health indicators (health index). Consideration of such points as those raised by the hon. Member will of course depend on the results of the feasibility study.

British Oxygen Company

Mr. Hood: To ask the Secretary of State for Social Services how much has been paid to the British Oxygen Co. by the National Health Service, for each year since 1974, at current prices.

Mrs. Currie: I regret that this information is not available. The information which is readily available is as follows. All figures are for England and are at current prices.

Expenditure on medical gases by health authorities

	£ million
1978-79	12·2
1979-80	12·5
1980-81	12·3
1982-82	12·6
1982-83	12·3
1983-84	12·4
1984-85	12·4
1985-86	11·6
1986-87	12·0

Basic prices of masks and oxygen provided by pharmacists and doctors under the Family Practitioner Services

	£ million
1984-85	4·0
1985-86	4·4
1986-87	4·2

BOC is believed to supply over 90 per cent. of the medical gases used in the NHS.

Drug Companies

Mr. Hood: To ask the Secretary of State for Social Services what is, for each year since 1974, the amount of prescription payments made to drug companies by the National Health Service, at current prices.

Mr. Newton: The cost of drugs to the NHS in England, at 1987-88 prices, is set out in the table:

	Family Practitioner Services £ million	Hospital and Community Health Services
1975-76	805	[1]197
1976-77	926	223
1977-78	1,038	242
1978-79	1,127	260
1979-80	1,101	271
1980-81	1,125	272
1981-82	1,171	286
1982-83	1,257	305
1983-84	1,345	317
1984-85	1,358	318
1985-86	1,371	319
1986-87	1,436	332
1987-88	[3]1,538	[2]0

Notes:
[1] Data not available prior to 1975-76.
[2] Data for Hospital and Community Health Services drug costs are not yet available for 1987-88.
[3] Latest PSS estimate.

Member's Correspondence

Mr. Pawsey: To ask the Secretary of State for Social Services when he expects to give a definitive reply to the letter from the hon. Member for Rugby and Kenilworth dated 23 December 1987 concerning W. D. Caddern of York street, Rugby.

Mr. Portillo: I apologise for the delay.
I wrote to my hon. Friend yesterday.

Cook-chill Catering

Mr. Hinchliffe: To ask the Secretary of State for Social Services when, pursuant to his answer of 7 March, *Official Report*, column *51*, he expects to reach a conclusion on the request of Wakefield district health authority for an investigation into the introduction of the cook-chill system of catering.

Mrs. Currie: Wakefield health authority's request was for a public inquiry
"into the lengthy decision making process prior to the implementation of the cook-chill system of catering in Wakefield".
After careful thought I decided I could not agree to the authority's request and wrote to the chairman to that effect on 8 March, copying my letter to the regional chairman.

The authority in effect sought an inquiry into its own management of business. This seemed neither necessary nor appropriate, particularly when events were at all times fully within the authority's control. Yorkshire regional health authority at its annual review meeting with the district raised a number of concerns. These are being pursued through the normal accountability and review process between RHA and DHA and it seems entirely appropriate that the handling of the implementation of cook-chill should be considered in the same way.

Cancelled Operations

Mr. Watts: To ask the Secretary of State for Social Services how many operations have been cancelled as a consequence of disruptive action by National Health Service employees on Monday 14 March and Tuesday 15 March.

Mr. Newton: The information we have so far received from health authorities show that the number of operations cancelled as a result of industrial action in the National Health Service was 156 on 14 March and 55 on 15 March.

Mildmay Mission Hospital

Mr. Favell: To ask the Secretary of State for Social Services what assistance he intends to provide to the Mildmay mission hospital to provide help and hospice care for people with AIDS and HIV-related illnesses.

Mr. Newton: The Government have approved a further grant of £171,000 towards the capital cost of converting two wards at the hospital to provide help and hospice care for people with AIDS and HIV-related illness and a further revenue grant of £29,000 for the current financial year. This will bring the total capital grants approved for the Mildmay hospital this year to £321,000 and total revenue grants approved to £79,000.

Haemophiliacs (Financial Assistance)

Dame Peggy Fenner: To ask the Secretary of State for Social Services what progress has been made since the Minister for Health's statement on 16 November 1987, *Official Report*, column 773, concerning financial assistance to haemophiliacs infected with the AIDS virus.

Mr. Newton: My announcement indicated that the Government would make an ex-gratia grant of £10 million to enable the Haemophilia Society to establish a special trust fund to provide financial help to haemophiliacs infected with the AIDS virus and their families. A charitable trust fund to be known as the Macfarlane Trust has now been established. Letters exchanged with the Haemophilia Society and the trust deed incorporating the objects of the trust have been placed in the Library.

It will be the duty of the trustees to ensure that payments from the trust are made in the most effective way and take into account the differing circumstances of those affected. However to ensure that all the £10 million reaches those in need, regulations have been laid which disregard any payment from the trust fund when deciding entitlement to housing benefit and which also protect the confidentiality of the individual by making it unnecessary to report payments to the local authority. Similar regulations and arrangements have been introduced for income support and family credit. Because the Macfarlane Trust is charitable, beneficiaries will not be liable to income tax on payments made to them. Now that the Macfarlane Trust has been estalished, the £10 million is being paid to the Haemophilia Society.

Surgery Statistics

Mr. Lofthouse: To ask the Secretary of State for Social Services if he will list in order of frequency the five most common forms of surgery for which patients are admitted to hospitals in *(a)* the Yorkshire regional health authority and *(b)* the Pontefract district health authority.

Mrs. Currie *[holding answer 1 March 1988]:* The information requested is given in the table.

Estimated number of the five most common forms of surgery (in order of frequency) performed in NHS non-psychiatric, non-maternity hospitals, Yorkshire Regional Health Authority and Pontefract District Health Authority, England 1985

Condensed[1] *list operation number*		*Operation*	*Estimated number of operations*
Yorkshire RHA			
1.	080	Dilatation, Curretage, Biopsy and Excision of Lesion of Cervix	10,630
2.	093	Treatment of Fracture by Operations	8,770
3.	061	Cystoscopy (with Destruction of Lesion)	8,180
4.	023	Tonsils and Adenoids	7,750
5.	078	Hysterectomy	6,090
Pontefract DHA			
1.	080	Dilatation, Currettage, Biopsy and Excision of Lesion of Cervix	640
2.	093	Treatment of Fracture by Operations	530
3.	044	Operations on Appendix	340
4.	016	Incision of Ear Drum	310
	023	Tonsils and Adenoids	310

[1] OPCS condensed list of surgical operations.
Source: Hospital In-Patient Enquiry (HIPE).

Hospitals

Mr. Boyes: To ask the Secretary of State for Social Services what has been the average cost per patient treated over each of the past five years in *(a)* the Northern regional health authority and *(b)* the Sunderland district health authority hospitals.

Mrs. Currie *[holding answer 7 March 1988]:* Tables showing this information by type of hospital and type of patient for the northern region and by individual hospital and type of patient for the Sunderland district have been placed in the Library.

Radiation

Dr. Thomas: To ask the Secretary of State for Social Services if he will initiate a departmental evaluation of the paper, a copy of which has been sent to him, by Professor Emeritus E. J. Sternglass and Dr. J. Scheer entitled "Radiation Exposure of Bone Marrow Cells to Strontium 90 during early development as a possible co-factor in the etiology of AIDS", as presented at the first global radiation victims' conference in New York City in October 1987.

Mr. Newton *[holding answer 11 March 1988]:* When a copy of this paper is received, officials will consider whether it warrants evaluation.

AGRICULTURE, FISHERIES AND FOOD

Sheep (Radiation)

Mr. Roy Hughes: To ask the Minister of Agriculture, Fisheries and Food what provisions the Government have adopted for a confirmed scientific source for radiation safety levels in sheep.

Mr. Donald Thompson *[holding answer 16 March 1988]:* In setting the limit of 1,000Bq/kg, the Government took account of the published advice of the National

Radiological Protection Board in the United Kingdom and of the interim guidance issued by the group of international experts set up under article 31 of the Euratom treaty. The Government also had to take note of the views of other countries with whom it was important for the United Kingdom to protect trading links.

Environmentally Sensitive Areas

Mr. Ron Davies: To ask the Minister of Agriculture, Fisheries and Food what staff and monetary resources are being made available for the monitoring of existing environmentally sensitive areas.

Mr. Gummer *[holding answer 8 March 1988]:* We are making sufficient staff and monetary resources available, but it is not possible to separate accurately the staff time devoted to monitoring from other duties related to environmentally sensitive areas.

NORTHERN IRELAND

Driving Licences

Mr. Beggs: To ask the Secretary of State for Northern Ireland why it is necessary for the holder of a valid Great Britain driving licence to replace it with a Northern Ireland driving licence before it expires.

Mr. Needham: When the holder of a driving licence issued either in Great Britain or Northern Ireland permanently changes address, the law requires that change to be notified to the relevant licensing authority to have the change recorded and a new licence issued. Holders of a licence issued in Great Britain who take up permanent residence in Northern Ireland must have their new address recorded on a licence issued by the Department of the Environment for Northern Ireland, which is responsible for the issue of Northern Ireland driving licences.

Teachers of the Deaf

Rev. Ian Paisley: To ask the Secretary of State for Northern Ireland what is the number of qualified teachers of the deaf employed to teach hearing impaired children in schools and units in Northern Ireland.

Dr. Mawhinney: Fifty full-time and two part-time.

Housing Waiting Lists

Mr. Beggs: To ask the Secretary of State for Northern Ireland how many people are currently listed on waiting lists to be allocated houses by the Northern Ireland Housing Executive; and how many people are currently on transfer waiting lists.

Mr. Needham: This is a matter for the Northern Ireland Housing Executive. I understand from the chief executive that the numbers on the Housing Executive's waiting list and transfer waiting list at 29 February 1988 are as follows:

	Number
Waiting list	[1] 24,136
Transfer list	22,801

[1] Of whom 11,117 are regarded as being in urgent housing need.

War Memorials

Mr. Beggs: To ask the Secretary of State for Northern Ireland what facilities exist to have the names of members of the Ulster Defence Regiment who have been murdered by terrorists placed on war memorials in Northern Ireland.

Mr. Needham: Anyone can apply to have a name added to a war memorial, but the decision whether this will be allowed rests with those in whose charge the memorial has been placed. In most, but not all, cases this will be a district council.

Written Answers to Questions

Friday 18 March 1988

ENERGY

Nuclear Material

Dr. Thomas: To ask the Secretary of State for Energy, pursuant to his reply to the hon. Member for Meirionnydd Nant Conwy, 9 March, *Official Report*, columns 200-1, how much nuclear material in the United Kingdom has been subject to exchange of safeguards obligations on the basis of strict equivalent in quantity and quality, in each year since 1973.

Mr. Michael Spicer: This information could be provided only at disproportionate cost.

Sellafield

Dr. Thomas: To ask the Secretary of State for Energy, pursuant to his reply to the hon. Member for Meirionnydd Nant Conwy, 29 February, *Official Report*, column *483*, when he expects the particular safeguards provisions for Sellafield referred to therein to enter into force.

Mr. Michael Spicer: Our aim is to bring the first four particular safeguards provisions for Sellafield into force by the end of 1988.

Uranium

Dr. Thomas: To ask the Secretary of State for Energy what is Her Majesty's Government's policy on the acceptance of unsafeguarded uranium into the United Kingdom for processing and subsequent re-export without direct use or application in the United Kingdom.

Mr. Michael Spicer: All civil uranium imported into the United Kingdom for processing and subsequent re-export is under safeguards.

FOREIGN AND COMMONWEALTH AFFAIRS

Falkland Islands

Mr. Butler: To ask the Secretary of State for Foreign and Commonwealth Affairs what information he has on the gross national product of the Falkland Islands economy in *(a)* 1986 and *(b)* 1987.

Mr. Eggar: The Falkland Islands gross national product for 1986 is estimated to have been approximately £9·9 million. In 1987 it was estimated to have risen to approximately £30·2 million.

Phyllis Coard

Mr. Cohen: To ask the Secretary of State for Foreign and Commonwealth Affairs if he will make representations to the Government of Grenada on the treatment in prison of Phyllis Coard; and if he will make a statement.

Mr. Eggar: No. The enforcement of prison regulations, which are presently the same as those introduced by the People's Revolutionary Government of which Mrs. Coard was a member, is entirely a matter for the Grenadian authorities.

Mr. Raoul Wallenberg

Mr. Amess: To ask the Secretary of State for Foreign and Commonwealth Affairs when he last raised the case of Mr. Raoul Wallenberg with the Government of the Union of Soviet Socialist Republics; and if he will make a statement.

Mr. Mellor: The case of Raoul Wallenberg was last raised with the Soviet authorities at ministerial level by the then Minister of State, my right hon. and learned Friend the Member for Edinburgh, Pentlands (Mr. Rifkind), during discussions in Moscow in July 1985.

NORTHERN IRELAND

Mairead Farrell

Rev. Martin Smyth: To ask the Secretary of State for Northern Ireland whether he will call for a report from the Queen's university, Belfast, authorities on the status of Mairead Farrell; what public funds she was receiving in the year before her death; what steps will be taken to ensure that those with terrorist backgrounds are not able to receive public funds; and if he will make a statement.

Dr. Mawhinney: Mairead Farrell was a full-time student in her first year of study in the faculty of economics at Queen's university, Belfast. Since her enrolment, on 23 September 1987, she received a maintenance grant of £1,380 from the Belfast education and library board. Grants for eligible students are mandatory.

PRIME MINISTER

Members' Delegations

Mr. Tony Lloyd: To ask the Prime Minister what guidance she gives to departmental Ministers about receiving delegations from right hon. and hon. Members; and if she will make a statement.

The Prime Minister: Such meetings are a matter for the judgment of individual departmental Ministers.

South Manchester Health Authority

Mr. Tony Lloyd: To ask the Prime Minister if, in the light of his refusal to meet a delegation of hon. Members to discuss the financial position of South Manchester health authority, she will dismiss the Minister for Health, the right hon. Member for Braintree (Mr. Newton); and if she will make a statement.

The Prime Minister: No.

Mr. R. W. Marshall (Letter)

Dr. Thomas: To ask the Prime Minister when she replied to a recent letter by Mr. R. W. Marshall of Cymerau, Dolwen, Blaenau Ffestiniog, on the subject of nuclear reactor risks, radiation fog and smog from power plants.

The Prime Minister: It is not my usual practice to give information on correspondence from third parties.

ATTORNEY GENERAL

Unification Church

Mr. Wilshire: To ask the Attorney-General which religious organisations were approached for assistance when preparing the now abandoned appeal against the decision not to remove charity status from the Unification Church.

The Attorney-General *[pursuant to his reply, 8 February 1988, c. 42]:* Such an approach was made to the Church of England. I also received representations from the following organisations:

The Churches Main Committee; The General Assembly of Unitarian and Free Christian Churches; The Arya Samaj in London; The Ethiopian Orthodox Church.

EDUCATION AND SCIENCE

Schools (Discipline)

Mr. Key: To ask the Secretary of State for Education and Science whether he is now in a position to announce the details of the inquiry he has decided to set up into discipline in schools.

Mr. Kenneth Baker: The inquiry will be chaired by my noble Friend Lord Elton, will extend to England and Wales, and will have the following terms of reference:—

"In view of public concern about violence and indiscipline in schools and the problems faced by the teaching profession today, to consider what action can be taken by central Government, local authorities, voluntary bodies owning schools, governing bodies of schools, head teachers, teachers and parents to secure the orderly atmosphere necessary in schools for effective teaching and learning to take palce."

Other members of the Committee are:—

Vice-Chairman

Dr. Roy Bennett, Emeritus Reader in Educational Studies, Derbyshire College of Higher Education.

Members

Mr. Roy Atkinson, Chief Education Officer, Northamptonshire Education Authority.

Mr. J. A. Phillips, OBE, Headteacher of Graveney School, Wandsworth.

Mr. Linbert Spencer, Chief Executive, Project Fullemploy Ltd, London.

I shall be appointing two further members shortly. My intention is that the committee should start its work as soon as possible, and aim to complete its report by the end of the year.

TRADE AND INDUSTRY

Ministers (Integrated Office System)

Mr. John Marshall: To ask the Chancellor of the Duchy of Lancaster which companies were asked to tender for the supply of the integrated Office System for Ministers in his Department; on what basis they were selected; what assessment was made of the suitability of HM Systems to provide the service; and if he will make a statement.

Mr. Butcher: A networked engagements management system was needed that could be met only by a bespoke software development. The Department was aware of the typical diary facilities available from a wide range of office automation suppliers and these fell far short of meeting the requirement.

The Department had previously used a particular software systems company to develop an earlier engagement management system. On the basis of that earlier successful implementation, a time and materials contract was placed with that company for the software development and hardware implementation. As part of the implementation, the software systems company had to take account of compatibility requirements. Additional facilities have subsequently been added to provide Ministers with an integrated office system.

Palestinian Terrorists (Military Equipment)

Mr. Latham: To ask the Chancellor of the Duchy of Lancaster what progress is being made with Her Majesty's Government's inquiry into the allegations of sales of military equipment to Palestinian terrorist organisations; and when it will be completed.

Mr. Kenneth Clarke *[holding answer 9 March 1988]:* Allegations that in 1981-82, military communications equipment was licensed for shipment to the PLO have been investigated by the Departments concerned with the active co-operation of Racal-Tacticom.

Applications to export military communications equipment are considered by relevant Government Departments before any licence is granted by the DTI. Records have been examined and there is no trace of any licence having ever been granted for shipment to the PLO.

The investigation has revealed that in the case of one export licensed in 1982 to a company in the Lebanon an error occurred so that the usual procedures were completed without taking into account information showing that the Lebanon company had links with the PLO. It is possible therefore that this consignment eventually reached the PLO. It was of very small value and the equipment was non-lethal.

No evidence has been found to justify any suggestion of unlawful actions by Racal-Tacticom.

HOME DEPARTMENT

Special Hospitals

Mr. Alton: To ask the Secretary of State for the Home Department how many patients at Park lane hospital have been granted privileges to live at an outside hostel or to study at university while subject to a restriction order in each of the last five years; and if he will make a statement.

Mr. Douglas Hogg: During the last five years one patient subject to a restriction order has been given permission to leave Park lane hospital to attend a college of further education. None has been given leave to attend a university. Two patients in 1983, two in 1985 and one in 1987 were granted leave from the hospital to live at an outside hostel on a trial basis.

Mr. Alton: To ask the Secretary of State for the Home Department what guidance his Department issues to special hospitals on the provision of unescorted trips for inmates who have not been approved for release by mental health tribunals.

Mr. Douglas Hogg: Under sections 41 and 49 of the Mental Health Act 1983, persons detained in hospital subject to restriction orders may be granted leave of absence only with my right hon. Friend's consent. Consent is given only when, on the best assessment that can be made in advance, there appears to be no serious risk to the patient or to the public.

Mr. Alton: To ask the Secretary of State for the Home Department how many patients detained under the Mental Health Acts have been released from *(a)* Park lane, *(b)* Rampton and *(c)* Broadmoor hospitals in each year since 1979; and how many of those released have since reoffended.

Mr. Douglas Hogg: The readily available information is given in the table:

Discharges into the community of patients subject to special restrictions on discharge from special hospitals

	Broadmoor	*Park Lane*	*Rampton*
1979	18	1	11
1980	18	1	14
1981	6	4	18
1982	21	1	4
1983	4	10	10
1984	9	22	18
1985	12	19	10
1986	5	6	15

Self-help Transmitter Scheme

Mr. French: To ask the Secretary of State for the Home Department if he has any plans to amend the self-help transmitter scheme as a way of providing alternative television programmes to areas such as Gloucester.

Mr. Renton: The self-help transmitter scheme enables isolated communities not served by the BBC or IBA to construct at their own expense transmitters to relay existing television signals on spare UHF channels. Recently, a community group was licensed on an experimental basis to provide a transmitter offering an alternative to the regional service provided by the BBC-IBA transmitter. Further schemes of this nature will be considered in the light of the current experiment and once decisions have been taken on the possible alternative use of UHF frequencies.

Refugees

Mr. Wyn Jones: To ask the Secretary of State for the Home Department what representations he has received concerning the implications for his policy on refugees of Amnesty International's code of practice for fair treatment of refugees in the United Kingdom, a copy of which has been forwarded to him; and if he will make a statement.

Mr. Renton: A number of hon. Members and others have written to me drawing attention to Amnesty International's code of practice for fair treatment of refugees in the United Kingdom. I set out our views on Amnesty's proposals in my reply to my hon. Friend the Member for Welwyn Hatfield (Mr. Evans) on 16 March at column *572*.

Gary John Byrne

Mr. Holland: To ask the Secretary of State for the Home Department when he proposes to reply to the letter of 29 February from the hon. Member for Vauxhall concerning the treatment of Gary John Byrne.

Mr. Douglas Hogg: I assume that the question refers to Gary John Byrne. I hope to reply shortly.

NATIONAL FINANCE

Bad Debt

Mr. Cox: To ask the Chancellor of the Exchequer what information he has as to the total amount of *(a)* United Kingdom and *(b)* overseas bad debt written off by United Kingdom banks in the financial years 1979-80 and 1986-87 at 1986 prices; and what has been the cost at 1986 prices to the Exchequer in each of those years of allowing these provisions to be written off against tax.

Mr. Lilley: I regret that information is not readily available in the form requested.

Customs Clearance (Channel Tunnel)

Mr. Gerald Bowden: To ask the Chancellor of the Exchequer if he now has plans to introduce customs clearance for passengers on Channel tunnel trains terminating at London, Waterloo.

Mr. Lilley: No. The most efficient and practicable customs control will be airport-type red and green channels at Waterloo. We are therefore planning on this basis.

Value Added Tax

Mr. Battle: To ask the Chancellor of the Exchequer if he has received any representations on value added tax rules applied to working men's clubs and institutes; and if he will make a statement.

Mr. Lilley: A few representations about VAT on gaming machines were received in the run-up to the Budget, including those made by the Committee of Registered Clubs Associations.

Excise Duty

Mr. Spearing: To ask the Chancellor of the Exchequer if he will state those treaty obligations of Her Majesty's Government that either prevented him from making or required him to make changes in rates of excise duty between 1987-88 and 1988-89; and if he will list the commodities so affected.

Mr. Lilley *[holding answer 17 March 1988]:* There is no obligation in the treaty of Rome which requires member states to set particular rates of excise duty. But, amongst other things, article 95 of the treaty prevents any member state from imposing, directly or indirectly, any internal taxation on the products of other member states in excess of that imposed directly or indirectly on similar domestic products. Article 95 applies to all the excise duties levied in the United Kingdom.

ENVIRONMENT

Housing

Mr. Cox: To ask the Secretary of State for the Environment what was the total of Government *(a)* assisted and *(b)* allowed capital expenditure by local authorities on (i) local authority housing, (ii) private sector improvement, repair and intermediate grants, and (iii) housing association grants in the financial years 1970-71 to 1986-87 in 1986 prices.

Mr. Waldegrave: At 1986-87 prices the total of gross capital public expenditure on housing in England (local authorities, Housing Corporation and new towns) in 1971-72, the earliest year for which figures are available on a consistent basis, was £4,327 million. The comparable figure for 1986-87 is £3,446 million.

Available information for the three categories of expenditure specified, for England and at 1986-87 prices, is set out in the table. Although the net total of local authority capital spending is cash limited, spending on the individual component elements specified is not. "Allowed" expenditure is taken to mean gross outturn public expenditure by local authorities. "Assisted" expenditure is taken to mean Exchequer contributions voted in estimates. Exchequer contributions in respect of assistance to housing associations cannot be disaggregated before 1976-77 as between local authority and Housing Corporation-sponsored schemes. For completeness, the table therefore also includes public and voted expenditure figures in respect of Housing Corporation-sponsored schemes. Information on public expenditure before 1971-72 and on voted expenditure before 1974-75 cannot be made available except at disproportionate cost.

Housing, England

All in 1986-87 prices[1]
£ million

Year	Local Authority Housing		Private Improvement		Support to Housing Associations			
	PE[2]	Vote[3]	PE[4]	Vote[5]	LA[6] PE	HC[7]	LA[8] Vote	HC[9]
1971-72[12]	2,819	n/a	194	n/a	200	43	[10]n/a	
1972-73[12]	3,341	n/a	347	n/a	253	106	[10]n/a	
1973-74[12]	4,251	n/a	539	n/a	319	135	[10]n/a	
1974-75	5,466	1,763	475	171	467	413	[11]0	
1975-76	4,878	3,828	187	200	533	519	[11]370	
1976-77	4,554	2,191	162	194	529	630	425	566
1977-78	3,769	2,114	142	177	485	629	413	663
1978-79	3,304	2,057	175	176	359	637	435	675
1979-80	3,156	2,087	200	164	316	669	278	591
1980-81	2,361	2,167	182	159	239	714	337	401
1981-82	1,769	1,318	252	176	182	669	254	368
1982-83	2,030	778	508	214	160	902	196	499
1983-84	2,161	458	1,040	311	158	838	162	1,000
1984-85	2,261	503	802	412	161	762	163	868
1985-86	2,018	517	474	434	124	733	155	793
1986-87	1,910	626	392	473	126	715	120	690

Note PE gross outturn figures taken from Public Expenditure White Papers; Vote outturn figures taken from Appropriation Accounts.

[1] Uprated from the published cash figures using the GDP deflator.

[2] Consists of Housing Revenue Account (HRA) renovation, HEA land and dwelling acquisitions, HRA new building for rent and Estate Action. Does not include public expenditure on central government subsidies to LA capital expenditure (eg Main Housing Subsidy).

[3] Consists mainly of main housing subsidy which is paid to certain authorities reflecting annual revenue deficits as well as loan charges on capital borrowing. Also includes housing subsidies to the New Towns, which cannot easily be disaggregated.

[4] Public Expenditure on Home Improvement, Repairs and Intermediate Grants.

[5] Voted expenditure supporting Home Improvement, Repairs and Intermediate Grants.

[6] Local Authority support to housing associations for fair rent and low cost home ownership.

[7] Housing Corporation support to HAs for fair rent and low cost home ownership.

[8] Housing Association Grant (HAG) paid via local authorities.

[9] HAG paid via the Housing Corporation.

[10] Before 1974 the Housing Corporation/local authorities made loans to Housing Associations without exchequer support. A new system of funding, including capital grants, was introduced in the 1974 Housing Act.

[11] Cannot be disaggregated.

[12] For these years disaggregated Vote information is not available.

Planning Applications

Mr. Heddle: To ask the Secretary of State for the Environment if he will publish in the *Official Report* the percentage of planning applications dealt with by local authorities within the statutory eight-week period at the latest available date; and if he will give figures for comparable periods since 1979.

Mr. Waldegrave: The information requested for the latest available quarter and comparable periods since 1979 are given in the table.

Planning applications decided in eight weeks
July-September quarter in each year
England

Year	Percentage decided in eight weeks
1979	60
1980	63
1981	64
1982	70
1983	68
1984	69
1985	68
1986	64
[1]1987	60

[1] Provisional estimates based on returns from early responding authorities.

TRANSPORT

Vehicle Excise Duty (Evasion)

Mr. French: To ask the Secretary of State for Transport, pursuant to his reply of 7 March, *Official Report*, columns 97-98, to the hon. Member for Gloucester, what is the cost of each intensive local comaign to discourage the evasion of vehicle excise duty carried out during 1987-88; what size of geographical area is covered by each such campaign; and if he has plans to establish a nationwide campaign.

Mr. Peter Bottomley: The costs to the Department, together with the relicensing revenue and the court penalties imposed on evaders, of each of the campaigns already held or under way in the present financial year are estimated as follows:

	DTp[1] *costs* £	*Relicensing revenue* £	*Court penalties* £
April 1987			
South Yorkshire	49,000	876,000	8,600
Nottinghamshire	48,000	747,000	6,700
May 1987			
Lothian and Borders	49,000	688,000	6,700
London Metropolitan/City	107,000	7,000,000	335,300
July 1987			
Merseyside	57,000	919,000	7,000
September 1987			
Tayside	32,000	233,000	200
October 1987 (All Wales)			
Dyfed	157,000	429,000	1,500
Gwent		389,000	4,000
North Wales		524,000	6,500
South Wales		1,016,000	3,500
February 1988			
Hampshire	53,000	Results awaited	
March 1988			
Cambridgeshire	36,000		
Lincolnshire	35,000		
Norfolk	40,000		
Suffolk	37,000		
	700,000	12,821,000	380,000

[1] Police costs are not included; in total, they are probably of a similar order of magnitude.

Each campaign covers a single police force area and is the subject of separate negotiations with the chief constable. Where better publicity can be achieved by synchronised campaigns in adjacent areas, officials endeavour to arrange them in collaboration with the police. I have no plans for a single nationwide campaign.

Mr. Michael McNair-Wilson: To ask the Secretary of State for Transport what estimates have been made by his Department about the number of cars which are in use without a valid road fund licence.

Mr. Peter Bottomley: The most recent estimate of vehicle excise duty evasion in Great Britain is based on a national survey in June 1984 which indicated that 580,000 unlicensed cars and vans were in use on the road.

EMPLOYMENT

Official Notepaper

Mr. Beith: To ask the Secretary of State for Employment why the Royal Arms no longer appear on the official notepaper of his office.

Mr. Nicholls: The Royal Arms crest appears on all letterhead paper supplied to the office of the Secretary of State, for official purposes.

Vocational Education and Training

Mr. Maclennan: To ask the Secretary of State for Employment what are the terms of reference, and when is publication expected, of the study of the funding of vocational education and training being undertaken by the Manpower Services Commission.

Mr. Nicholls: The terms of reference of MSC's study of the funding of vocational education and training are:

(a) to describe fully current mechanisms for the financing of vocational education and training in Great Britain (excluding initial continuous full-time schooling) and of individuals (employed and unemployed) undertaking vocational education and training;

(b) to investigate, describe and analyse the effects and effectiveness of those mechanisms; and

(c) to make recommendations on ways in which the mechanisms and means for the financing of vocational education and training could be improved so as to achieve a system which

—brings to bear sufficient resources for achievement of the New Training Initiative objectives and the proper vocational education and training of all the country's workforce;

—is effective and efficient in the use of resources;

—is responsive to changing needs; and

—meets labour market requirements.

The study is to be informed by an extensive programme of original research which will report to MSC during the spring and early summer. It is anticipated that the final report will be published later in 1988.

Children

Mr. Archer: To ask the Secretary of State for Employment if he has any plans to introduce legislation requiring employers to provide adequate insurance cover for children in their employment.

Mr. Nicholls: Such provision already exists under the Employers' Liability (Compulsory Insurance) Act 1969.

Industrial Tribunals

Ms. Primarolo: To ask the Secretary of State for Employment how many prosecutions have taken place as a result of industrial tribunals in the south-west in the last year; and in what areas.

Mr. Nicholls: None. Industrial tribunal decisions do not of themselves lead to prosecutions.

Ms. Primarolo: To ask the Secretary of State for Employment how many women have served as sidesmen in industrial tribunals in the south-west in the last year.

Mr. Patrick Nicholls: Twenty-seven.

Ms. Primarolo: To ask the Secretary of State for Employment how many women have served as chairpersons of industrial tribunals in the south-west in the last year.

Mr. Nicholls: None.

SCOTLAND

Plant Grant and Felling Licence Applications

Mr. Ron Davies: To ask the Secretary of State for Scotland how many planting grant and felling licence applications to the Forestry Commission were objected to on environmental grounds in the last full year for which figures are available.

Lord James Douglas-Hamilton: Twenty-four applications for planting grant were referred to the Forestry Commission's regional advisory committees in the year to 31 December 1987 because of sustained objections on environmental grounds. There were no sustained objections to applications for felling licences.

Civil Defence

Mr. Doran: To ask the Secretary of State for Scotland, in the event of civil or nuclear disaster, what arrangements have been made for distribution of emergency supplies including food.

Lord James Douglas-Hamilton: Regional and island councils have contingency plans for dealing with emergencies, which include arrangements, as appropriate, for the distribution of food and other supplies.

Electorate

Mr. Doran: To ask the Secretary of State for Scotland what is the electorate in each local authority district council ward in Scotland according to the electoral roll currently in force.

Lord James Douglas-Hamilton: I refer the hon. Member to the answer I gave on 10 March to the hon. Member for Angus, East (Mr. Welsh) at columns *327-30*.

Mr. Doran: To ask the Secretary of State for Scotland what is the electorate in each parliamentary constituency in Scotland, according to the electoral roll currently in force.

Lord James Douglas-Hamilton: A table giving this information will be available in April, when I shall send a copy to the hon. Member and place one in the Library.

Rating Reform

Mr. Doran: To ask the Secretary of State for Scotland what is the latest estimate of the level of uniform business rate for Scotland taking account of proposed rates for the financial year 1988-89.

Mr. Lang: I refer the hon. Member to the reply I gave on 27 November to the hon. Member for Clydebank and Milngavie (Mr. Worthington) at column *132*.

Police Officers

Rev. Martin Smyth: To ask the Secretary of State for Scotland if he will publish a table showing for each rank of police officer in Scotland the number who are (i) from ethnic minorities and (ii) women; and what is the total number of police officers in Scotland.

Lord James Douglas-Hamilton: The position at 31 December 1987 was as follows:

Rank	*Ethnic minorities*	*Policewomen*
Chief Constable	—	—
Deputy Chief Constable	—	—
Assistant Chief Constable	—	—
Chief Superintendent	—	—
Superintendent	—	1
Chief Inspector	—	3
Inspector	—	11
Sergeant	3	50
Constable	11	870
Total	14	935

On the same date, total police strength in Scotland was 13,476.

Judges

Rev. Martin Smyth: To ask the Secretary of State for Scotland how many judges in Scotland are (i) from ethnic minorities and (ii) women; and what is the total number of judges in Scotland.

Lord James Douglas-Hamilton: Of the 24 senators of the College of Justice, six sheriffs principal and 89 sheriffs, four are women. No information is collected centrally on the ethnic origins of judges in Scotland.

Private Medical Projects

Mr. Galbraith: To ask the Secretary of State for Scotland what factors of medical policy are considered by the Scottish Development Agency when considering financial support for private medical projects.

Mr. Lang *[holding answer 22 February 1988]:* The agency undertakes consultation with appropriate interests in considering support for any private medical project. If consultations bring out factors of medical policy then these are considered by the agency.

Mr. Galbraith: To ask the Secretary of State for Scotland if he will give the number of staff in the Scottish Development Agency, and their numbers, currently involved in the consideration of private medical projects.

Mr. Lang *[holding answer 22 February 1988]:* The numbers of agency staff, and their allocation among divisions, are given in the agency's annual report which is laid before Parliament each year. The staff in post, as at 31 March 1987, was 683.

No members of the agency's staff are employed solely in the consideration of private medical projects such as nursing or other homes for the elderly. Staff in the agency deal with such projects as and when appropriate.

Mr. Galbraith: To ask the Secretary of State for Scotland if he will list the private medical projects currently being considered by the Scottish Development Agency for financial assistance, giving the companies involved and the level of assistance.

Mr. Lang *[holding answer 22 February 1988]:* For reasons of commercial confidentiality, I am unable to provide this information. The number of private medical projects currently being considered by the agency is eight. These comprise projects where one or more medically qualified staff are involved in providing health care.

Mr. Galbraith: To ask the Secretary of State for Scotland if, when considering financial support to private

medicine, he takes into consideration the equivalent number of jobs and quality of health care that could be provided in the National Health Service for a similar investment.

Mr. Lang *[holding answer 22 February 1988]*: No. Applications for financial assistance in respect of health care projects are assessed in terms of any relevant statutory provisions — for example, the Industry Acts — and against the criteria appropriate to the form of assistance applied for.

Mr. Galbraith: To ask the Secretary of State for Scotland who are the Scottish Development Agency's medical advisers concerned with private medical projects.

Mr. Lang *[holding answer 22 February 1988]*: The Scottish Development Agency health care division provides in-house expertise in the evaluation of health care projects. Where necessary, this expertise is supplemented by the provision of advicce from specialists who are consulted, in confidence, on a case by case basis.

Mr. McLeish: To ask the Secretary of State for Scotland what assistance has been given by the Scottish Development Agency to the setting up of private homes or hospitals for the elderly in each of the years 1983 to 1987; what individuals or companies were involved and what non-financial assistance was provided.

Mr. Lang *[holding answer 22 February 1988]*: The financial support given by the Scottish Development Agency to the setting up of private homes or hospitals for the elderly in each of the years 1983 to 1987 was as follows:

Year	*Assistance given* £	*Number*[1]
1983-84	101,500	3
1984-85	90,000	2
1985-86	139,000	4
1986-87	180,000	4
1987-88	—	—

[1] Companies-individuals assisted.

In each case the information relates to the Agency's Financial Year (ending 31 March).

The projects identified in the table comprise nursing or residential homes where one or more medically qualified staff are involved. Financial support was provided by way of loan and-or equity as appropriate.

For reasons of commercial confidentiality the names of individuals or companies assisted cannot be given.

In all cases the Scottish Development Agency's full range of business development advisory services was made available.

Mr. McLeish: To ask the Secretary of State for Scotland what are the guidelines within which the Scottish Development Agency considers requests for financial or other forms of assistance from private health care projects.

Mr. Lang *[holding answer 22 February 1988]*: Private health care projects are considered for financial or other forms of assistance by the Scottish Development Agency in exactly the same manner as projects in other business sectors. Projects are evaluated in terms of market demand, any relevant technical factors and the skills and experience of those engaged in management. Where investment or other forms of financial assistance are being considered, a financial appraisal is also undertaken. Investments are made under financial guidelines set jointly by the Secretary of State and the Treasury, with the agency board having delegated authority of up to £1 million or 30 per cent. of equity, whichever is the lower. Any investment proposed outside the guidelines has to be approved on a case by case basis by the Scottish Office.

Mr. McLeish: To ask the Secretary of State for Scotland if he will set out in the *Official Report* the employment creation criteria used by the Scottish Development Agency when assessing private health care projects.

Mr. Lang *[holding answer 22 February 1988]*: The employment creation criteria used by the Scottish Development Agency in assessing private health care projects are no different from those used in assessing projects in other areas of business activity. The agency takes into account the additional earnings generated both directly by the project and elsewhere within the Scottish economy.

Mr. Galbraith: To ask the Secretary of State for Scotland which of his Departments is consulted about Scottish Development Agency support for private medical schemes; and which Department accepts final responsibility for approval.

Mr. Lang *[holding answer 22 February 1988]*: Within the limits of the agency's delegated authority, consultation in respect of any particular project is a matter for the agency's own discretion. Outwith these limits, the Industry Department for Scotland is responsible (in consultation with the Scottish Home and Health Department) for approval of agency involvement in such projects.

Elderly Persons' Homes

Mr. McLeish: To ask the Secretary of State for Scotland what assistance in the form of loan guarantees has been given by the Scottish Development Agency towards setting up homes for the elderly in each year from 1983; and what are the names of individuals and companies involved.

Mr. Lang *[holding answer 22 February 1988]*: There has been no such assistance over the period 1983 to date.

Coatbridge Project

Mr. Tom Clarke: To ask the Secretary of State for Scotland what discussions he has had with the Scottish Development Agency about extending the geographical area of the Coatbridge project to cover a larger area in Monklands district; and if he will make a statement.

Mr. Lang *[holding answer 17 March 1988]*: I am pleased to say that agreement has been reached between the Scottish Development Agency and its partners in the Coatbridge project on an extension both to the area of the project to include the rest of Monklands district, and for a further two years from 1 April 1988. The new project will be known as the Monklands project. This does not require the approval of my right hon. and learned Friend. While, therefore, I have kept myself informed about the current discussions between the Scottish Development Agency and its partners about an extension, I have seen no need for separate discussions with the agency, which as I

said in my answer to the hon. Member on 2 1 January —is aware that we regard Lanarkshire as an area which continues to need its special attention.

SOCIAL SERVICES

Maternity (Statistics)

Ms. Harman: To ask the Secretary of State for Social Services if he will give figures for the last five years *(a)* by region, *(b)* by district and *(c)* nationally, and the percentage change since 1979 for (i) the number of general practitioner maternity beds, (ii) the number of maternity units in hospitals and (iii) the number of maternity hospitals.

Mrs. Currie: The available information about general practitioner maternity beds is given in the table. Consultant obstetric wards may also have beds available for use by general practitioners.

Information about individual units and maternity hospitals could be provided only at disproportionate cost.

Average daily available beds, GP maternity specialty, 1979 and 1982 to 1986

Health Authority	*1979*	*1982*	*1983*	*1984*	*1985*	*1986*	*Percentage change 1979–86*
Hartlepool	1·4	4·0	4·0	4·0	2·5	0·5	−64·3
North Tees	13·0	13·1	15·0	14·4	14·8	14·3	10·0
South Tees	58·6	37·0	37·0	37·0	37·0	36·5	−37·7
East Cumbria	n/a	12·0	12·0	9·0	8·0	8·0	n/a
South Cumbria	n/a	26·7	26·0	23·7	16·5	17·3	n/a
West Cumbria	13·5	10·0	9·9	9·2	10·0	10·0	−25·9
Northumberland	47·0	43·0	43·0	44·7	43·4	40·6	−13·6
Gateshead	6·0	6·0	6·0	6·0	6·0	6·0	0·0
Northern RHA	190·5	151·8	152·9	148·0	138·2	133·2	−30·1
Hull	17·4	1·0	0·9	2·8	4·0	3·8	−78·2
East Yorkshire	64·5	61·6	61·3	60·7	36·7	27·1	−58·0
Grimsby	24·4	24·5	21·0	20·6	20·0	19·6	−19·7
Scunthorpe	40·6	45·8	42·0	31·0	27·0	27·0	−33·5
York	14·0	14·0	14·1	14·5	8·5	6·8	−51·4
Scarborough	12·0	12·0	11·9	12·0	12·0	12·0	0·0
Harrogate	19·0	23·0	23·0	21·5	21·9	15·2	−20·0
Bradford	9·1	8·6	9·2	8·1	7·1	6·3	−30·8
Airedale	19·6	19·7	20·0	17·9	14·2	12·6	−35·7
Calderdale	10·0	10·0	10·0	10·1	10·0	9·8	−2·0
Leeds Western	n/a	16·0	16·0	16·0	16·0	16·0	n/a
Pontefract	12·0	12·0	11·9	12·0	12·0	12·0	0·0
Yorkshire RHA	258·6	248·2	241·3	227·2	189·4	168·2	−35·0
North Derbyshire	51·0	51·0	37·7	41·8	41·9	42·6	−16·5
South Derbyshire	74·3	83·0	82·9	80·3	82·0	75·0	0·9
Leicestershire	98·8	98·1	94·6	88·7	89·1	77·6	−21·5
North Lincolnshire	29·6	22·9	22·5	14·6	3·1	1·3	−95·6
South Lincolnshire	29·0	14·0	14·0	11·0	11·0	10·9	−62·4
Central Nottinghamshire	42·0	20·4	18·5	17·4	18·3	18·1	−56·9
Barnsley	17·9	14·2	14·9	15·6	14·1	10·2	−43·0
Doncaster	n/a	17·5	19·5	18·7	18·3	14·7	n/a
Rotherham	n/a	6·2	5·2	6·8	9·1	9·8	n/a
Trent RHA	382·3	327·3	309·8	294·9	286·9	260·2	−31·9
Peterborough	12·0	12·0	12·0	12·0	12·0	12·0	0·0
West Suffolk	n/a	12·7	0·8	0·7	0·5	0·4	n/a
East Suffolk	n/a	26·8	28·0	28·2	28·2	28·0	n/a
Norwich	34·0	33·4	34·0	19·3	17·0	16·8	−50·6
Great Yarmouth	13·9	14·0	13·9	13·7	11·7	10·0	−28·1
Huntingdon	n/a	22·0	14·9	0·0	0·0	0·0	n/a
East Anglian RHA	140·3	120·9	103·6	73·9	69·4	67·2	−52·1
North Bedfordshire	6·0	6·0	6·0	6·0	6·0	6·0	0·0
North Hertfordshire	6·0	6·0	6·0	5·8	3·6	0·0	n/a
North West Hertfordshire	10·0	8·8	8·0	8·0	1·3	0·0	n/a
South West Hertfordshire	12·0	12·0	12·0	12·0	12·0	12·0	0·0
North West Thames RHA	34·0	32·8	32·0	31·8	22·9	18·0	−47·1
Basildon and Thurrock	7·0	5·3	7·0	7·0	7·0	7·0	0·0
Mid Essex	28·0	28·0	28·0	28·0	28·0	28·0	0·0
North East Essex	63·0	49·2	47·0	45·2	36·4	35·1	−44·3
West Essex	21·6	12·5	0·0	11·9	11·8	8·6	−60·2

Health Authority	1979	1982	1983	1984	1985	1986	Percentage change 1979-86
Barking, Havering and Brentwood	1·7	2·0	2·5	3·3	3·3	2·0	17·6
Islington	n/a	5·5	1·5	0·0	0·0	0·0	n/a
Enfield	8·1	10·9	14·9	14·8	14·6	14·9	84·0
North East Thames RHA	136·1	113·4	100·9	110·2	101·1	95·6	−29·8
Eastbourne	7·8	8·0	7·6	7·5	7·6	3·9	−50·0
Hastings	10·0	6·0	5·4	5·9	5·4	6·0	−40·0
Canterbury and Thanet	10·0	0·9	0·3	0·4	0·2	0·2	−98·0
Dartford and Gravesham	12·0	0·8	1·2	1·0	0·8	0·3	−97·5
Maidstone	20·0	20·0	16·1	4·8	3·8	3·7	−81·5
Tunbridge Wells	37·0	33·7	24·7	23·6	19·0	17·6	−52·4
Bexley	9·0	8·0	8·0	8·0	8·0	8·0	−11·1
South East Thames RHA	105·8	77·4	63·3	51·2	44·8	39·7	−62·5
North West Surrey	53·4	30·0	30·0	30·0	8·4	5·8	−89·1
West Surrey and North East Hampshire	5·8	3·8	3·5	3·9	3·2	2·0	−65·5
South West Surrey	10·0	9·9	9·8	5·7	0·0	0·0	n/a
Mid Surrey	5·0	5·0	5·0	5·0	5·0	5·0	0·0
East Surrey	11·0	11·0	11·0	1·0	0·6	0·0	n/a
Mid Downs	26·3	21·0	21·0	21·0	11·6	7·5	−71·5
South West Thames RHA	115·1	80·7	80·3	66·6	28·8	20·3	−82·4
East Dorset	20·0	6·0	6·0	6·0	6·0	6·0	−70·0
West Dorset	11·1	12·0	12·0	12·0	12·0	11·5	3·6
Portsmouth	70·3	60·9	60·4	57·8	52·9	52·7	−25·0
South West Hampshire and Southampton	52·8	56·1	48·8	52·5	57·0	49·7	−5·9
Winchester	12·8	11·5	10·5	10·8	11·0	10·8	−15·6
Basingstoke	24·8	21·5	21·4	11·8	6·8	1·7	−93·1
Salisbury	8·0	8·0	8·0	6·0	0·0	0·0	n/a
Swindon	20·	2·0	2·0	2·0	2·0	2·0	0·0
West Wiltshire and Bath	122·0	103·0	96·2	92·7	91·8	89·7	−26·5
Wessex RHA	323·8	281·0	265·3	251·6	239·5	224·1	−30·8
West Berkshire	64·5	53·5	43·1	49·0	48·9	48·5	−24·8
Aylesbury	n/a	18·0	18·0	18·0	18·0	9·2	n/a
Wycombe	31·9	31·1	25·8	15·8	19·7	21·7	−32·0
Milton Keynes	n/a	36·0	36·0	25·2	17·2	14·1	n/a
Kettering	20·0	20·0	15·0	14·0	10·5	0·0	n/a
Northampton	12·0	11·9	11·1	12·0	12·0	11·1	−7·5
Oxfordshire	57·7	45·9	45·4	45·6	45·7	38·9	−32·6
Oxford RHA	240·1	216·4	194·4	179·6	172·0	143·5	−40·2
Bristol and Weston	24·4	30·8	30·9	30·8	30·6	12·2	−50·0
Frenchay	10·3	10·4	10·2	9·8	10·5	10·2	−1·0
Southmead	16·0	16·0	10·7	0·0	0·0	0·0	n/a
Cornwall and Isles of Scilly	45·0	43·0	43·0	36·2	36·7	37·0	−17·8
Exeter	53·0	46·8	48·6	48·2	49·1	37·1	−30·0
North Devon	n/a	19·0	19·0	19·0	19·0	16·4	n/a
Plymouth	n/a	42·7	42·2	42·7	40·9	21·0	n/a
Torbay	32·1	33·3	31·9	31·9	1·9	0·2	−99·4
Cheltenham	n/a	8·0	8·0	8·0	8·0	8·0	n/a
Gloucester	n/a	57·0	57·7	47·5	46·0	40·4	n/a
Somerset	56·8	52·1	51·1	53·0	40·7	41·5	−26·9
South Western RHA	365·8	359·1	353·3	327·1	283·4	224·0	−38·8
Bromsgrove and Redditch	17·0	12·0	8·2	1·6	0·1	0·0	n/a
Herefordshire	11·6	9·6	9·3	8·9	8·2	9·0	−22·4
Kidderminster and District	39·0	22·0	22·0	22·0	23·4	24·0	−38·5
Worcester and District	29·0	29·0	29·0	29·0	29·0	26·5	−8·6
Shropshire	85·1	70·1	71·3	72·2	77·8	72·5	−14·8
Mid Staffordshire	36·0	27·7	20·2	8·6	7·3	7·7	−78·6
North Staffordshire	30·0	30·0	29·5	24·4	23·3	22·6	−24·7
South East Staffordshire	11·8	14·0	14·0	14·0	9·3	15·8	33·9
North Warwickshire	n/a	10·0	10·0	10·0	9·2	8·3	n/a
South Warwickshire	n/a	11·0	10·5	11·0	9·7	4·0	n/a
Central Birmingham	n/a	20·0	20·0	18·4	20·0	20·0	n/a
North Birmingham	27·7	28·2	28·4	15·3	14·2	1·8	−93·5
Coventry	22·4	21·4	22·1	23·0	23·0	19·0	−15·2
Dudley	70·9	63·2	67·0	52·4	42·0	42·0	−40·8

Health Authority	1979	1982	1983	1984	1985	1986	Percentage change 1979-86
Sandwell	3·0	4·9	4·9	4·9	4·6	5·6	86·7
Solihull	n/a	3·1	1·9	1·5	1·9	1·7	n/a
Walsall	23·0	11·1	11·1	11·0	11·0	10·6	−53·9
Wolverhampton	23·0	23·0	21·0	21·0	21·0	21·0	−8·7
West Midlands RHA	485·2	410·3	400·4	349·2	335·0	312·1	−35·7
Chester	1·7	1·5	1·4	1·1	1·0	0·9	−47·1
Crewe	n/a	19·7	16·6	16·1	16·4	15·5	n/a
Halton	18·0	17·6	18·0	9·3	0·0	0·0	n/a
Macclesfield	n/a	11·0	7·3	0·0	0·0	0·0	n/a
Wirral	11·0	2·1	0·0	0·0	0·0	0·0	n/a
Mersey RHA	97·8	51·9	43·3	26·5	17·4	16·4	−83·2
Lancaster	2·2	2·3	2·9	3·0	0·9	0·0	n/a
Blackpool, Wyre and Fylde	10·6	17·0	4·3	17·0	11·1	0·0	n/a
Preston	n/a	9·0	9·0	9·0	9·0	4·9	n/a
Blackburn, Hyndburn and Ribble Valley	53·1	55·3	54·0	54·0	53·8	53·6	0·9
Burnley, Pendle and Rossendale	19·7	13·8	11·1	7·1	5·8	6·1	−69·0
Chorley and South Ribble	n/a	23·2	25·6	28·1	28·0	25·9	n/a
Bolton	2·8	1·1	0·0	0·0	0·0	0·0	n/a
Bury	8·1	5·0	5·0	5·0	5·0	5·0	−38·3
North Manchester	5·2	4·8	4·6	0·1	0·0	0·0	n/a
Oldham	5·8	3·3	4·2	5·8	5·9	5·9	1·7
Stockport	15·8	14·6	15·5	16·8	14·7	14·7	−7·0
Tameside and Glossop	10·2	14·1	1·3	0·4	0·6	0·5	−95·1
Trafford	20·1	6·0	6·0	5·4	6·0	6·0	−70·1
Wigan	32·9	33·0	21·9	6·0	1·8	0·3	−99·1
North Western RHA	223·5	202·5	165·4	157·7	142·6	122·9	−45·0
England	3,098·9	2,673·7	2,506·2	2,295·5	2,071·4	1,845·4	−40·4

n/a = Comparable data not available for 1979, due to NHS restructuring in 1982.

Operations (Cancellations)

Mr. Nicholas Bennett: To ask the Secretary of State for Social Services what estimates he has as to the number and percentage of operations which are cancelled due to the absence of the consultant surgeon; and if he will make a statement.

Mrs. Currie: This information is not held centrally. Following implementation of the recommendations of the health services information steering group, information is now, for the first time, to be collected centrally on the availability and use of operating theatres, including the number of sessions cancelled during the year (but not the reason for those cancellations). Information for 1987-88 is exepected to be available later this year.

Consultative Documents

Mr. Kirkwood: To ask the Secretary of State for Social Services if he will make it his policy that responses received to consultative documents issued by his Department be made publicly available by placing them in his Department's library, except where the respondent has specifically asked that this not be done; and if he will arrange for this procedure to be made clear when future consultative documents are issued.

Mr. Moore: I am not planning to make special arrangements in this regard. Organisations which respond to consultative documents are of course free to publicise their replies as they see fit.

Health Care

Mr. Cohen: To ask the Secretary of State for Social Services whether he will publish the total spent on health care in the United Kingdom for each year since 1979, in absolute terms and as a percentage of gross national product.

Mr. Newton: The table shows for 1979 to 1986 total, net public and private expenditure on health care on the United Kingdom in both absolute terms and as a percentage of gross domestic product. The data have been derived from Central Statistical Office national accounts.

Expenditure on Health Care in the United Kingdom

	£ million			Percentage of GDP		
	Total expenditure	Net public	Private	Total	Net public	Private
1979	10,229	9,245	984	5·2	4·7	0·5
1980	13,375	11,991	1,384	5·8	5·2	0·6
1981	15,246	13,722	1,524	6·0	5·4	0·6
1982	16,308	14,373	1,935	5·9	5·2	0·7
1983	18,359	16,253	2,106	6·1	5·4	0·7
1984	19,847	17,286	2,561	6·2	5·4	0·8
1985	21,112	18,297	2,815	6·0	5·2	0·8
1986	22,869	19,869	3,000	6·1	5·3	0·8

Source: CSO.
Note: There are slight rounding differences between these figures and those published by the OECD for purposes of international comparisons.

Mr. Cohen: To ask the Secretary of State for Social Services what information he has as to the total cost of

health care in France and Germany as a percentage of each country's own gross national product for each year since 1979.

Mr. Newton: The table shows for the period 1979 to 1985—the latest readily available year—total, public and private expenditure on health care in France and Germany as a percentage of their respective gross domestic products. The data have been derived from OECD accounts.

Expenditure on Health Care as a Percentage of Gross Domestic Product, 1979-1985

	France			Germany		
	Total	*Public*	*Private*	*Total*	*Public*	*Private*
1979	7·2	5·8	1·4	7·6	6·1	1·5
1980	7·4	6·0	1·4	7·9	6·3	1·6
1981	7·7	6·2	1·5	8·2	6·5	1·7
1982	7·9	6·3	1·6	8·1	6·3	1·8
1983	8·1	6·5	1·6	8·0	6·2	1·8
1984	8·4	6·7	1·7	8·1	6·3	1·8
1985	8·4	6·7	1·7	8·2	6·4	1·8

Source: OECD.

Nurse Teachers

Ms. Armstrong: To ask the Secretary of State for Social Services if he will list those regional health authorities with a shortfall in nurse teachers; and what is the shortfall in each of the five parts of the nursing education register.

Mr. Newton: Information on shortfalls of nurse teachers is not collected centrally. However, a sample survey by regional health authority chairmen in March 1987, for the pay review body, showed that 4·1 per cent. of all tutorial staff posts had been vacant for three months or more.

NHS (Land and Property Sales)

Mr. Dobson: To ask the Secretary of State for Social Services if he will give for each regional health authority, district health authority and special health authority and for each year since 1982-83 the total income from the sales of surplus land and property in the National Health Service.

Mrs. Currie: Tables showing each health authority's income from the sale of land and buildings as recorded in its annual accounts for the years requested have been placed in the Library.

Geriatric Care

Mr. Wigley: To ask the Secretary of State for Social Services what steps are being taken by his Department to ensure that Health Service managers and practitioners are informed of his Department's policy on geriatric care; and what measures are being taken to ensure that they are carrying out the policy.

Mrs. Currie: Our policy for geriatric care remains as set out in the 1981 White Paper "Growing Older", as amplified and extended by the annual planning guidelines issued to health authorities.

We monitor the effectiveness of service in a range of ways; including regular reports on aspects of performance, statistical returns of activity levels, and annual reviews with regional health authorities.

Mr. Wigley: To ask the Secretary of State for Social Services (1) if he will make it his policy to issue guidelines to health authorities to provide for the continuation of geriatric nurse training to ensure the provision of competent practitioners for this client group;

(2) what plans he has to ensure the full use of specialist trained geriatric nurses in patterns of service training.

Mr. Newton: All nurse learners have an allocation to elderly care units as part of their basic training. In addition, outline curricula for two post-basic clinical courses on care of the elderly have been published by the English National Board for Nursing, Midwifery and Health Visiting. It is for health authorities to determine their training needs, and seek approval to run courses based on these curricula.

Mr. Wigley: To ask the Secretary of State for Social Services what assessment he has made of the value to geriatric services of improvements in co-ordination and co-operation between various agencies involved, rather than a single agency taking lead responsibility; and if he will make a statement.

Mrs. Currie: I refer the hon. Member to my right hon. Friend the Minister for Health's reply to him on 16 March at column *614*. Similar considerations apply to care services for elderly people.

Mr. Wigley: To ask the Secretary of State for Social Services how many *(a)* geriatric *(b)* mentally handicapped and *(c)* mentally ill people are waiting in special hospitals for places to be offered them in local authority residential homes.

Mr. Newton: The table shows the number of patients in the special hospitals who, at 16 January, were waiting for places to be offered them in local authority residential homes:

	Broadmoor	*Moss Side*	*Park Lane*	*Rampton*
Geriatric	—	—	—	1
Mentally handicapped[1]	—	1	—	6
Mentally ill people[2]	—	—	2	4

[1] Detained patients who are either mentally impaired or severely mentally impaired.

[2] Detained patients who are either mentally ill or psychopathically disordered.

Mr. Wigley: To ask the Secretary of State for Social Services what guidelines have been issued by his Department to health authorities concerning the detaining of *(a)* geriatric, *(b)* mentally ill and *(c)* mentally handicapped people in special hospitals while waiting for places in local authority residential homes.

Mr. Newton: The Department has issued no guidelines to health authorities on this matter. Guidelines issued to the special hospitals on the care of elderly and long-stay patients recommend that where such a patient is ready for discharge before suitable alternative provision has been made, he should be allowed to remain in the special hospital temporarily as an informal patient.

Mr. Wigley: To ask the Secretary of State for Social Services how many *(a)* privately run nursing homes and *(b)* local authority run nursing homes accept elderly severely mentally ill people in each local authority area in England.

Mrs. Currie: The information requested is not available. The numbers of private and local authority

homes and hostels for the mentally ill in each local authority are published in "Homes and Hostels for Mentally Ill and Mentally Handicapped People". The numbers of private and local authority homes for the elderly and younger physically handicapped people in each local authority are published in "Residential Accommodation for the Elderly and Younger Physically Handicapped People: All Residents in Local Authority, Voluntary and Private Homes". Both these publications are available in the Library, the latest relating to 1986.

Mental Illness

Mr. Wigley: To ask the Secretary of State for Social Services what evaluation has been made by his Department of the contribution of qualified psychiatric nurses to the success of the community care initiatives relating to mental illness and the use of such qualified nurses by local services in these initiatives.

Mr. Newton: The contribution of all care and support staff will be taken into account in the evaluation of the care in the community pilot projects which is now under way. It is hoped the evaluation will be completed in 1989.

Senile Dementia

Mr. Wigley: To ask the Secretary of State for Social Services how many people with irreversible senile dementia are being cared for in mental hospitals in each health authority area in England.

Mrs. Currie: I am sorry I cannot give the hon. Member the information he seeks in the form requested. Statistics on resident in-patients by diagnosis are not collected centrally. The table gives the most recent information on admissions, and some people may have been readmitted during the year.

Admissions with main diagnosis of senile and presenile organic psychotic conditions to NHS mental illness hospitals and units, England 1986

Region-district	*Number of admissions*
Northern RHA	1,358
Hartlepool	108
North Tees	169
South Tees	40
East Cumbria	122
South Cumbria	34
West Cumbria	89
Darlington	43
Durham	87
North West Durham	45
South West Durham	151
Northumberland	146
Gateshead	111
Newcastle	29
North Tyneside	0
South Tyneside	64
Sunderland	120
Yorkshire RHA	1,949
Hull	0
East Yorkshire	213
Grimsby	58
Scunthorpe	1
Northallerton	0
York	342
Scarborough	118
Harrogate	33
Bradford	43
Airedale	229
Calderdale	123
Huddersfield	171
Dewsbury	0
Leeds Western	161
Leeds Eastern	75
Wakefield	220
Pontefract	162
Trent RHA	2,094
North Derbyshire	325
Southern Derbyshire	230
Leicestershire	302
North Lincolnshire	163
South Lincolnshire	98
Bassetlaw	65
Central Nottinghamshire	261
Nottingham	67
Barnsley	106
Doncaster	64
Rotherham	126
Sheffield	287
East Anglian RHA	1,261
Cambridge	425
Peterborough	89
West Suffolk	138
East Suffolk	157
Norwich	128
Great Yarmouth and Waveney	248
West Norfolk and Wisbech	1
Huntingdon	75
North West Thames RHA	1,127
North Bedfordshire	7
South Bedfordshire	326
North Hertfordshire	136
East Hertfordshire	45
North West Hertfordshire	82
South West Hertfordshire	112
Barnet	117
Harrow	7
Hillingdon	3
Hounslow and Spelthorne	56
Ealing	37
Brent	84
Paddington and North Kensington	36
Riverside	79
North East Thames RHA	1,303
Basildon and Thurrock	86
Mid Essex	14
North East Essex	251
West Essex	44
Southend	151
Barking, Havering and Brentwood	120
Hampstead	120
Bloomsbury	11
Islington	0
City and Hackney	70
Newham	0
Tower Hamlets	40
Enfield	80
Haringey	16
Redbridge	195
Waltham Forest	105
South East Thames RHA	945

Region-district	Number of admissions
Brighton	68
Eastbourne	211
Hastings	1
South East Kent	31
Canterbury and Thanet	128
Dartford and Gravesham	42
Maidstone	133
Medway	9
Tunbridge Wells	19
Bexley	49
Greenwich	5
Bromley	83
West Lambeth	103
Camberwell	2
Lewisham and North Southwark	61
South West Thames RHA	1,240
North West Surrey	157
West Surrey and North East Hampshire	97
South West Surrey	84
Mid Surrey	47
East Surrey	42
Chichester	164
Mid Downs	179
Worthing District	19
Croydon	40
Kingston and Esher	183
Richmond, Twickenham and Roehampton	0
Wandsworth	152
Merton and Sutton	76
Wessex RHA	1,736
East Dorset	91
West Dorset	144
Portsmouth and South East Hampshire	325
Southampton and South West Hampshire	294
Winchester	0
Basingstoke and North Hampshire	166
Salisbury	225
Swindon	47
Bath District	401
Isle of Wight	43
Oxford RHA	1,799
East Berkshire	176
West Berkshire	161
Aylesbury Vale	313
Wycombe	143
Milton Keynes	57
Kettering	289
Northampton	199
Oxfordshire	461
South Western RHA	1,481
Bristol and Weston	16
Frenchay	31
Southmead	25
Cornwall and Isles of Scilly	243
Exeter	195
North Devon	17
Plymouth	253
Torbay	88
Cheltenham and District	0
Gloucester	369
Somerset	244
West Midlands RHA	1,414
Bromsgrove and Redditch	106
Herefordshire	40
Kidderminster and District	80
Worcester and District	36
Shropshire	84
Mid Staffordshire	17
North Staffordshire	209
South East Staffordshire	213
Rugby	0
North Warwickshire	0
South Warwickshire	187
Central Birmingham	12
East Birmingham	0
North Birmingham	53
South Birmingham	49
West Birmingham	20
Coventry	35
Dudley	59
Sandwell	0
Solihull	61
Walsall	35
Wolverhampton	118
Mersey RHA	1,389
Chester	79
Crewe	194
Halton	6
Macclesfield	180
Warrington	284
Liverpool	282
St. Helens and Knowsley	167
Southport and Formby	103
South Sefton	39
Wirral	55
North Western RHA	1,740
Lancaster	97
Blackpool, Wyre and Fylde	126
Preston	201
Blackburn, Hyndburn and Ribble Valley	148
Burnley, Pendle and Rossendale	60
West Lancashire	30
Chorley and South Ribble	79
Bolton	80
Bury	34
North Manchester	143
Central Manchester	58
South Manchester	80
Oldham	9
Rochdale	9
Salford	219
Stockport	110
Tameside and Glossop	65
Trafford	35
Wigan	157
Special Health Authority (Bethlem Royal and Maudsley Hospital)	22
England Total	20,858

Maternal Deaths

Mr. Wigley: To ask the Secretary of State for Social Services how many *(a)* direct and *(b)* indirect maternal deaths in England and Wales in each year since 1985 occurred in National Health Service hospitals without consultant obstetric units; and how many were associated with anaesthesia.

Mrs. Currie: I regret that the information requested is not yet available.

Fraud

Mr. Thurnham: To ask the Secretary of State for Social Services what is the total amount of money obtained by fraud from his Department's offices in the Bolton area during the last 12 months for which figures are available; how many cases this involved; and what action is being taken to prevent further occurrences.

Mr. Portillo: It is not possible to ascertain the total amount of money obtained by fraud. In the year ended 9 February 1988 fraud staff in the Bolton area discovered overpayments of benefit amounting to £129,691. To prevent fraud, benefit procedures are kept under continual review and measures are adopted to combat fraud wherever possible.

NHS (Birmingham)

Mr. Corbett: To ask the Secretary of State for Social Services whether he will now reply to a letter and analysis of the revenue and capital situation in the National Health Service in Birmingham sent on behalf of the five Birmingham community health councils dated 12 February.

Mrs. Currie: We can find no record of the original letter of 12 February although a copy has now been received. A reply to earlier correspondence from Central Birmingham community health council was sent by my right hon. Friend the Minister for Health on 17 March.

Dental Charges

Mr. Wareing: To ask the Secretary of State for Social Services what representations he has received from the General Dental Practitioners' Association in respect of the proposal to levy a charge for dental examinations; what his response has been; and if he will make a statement.

Mrs. Currie: I received a letter from the General Dental Practitioners' Association dated 20 January which expressed the association's opposition to our proposals concerning charges for dental examinations. In my response, as with the similar representations I have received, I expressed the view that it is reasonable for patients who can afford it to make a contribution towards the cost of the dental examination of less than £3 at today's prices. Moreover, I pointed out that we were retaining all current exemptions from dental charges, and that therefore the charge could not be expected to have any significant deterrent effect.

Salford Health Authority (Delegation)

Mr. Tony Lloyd: To ask the Secretary of State for Social Services what criteria he used in deciding to meet a delegation of hon. Members about the financial position of Salford health authority; what criteria the Minister for Health the right hon. Member for Braintree, (Mr. Newton), used in refusing to meet a delegation of hon. Members about the financial position of the South Manchester health authority; and if he will make a statement.

Mr. Newton: Such meetings are a matter for the judgment of individual departmental Ministers. In this case, the hon. Members refused an offer by my hon. Friend the Parliamentary Under-Secretary of State for Health and Social Security to meet them.

Natural Medicine

Mr. Battle: To ask the Secretary of State for Social Services (1) if he will detail proposed changes to the licences of natural medical practitioners;

(2) if he has received representations concerning the proposed changes in regulating licensed natural medical practitioners; and if he will make a statement;

(3) how many licensed natural medical practitioners have been licensed to practise in England, by regional health authority, in each of the past eight years.

Mr. Newton: Medical treatment provided under the National Health Service must be given or prescribed by a practitioner registered by the General Medical Council. Practitioners of alternative therapies who are not registered with that council are free to offer their services privately subject to the appropriate provisions of statute and common law and the Department does not collect information on them.

Narcolepsy

Mr. Battle: To ask the Secretary of State for Social Services if he has received any representations from the Narcolepsy Association (UK) concerning changes in drug availability; and if he will make a statement.

Mr. Newton: We have no record of any representations from the Narcolepsy Association (UK) about the availability of drugs required by people who suffer from narcolepsy. Amphetamines are normally prescribed for narcolepsy, and although these are controlled drugs, they continue to be available on NHS prescription from general practitioners.

Mr. Battle: To ask the Secretary of State for Social Services if he will list those research projects dealing with the problem of narcolepsy, stating in which regional health authorities these projects are being undertaken and the funding arrangements for each project.

Mrs. Currie: Narcolepsy is an irresistible tendency to go to sleep. It is more usual to speak of the narcolepsies, rather than of narcolepsy, for sudden, repetitive attacks of sleep occurring in the day-time arise in diverse clinical conditions.

It is understood the United Kingdom incidence of narcolepsy is very small.

The Department is not at present directly supporting any research into the problem of narcolepsy. I am not aware that any is being carried out by a regional health authority under the locally organised research scheme.

I understand there is a project on narcolepsy being carried out by the University of Manchester. Details of this and its funding are not held centrally.

Family Planning

Ms. Harman: To ask the Secretary of State for Social Services (1) if he will make a statement about the future of the family planning services provided by district health authorities;

(2) whether he has plans to require all district health authorities to make sterilisation and vasectomy operations available on the National Health Service;

(3) if he plans to issue a circular to district health authorities about family planning services.

Mr. Newton: The principles underlying the 1974 memorandum of guidance on family planning services in the NHS continue to reflect Government policy, and we have no plans to issue new guidance. The memorandum includes advice on the availability of male and female sterilisation on family planning as well as medical grounds, and asks health authorities to ensure that those with a priority need for the operation are enabled to receive it quickly.

Ms. Harman: To ask the Secretary of State for Social Services if he will list district health authorities which are currently reducing the family planning services they provide.

Mr. Newton: I refer the hon. Member to my reply to the right hon. Member for Tweeddale, Ettrick and Lauderdale (Mr. Steel) on 15 March at column *548*.

Medical Appeal Tribunals (South-West)

Ms. Primarolo: To ask the Secretary of State for Social Services how many women have served as chairpersons in medical appeal tribunals in the south-west in the last year.

Mr. Portillo: I am advised by the president of social security appeal tribunals and medical appeal tribunals that, in the region covering Wales and the south-west, there are currently 19 persons appointed to serve of whom one is a woman. In England and Wales, nominations are made by the president from a panel appointed by the Lord Chancellor.

Contraception

Ms. Harman: To ask the Secretary of State for Social Services what analysis his Department has made of the most cost-effective means of contraception.

Mr. Newton: The Department has made no such analysis. The method used should be that which is most suitable and acceptable in each individual case.

Unwanted Pregnancies

Ms. Harman: To ask the Secretary of State for Social Services what he estimates the number of unwanted pregnancies is per year.

Mr. Newton: I regret that the number of unwanted pregnancies is not known.

Supplementary Benefit Tribunals

Ms. Primarolo: To ask the Secretary of State for Social Services how many women have served as chairpersons in supplementary benefit tribunals in the south-west in the last year.

Mr. Portillo: I am advised by the president of social security appeal tribunals that, in the region covering Wales and the south-west, there are currently 105 persons appointed to serve of whom 11 are women. In England and Wales, nominations are made by the president from a panel appointed by the Lord Chancellor.

Local Authority Expenditure

Mr. Tom Clarke: To ask the Secretary of State for Social Services what real percentage increase, according to personal social services pay and prices, in expenditure would have been required between 1978-79 and 1986-87 by local authority social services departments in order to keep pace with demographic and other pressures; which local authorities fell below this line in 1986-87; what the budget growth of these authorities was; what was the actual expenditure on personal social services in these authorities; what the expenditure should have been to meet the level indicated; and what was the difference between these two levels of expenditure.

Mr. Newton *[holding answer 15 March 1988]:* Taking 2 per cent. per annum as a broad measure of demographic and other pressures on the personal social services at national level, a 17·2 per cent. real percentage increase would have been required over the period 1978-79 to 1986-87. But demographic and other pressures do not bear evenly on individual local authorities and it is therefore not appropriate to apply this figure at authority level. Full relevant information is not available to enable a calculation based on local circumstances.

Nurses

Mr. Fearn: To ask the Secretary of State for Social Services what was the number of nurses directly employed by National Health Service hospitals on *(a)* permanent and *(b)* temporary contracts, by region, for each year from 1983 to 1987; and what was the number of agency or bank nurses employed by National Health Service hospitals, by region, for each year from 1983 to 1987.

Mr. Newton *[holding answer 11 February 1988]:* Information about the number of nurses on permanent and temporary contracts is not collected centrally and information specifically for nurses employed in hospitals is not readily available.

The total number of nursing and midwifery staff employed in each region on 30 September 1983, 1984, 1985 and 1986 and the number of agency and bank staff is given in the table. Similar information for September 1987 is not yet available.

Nursing and midwifery staff at 30 September

Whole-time equivalents[1]

	1983			1984			1985			1986		
Region	*Nursing and midwifery staff*[2]	*Agency*	*Bank*	*Nursing and midwifery staff*[2]	*Agency*	*Bank*	*Nursing and midwifery staff*[2]	*Agency*	*Bank*	*Nursing and midwifery staff*[2]	*Agency*	*Bank*
Northern	26,720	[3]	120	26,520	—	220	26,870	—	240	27,100	40	250
Yorkshire	29,820	[3]	20	29,890	[3]	40	30,100	40	70	30,100	90	100
Trent	35,100	—	130	35,380	—	160	36,480		190	36,870		260
East Anglian	14,420	40	90	14,750	110	110	15,150	160	170	15,200	180	210
North West Thames	27,790	620	240	27,530	850	260	27,080	1,080	290	27,070	1,360	230
North East Thames	34,280	600	370	33,930	980	350	33,310	850	400	32,460	1,400	480

Region	1983			1984			1985			1986		
	Nursing and midwifery staff[2]	Agency	Bank	Nursing and midwifery staff[2]	Agency	Bank	Nursing and midwifery staff[2]	Agency	Bank	Nursing and midwifery staff[2]	Agency	Bank
South East Thames	30,760	480	290	29,980	770	310	29,550	820	410	29,110	860	390
South West Thames	24,530	380	280	23,990	480	390	23,720	520	470	23,210	620	520
Wessex	21,660	40	260	21,880	60	310	22,360	100	290	22,640	120	300
Oxford	16,500	[3] –	90	16,780	10	200	16,600	40	230	16,600	90	260
South Western	25,820	[3] –	270	25,840	10	310	26,340	40	340	26,500	40	430
West Midlands	40,750	10	60	40,760	100	140	41,750	100	210	42,060	170	280
Mersey	22,130	20	160	21,640	60	150	21,910	40	200	21,980	80	270
North Western	37,060	—	50	37,170	—	150	37,480	—	170	37,630	20	210
London Post Graduate Special Health Authorities	4,910	250	20	4,580	310	10	4,620	330	20	4,500	370	20
England Total	392,250	2,440	2,430	390,630	3,750	3,110	393,320	4,120	3,710	393,020	5,450	4,220

[1] All figures are independantly rounded to the nearest ten (10) whole-time equivalents.
[2] Includes qualified nurses and midwives, learners and unqualified staff. Excludes Agency and Bank.
[3] Less than five (5) whole-time equivalents.
Source: DHSS (SR7) Annual Census of NHS Non-Medical Manpower.

Yorkshire Health Authorities (Staffing)

Mr. Hinchliffe: To ask the Secretary of State for Social Services if he will list the staffing levels in each health authority within the Yorkshire region in each of the following categories *(a)* ancillary posts, *(b)* nursing, *(c)* medical dental *(d)* administration and clerical and *(e)* other grades, including ambulance staff and technicians, in 1986 and 1987, indicating the percentage increase or decrease in each category and in the total.

Mrs. Currie *[holding answer 18 January 1988]:* Figures shown in the table relate to staff in post at 30 September 1985 and 1986. Figures are not yet available centrally for 1987.

NHS directly employed staff in post—30 September each year

Whole-time equivalents[1]

Yorkshire RHA District health authorities	Medical and Dental[2]			Nursing and Midwifery[3]			Administration and Clerical		
	1985	1986	Per cent. change 1985-86	1985	1986	Per cent. change 1985-86	1985	1986	Per cent. change 1985-86
Hull	160	140	−9	2,520	2,570	2	620	600	−2
East Yorkshire	70	70	−2	1,770	1,700	−4	320	310	0
Grimsby	70	70	−4	1,340	1,390	3	280	290	1
Scunthorpe	70	70	7	1,130	1,130	0	270	280	1
Northallerton	20	20	10	530	530	0	130	130	−3
York	100	110	5	2,340	2,360	1	460	470	1
Scarborough	50	50	6	850	870	2	190	200	6
Harrogate	70	70	−3	1,150	1,130	−2	250	270	6
Bradford	170	180	3	2,810	2,770	−1	580	590	1
Airedale	50	60	24	1,430	1,390	−3	270	280	2
Calderdale	80	90	2	1,520	1,550	2	290	290	2
Huddersfield	110	110	5	2,060	2,020	−2	400	410	2
Dewsbury	80	80	7	1,010	1,030	1	230	250	8
Leeds Western	390	400	1	3,380	3,360	−1	790	770	−3
Leeds Eastern	330	320	−3	3,080	3,160	2	770	780	1
Wakefield	110	110	0	2,200	2,130	−3	370	390	4
Pontefract	60	70	11	1,080	1,100	2	250	260	5
Regional Total	2,920	2,970	2	30,220	30,290	0	7,020	7,020	0

Yorkshire RHA District health authorities	Ancillary			Other Staff Groups[4]			Total directly employed staff[5]		
	1985	1986	Per cent. change 1985-86	1985	1986	Per cent. change 1985-86	1985	1986	Per cent. change 1985-86
Hull	930	800	−14	990	1,060	8	5,210	5,180	−1
East Yorkshire	710	540	−24	340	340	−1	3,210	2,960	−8
Grimsby	450	420	−7	280	300	5	2,430	2,460	1
Scunthorpe	360	320	−11	220	230	5	2,060	2,040	−1
Northallerton	170	170	−2	120	120	−3	970	970	−1
York	780	660	−15	740	770	4	4,420	4,370	−1
Scarborough	340	320	−5	210	220	2	1,640	1,660	1
Harrogate	450	430	−4	280	300	6	2,200	2,190	0
Bradford	990	900	−9	620	650	5	5,170	5,090	−2
Airedale	500	450	−10	330	320	−1	2,580	2,500	−3
Calderdale	520	350	−33	310	330	5	2,720	2,600	−4
Huddersfield	730	650	−10	460	460	−1	3,750	3,650	−3

Yorkshire RHA District health authorities	Ancillary 1985	Ancillary 1986	Ancillary Per cent. change 1985-86	Other Staff Groups[4] 1985	Other Staff Groups[4] 1986	Other Staff Groups[4] Per cent. change 1985-86	Total directly employed staff[5] 1985	Total directly employed staff[5] 1986	Total directly employed staff[5] Per cent change 1985-86
Dewsbury	340	290	−14	240	250	5	1,900	1,910	0
Leeds Western	1,310	1,230	−6	1,130	1,180	5	7,010	6,940	−1
Leeds Eastern	1,340	1,280	−5	890	900	1	6,410	6,430	0
Wakefield	800	680	−15	360	460	27	3,850	3,770	−2
Pontefract	420	240	−43	260	270	5	2,070	1,940	−6
Regional Total	11,300	9,870	−13	9,170	9,410	3	60,640	59,570	−2

Source: DHSS (SR7) Annual censuses of NHS medical and non-medical manpower.

[1] Figures are independently rounded to the nearest ten (10) whole time equivalents. Percentage changes are calculated on unrounded figures.

[2] Includes permanent paid, honorary and locum staff. Excludes consultants from non-teaching districts and senior registrars from all districts. Contracts for all senior registrars and for most consultants are held by regional health authorities centrally. There will therefore be more doctors and dentists actually working in the districts than are accounted for in the table.

[3] Includes agency staff.

[4] Includes Professional and Technical, Works, Maintenance and Ambulance Staff (including Officers).

[5] Includes Medical and Dental, Nursing and Midwifery, Professional and Technical, Works, Maintenance, Administrative and Clerical, Ambulance (including Officers) and Ancillary Staff.

[6] Includes staff at Regional Headquarters and HQ Units. Includes Senior Medical and Dental; staff whose contracts are held by the Regional Health Authority (see note (2)).

AGRICULTURE, FISHERIES AND FOOD

Thames Flood Plains

Mr. Bowis: To ask the Minister of Agriculture, Fisheries and Food what assessment his Department has made of the role of the River Thames flood plains in preventing serious flooding.

Mr. Gummer *[holding answer 10 March 1988]:* It is for the water authorities to plan flood protection as they consider appropriate, and this Ministry is involved only when projects are proposed for grant approval.

DEFENCE

Chemical Weapons

Mr. Nicholas Bennett: To ask the Secretary of State for Defence what assessment his Department has made of Soviet modernisation of their chemical weapons; and if he will make a statement.

Mr. Ian Stewart: The Soviet Union commands the world's largest and most sophisticated chemical warfare capability. In 1987, it admitted that it possessed chemical weapons but the dated examples on display during the visit to the Soviet chemical weapons facility at Shikhany last October, revealed little of Soviet modern weapons or chemical agent technology.

There have been many advances in chemical weapons technology in recent years. New methods of delivering an expanding range of potential new agents have been developed. We assess that the Soviet Union's extensive research and development programme will have enabled it to exploit many of these advances and to develop new weapons utilising advanced and sophisticated chemical agents.

Sea Systems Controllerate

Mr. Ian Bruce: To ask the Secretary of State for Defence when he expects to receive the reports concerning the reorganisation of the sea systems controllerate.

Mr. Sainsbury: I expect to receive a report of a full investment appraisal into the options for the co-location of the controllerate project staffs in the autumn.

Management in Government (Report)

Mr. Thurnham: To ask the Secretary of State for Defence what action he is taking on the recommendations of the efficiency committee report, "Improving Management in Government: The Next Steps," which are within the area of responsibility of his Department.

Mr. Sainsbury: In accordance with the policy on Civil Service management announced by my right hon. Friend the Prime Minister on 18 February, the Ministry of Defence is considering two candidates for possible agency status: the Non-Nuclear Research Establishments and the Meteorological Office.

Nuclear Missiles

Mr. Alton: To ask the Secretary of State for Defence when he expects to reach a decision with his North Atlantic Treaty Organisation counterparts on the replacement of the intermediate range of land-based nuclear missiles, with new air and sea-launched cruise missiles and other nuclear weapons, in accordance with the Montebello programme.

Mr. Ian Stewart: NATO is not planning to replace intermediate range land-based nuclear missiles.

NATO Meeting (Belgium)

Dr. Thomas: To ask the Secretary of State for Defence why he did not attend the North Atlantic Treaty Organisation Ministers and Heads of State meeting in Belgium on 2-3 March.

Mr. Ian Stewart: In accordance with the normal practice for such meetings the United Kingdom was represented at the meeting of the North Atlantic Council on 2-3 March by my right hon. Friends the Prime Minister and the Foreign and Commonwealth Secretary.

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PARLIAMENTARY DEBATES

OFFICIAL REPORT

SIXTH SERIES **VOLUME 129**

SESSION 1987–88

7th March–18th March 1988

SCOPE OF THE INDEX, ARRANGEMENT AND ABBREVIATIONS

This index is derived from the House of Commons Library's Parliamentary On-Line Information System (POLIS), and the subject terms used are based on those used in POLIS. There are often changes in column numbering, etc, between the daily part or weekly Hansard (which simply collects together the daily parts without revision) and the bound volume. The index for the bound volume is revised to take account of these changes.

Scope and arrangement of the Index

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Rulings and Statements by Mr Speaker and his deputies are brought together under the heading Speaker's rulings and statements.

Other contributions by Mr Speaker and his deputies appear under the heading Speaker.

Opposition Day Debates, Estimates Day Debates and Standing Order No. 10 applications are listed under those respective headings and under subject headings too.

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Members' names are given in the form by which they prefer to be known and are printed in bold italics. Under their names, entries are arranged under one of the two headings *Debates etc* (to include interventions on statements, points of order and so on) or *Questions*.

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Bills 1R = first reading, 2R = second reading, Money res = money resolution, Com = Committee stage, Rep = Report stage, 3R = third reading, amendt/amendts = amendment/amendments, * = matter taken formally, without debate.

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Community charge rebates 169-70w
Family planning clinics 466w
Gaming machines 652-3w
Income support scheme 169-70w, 403w

***Younger, Rt Hon George**, Secretary of State for Defence*
Questions
D Notices 58w

Youth training scheme
Bridging allowances 41-2w
Houghton 42w